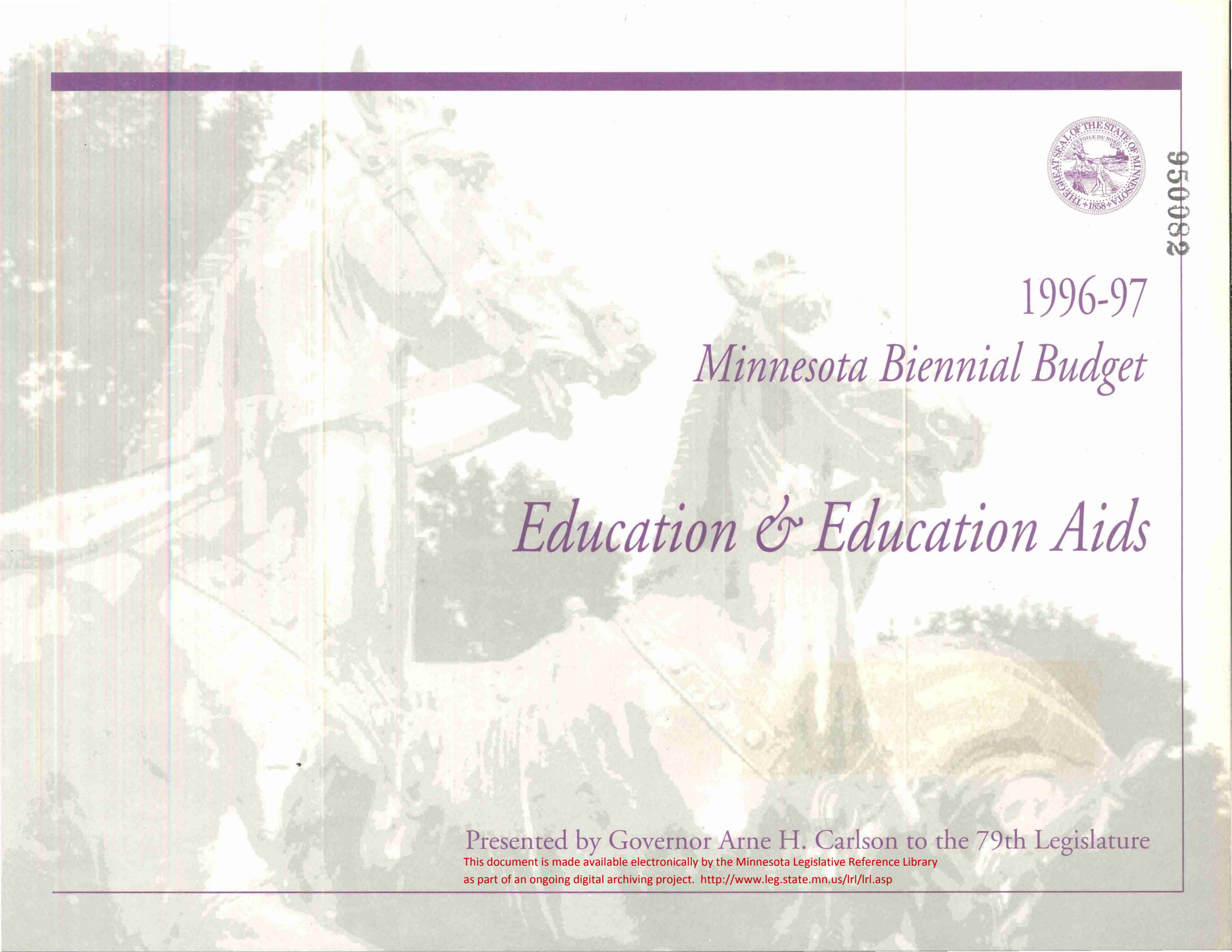



# 1996-97
# *Minnesota Biennial Budget*

# *Education & Education Aids*

Presented by Governor Arne H. Carlson to the 79th Legislature

# 1996-97 BIENNIAL BUDGET

## -INDEX-

## EDUCATION AND EDUCATION AIDS

# EDUCATION AIDS PROGRAMS

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AGENCY: Education Aids

Education finance remains the largest single expenditure category in the state's budget, accounting for approximately 30 percent of the state's expenditures in F.Y. 1994-95 and estimated at the same proportion in F.Y. 1996-97. The Governor's recommendations for the Education Aids budget for F.Y. 1996-97 are based on the following principles:

- The budget is consistent with the appropriation limits established for elementary and secondary education in the 1993 legislative session, minus $26.4 million for the K-12 share of the Cambridge Bank settlement. Budgets for each major spending area were decreased by one percent in order to finance the payments over the next four years. While education's portion of the repayment would have been over $56 million for 1996-97, $30 million was obtained from other sources in order to soften the blow on the education budget.
- The budget moves the education system towards a focus on results, providing districts with increased flexibility to achieve results and increasing local and state accountability.
- The budget is responsive to public concerns about tax burdens, with no net change in property taxes over current law, and no proposals for increases in state-level taxes.

The table below summarizes the increase in total revenue per student since 1991. Under the Governor's proposed plan, total revenues are projected to rise through F.Y. 1997. Revenue per pupil in F.Y. 1996 and F.Y. 1997 will be higher than per pupil revenue in the base year, F.Y. 1995.

| | State Aid Entitlement (millions) | Gross Levies (millions) | Total Revenue (millions | Revenue per Pupil |
|---|---|---|---|---|
| F.Y. 1991 | $2,266 | $1,544 | $3,810 | $5,074 |
| F.Y. 1992 | $2,334 | $1,688 | $4,022 | $5,239 |
| F.Y. 1993 | $2,395 | $1,809 | $4,204 | $5,355 |
| F.Y. 1994 | $2,481 | $2,000 | $4,481 | $5,600 |
| F.Y. 1995 | $2,867 | $2,031 | $4,898 | $5,994 |
| F.Y. 1996 | $2,885 | $2,155 | $5,040 | $6,055 |
| F.Y. 1997 | $2,821 | $2,285 | $5,106 | $6,037 |

This plan places a greater emphasis on results, with increased flexibility at the local level to manage resources in the manner determined locally to best improve student achievement. Accountability will be increased at all levels, helping the public to better understand state and local roles in decisionmaking and to hold state and local officials accountable for the decisions over which they have direct control. Local officials will be given the opportunity to better manage the costs of some of the largest and fastest growing items in school budgets. These reforms will help make Minnesota's education system one which ensures and expects success for all students and assures taxpayers of the value of each dollar they contribute to the operations of that system.

## FLEXIBILITY

School districts will have greater flexibility to use both general education and categorical revenues in the ways that they determine will be most effective in improving student achievement. Under this plan, discretionary spending in the general education formula will be increased by repealing several mandates in current law, including:

- Repealing the set asides for class size reduction, increasing discretionary spending per student;
- Repealing the set aside for staff development and parental involvement (an increase of $84 in discretionary spending per student);
- Repealing the requirement that school districts transfer a portion of the general education revenue to the community service fund for retirement benefits for licensed community education teachers (an increase of $5 in discretionary spending per student);
- Eliminating the penalty for excessive fund balances, allowing districts more discretion on financial management practices; and
- Repealing separate categorical funding for secondary vocational, increasing the general formula by $13 per pupil in second year.

The following changes are also proposed to areas of categorical funding so that districts may determine the most effective strategy for using their resources:

- Combining the compensatory, assurance of mastery (AOM) and limited English proficiency (LEP) revenues, together with federal Chapter/Title 1 funds, into a new "Learning Gap" block grant, beginning in F.Y. 1997. This revenue will be targeted to districts with the greatest needs and will provide more flexibility in using these funds to close the learning gap without regard to specific program restrictions and requirements;
- Improving access to funds for technology improvements at the district level by broadening the use of interactive television revenue into a more general purpose "Instructional Technology" program. This program increases $4 million in F.Y. 1997 over current law levels, for a total of $9.6 million over the biennium. Districts will also be allowed to transfer funds from the general fund to the equipment account in the capital expenditure fund;
- Replacing district cooperation revenue with "Learner Improvement Revenue," to be used for a variety of purposes aimed directly at improving student achievement, based on individual district needs;
- Investigating federal waivers for exemptions from various administrative requirements, particularly in special education. Districts will also be encouraged districts to fully utilize the flexibility that does exist under current law.
- Encouraging districts to seek rule waivers and exemptions, at the state and federal level, in order to tailor programs to local needs, whenever appropriate.

## AN EMPHASIS ON RESULTS

With increased flexibility and local control over financial resources, districts will be charged with demonstrating effective and efficient use of those resources through improved student performance.

- Development and implementation of the Graduation Standards will be accelerated, with a total of $15 million supporting these efforts.
- Included in the new "Learner Improvement Revenue" program is a component called "Funding for Results" which will begin the move towards a performance-based funding system. Funds will be distributed on a per pupil basis in F.Y. 1997 to districts that demonstrate progress towards implementation of the graduation standards.
- Teacher licensure requirements will be strengthened, with higher performance requirements overall and increased requirements for achievement in subject specific coursework.
- Successfully implementing the graduation standards will also require districts to continue their commitment to staff development activities for already-licensed teachers. While the mandate regarding the level of local effort required for staff development has been eliminated, districts will still need to devote sufficient resources to ensure that students can succeed under the new graduation standards.
- Results will be enhanced through results-based interagency family collaboration, with $7.5 million in new education funding for Family Collaboratives included in this proposal. A corresponding amount of $7.5 million is also recommended in the Human Services budget, ensuring that a more comprehensive approach can be crafted to meeting the needs of children and families in our society.

## ACCOUNTABILITY

Accountability within the education finance system will be increased at all levels, by clarifying state and local responsibilities. With the following changes, the focus of the discussion can move from a debate on how funds are raised for education to how funds are spent in education:

- Beginning in F.Y. 1997, a "statewide uniform education levy" will be identified, which will be the sum of the general education, basic transportation, capital expenditure facilities and capital expenditure equipment levies;
- Also, in F.Y. 1997, property tax notices will identify this statewide uniform education levy on a separate line, allowing taxpayers to identify which property taxes are set by the state, and which involve local spending decisions.
- School districts will also be required to hold at least one public hearing each spring to discuss student performance and the district's current and proposed budgets.

## COST CONTAINMENT

Providing increased flexibility, emphasizing results and demanding increased accountability requires that districts have the tools they need to control costs while maintaining quality educational services. The following changes in labor/management relations are proposed:

- Eliminate the January 15 deadline for reaching settlement without loss of funds;
- Retain the right of teachers to strike, as provided for in the Public Employees Labor Relations Act (PELRA), but restrict that right if teachers refuse to go to arbitration to settle a contract and the school board has agreed to arbitration;
- Require that the arbitrator give primary consideration to the ability of employers to manage their operations and maintain the quality of service within existing funding levels when choosing between the employer and employee proposals;
- Develop a timeline for the negotiations process that eliminates the negative impact of the bargaining process on students.

The employer contribution rate for the Teacher's Retirement Association currently does not reflect the true costs of funding plan benefits. The Governor recommends that the TRA Board be given statutory authority to establish contribution rates to the fund. This will permit employer and employee contributions to more closely reflect the costs of benefits, calibrate rates to correct for variances between projected and actual fund experience, reduce inter-generational inequities created by current policy, and de-politicize the process by which those rates are adjusted.

Several actuarial assumptions changes were recommended to the Legislative Commission earlier in 1994 that would substantially reduce the costs of the plan and required contributions. The commission adopted only a sub set of these recommendations. If all the actuary's changes were adopted, the net costs of the plan, expressed as a level percent of payroll, would be reduced by 0.81 percent. If applied to the employer additional contribution rate, this reduction to rates would save school districts an estimated $33.4 million in the 1996-97 biennium. The Governor recommends that the board, not the legislature establish rates, and further recommends the board adopt rates that more closely reflect plan experience and long-run costs.

Spiraling special education costs have also created difficulties for districts in managing their resources equitably and efficiently to assure a free and appropriate public education for all students. In addition to the increased flexibility that districts will be encouraged to explore, this proposal would replace the current formula's tie to special education teacher salaries with a formula tied to statewide pupil unit growth. The state share of special education funding would change to a flat 60 percent of formula revenue. The excess cost program, which provides a safety net ensuring that no district be required to excessively subsidize special education costs from general education resources, is also recommended to increase.

Children continue to be the Governor's highest priority. The demand for increases in funds will continue to be difficult to meet, in an environment where the public is increasingly adamant against tax increases and growth in other areas of the state budget continue to outstrip the rate of revenue growth. These systemic changes proposed in this budget will allow districts to better manage their resources and will increase the chance for the public to play an active role in assessing the success of their school system. The issues facing our schools demand leadership which focuses attention on results, provides the flexibility to do what is needed to achieve these results and holds participants accountable. This budget leads us in that direction.

# EDUCATION AIDS APPROPRIATIONS

($ in 000s)

| | ESTIMATED EXPENDITURES | | | GOVERNOR'S RECOMMENDATIONS | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | F.Y. 1994-95 | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
| **A. STATE GENERAL FUND** | | | | | | |
| **GENERAL EDUCATION** | | | | | | |
| 01 General Education | $1,950,208 | $1,988,592 | $3,938,800 | $1,932,836 | $2,109,272 | $4,042,108 |
| **TOTAL** | **$1,950,208** | **$1,988,592** | **$3,938,800** | **$1,932,836** | **$2,109,272** | **$4,042,108** |
| **PUPIL TRANSPORTATION** | | | | | | |
| 01 Transportation Program | $127,955 | $143,406 | $271,361 | $143,862 | $151,004 | $294,866 |
| 03 Miscellaneous Transportation Levies | 52 | 60 | 112 | 72 | 80 | 152 |
| 04 School District Enroll Options Transportation | 15 | 17 | 32 | 20 | 22 | 42 |
| 05 Transportation Safety - Pupil Transportation | 0 | 2,985 | 2,985 | 2,496 | 2,586 | 5,082 |
| **TOTAL** | **$128,022** | **$146,468** | **$274,490** | **$146,450** | **$153,692** | **$300,142** |
| **SPECIAL PROGRAMS** | | | | | | |
| 01 Special Education - Regular | $192,672 | $201,739 | $394,411 | $192,368 | $196,041 | $388,409 |
| 02 Special Education - Special Pupil | 227 | 428 | 655 | 213 | 222 | 435 |
| 03 Special Education - Summer School | 4,472 | 4,810 | 9,282 | 4,224 | 4,300 | 8,524 |
| 04 Special Education - Home Based Travel | 124 | 159 | 283 | 77 | 80 | 157 |
| 05 Special Education - Excess Cost | 0 | 5,555 | 5,555 | 9,330 | 13,921 | 23,251 |
| 06 Limited English Proficiency | 5,529 | 6,618 | 12,147 | 6,935 | 1,056 | 7,991 |
| 07 Sec. Vocational - Students with Disabilities | 3,788 | 4,276 | 8,064 | 4,457 | 4,619 | 9,076 |
| 08 Special Ed. Levy Summary and Equalization Aid | 14,210 | 18,264 | 32,474 | 17,884 | 17,575 | 35,459 |
| 09 Secondary Vocational | 12,079 | 13,244 | 25,323 | 11,335 | 1,650 | 12,985 |
| 10 American Indian Language and Culture | 591 | 591 | 1,182 | 515 | 502 | 1,017 |
| 11 Indian Education | 175 | 175 | 350 | 152 | 148 | 300 |
| 12 Indian Postsecondary Preparation Program | 857 | 857 | 1,714 | 738 | 738 | 1,476 |
| 13 Indian Scholarships | 1,600 | 1,600 | 3,200 | 1,378 | 1,378 | 2,756 |
| 14 Indian Teacher Grants | 183 | 197 | 380 | 163 | 163 | 326 |
| 15 Tribal Contract Schools | 374 | 457 | 831 | 401 | 390 | 791 |
| 16 Tribal Contract Schools - ECFE | 68 | 68 | 136 | 58 | 58 | 116 |
| 17 Assurance of Mastery | 12,416 | 13,163 | 25,579 | 10,959 | 1,596 | 12,555 |
| 18 AmerSignLang - Tchr Ed Hearing | 25 | 35 | 60 | 13 | 12 | 25 |
| **TOTAL** | **$249,390** | **$272,236** | **$521,626** | **$261,200** | **$244,449** | **$505,649** |
| **COMMUNITY AND FAMILY EDUCATION** | | | | | | |
| 01 Community Education (includes Youth Service Ch. 146) | $3,101 | $3,851 | $6,952 | $2,826 | $846 | $3,672 |
| 02 Extended Day | 0 | 340 | 340 | 58 | 0 | 58 |
| 04 Adult Basic Education | 5,904 | 7,998 | 13,902 | 8,374 | 8,374 | 16,748 |
| 05 Adults with Disabilities | 670 | 670 | 1,340 | 577 | 577 | 1,154 |
| 06 Adult Graduation Aid (Diploma Opportunities for Adults) | 1,827 | 2,195 | 4,022 | 1,866 | 2,000 | 3,866 |

# EDUCATION AIDS APPROPRIATIONS

($ in 000s)

| | ESTIMATED EXPENDITURES | | | GOVERNOR'S RECOMMENDATIONS | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | F.Y. 1994-95 | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
| 07 Hearing Impaired Adults | 70 | 70 | 140 | 60 | 60 | 120 |
| 08 Early Childhood Family Education | 13,464 | 13,876 | 27,340 | 13,919 | 13,921 | 27,840 |
| 09 Early Childhood Screening | 1,543 | 1,550 | 3,093 | 1,352 | 1,317 | 2,669 |
| 10 Way To Grow | 475 | 475 | 950 | 409 | 409 | 818 |
| 11 Learning Readiness | 9,485 | 9,515 | 19,000 | 9,504 | 9,505 | 19,009 |
| 12 GED Test Reimbursement | 99 | 180 | 279 | 126 | 126 | 252 |
| 13 GED Coordination | 60 | 60 | 120 | 52 | 52 | 104 |
| 16 Ombudspersons | 80 | 0 | 80 | 33 | 36 | 69 |
| 17 Violence Prevention Grants (includes Chap. 326) | 2,500 | 1,500 | 4,000 | 1,500 | 1,500 | 3,000 |
| 18 Violence Prevention Councils | 200 | 200 | 400 | 0 | 0 | 0 |
| 19 Interagency Early Intervention - Part H | 0 | 0 | 0 | 0 | 400 | 400 |
| 20 Family Services Collaboratives | 0 | 0 | 0 | 3,500 | 4,000 | 7,500 |
| **TOTAL** | **$39,478** | **$42,480** | **$81,958** | **$44,156** | **$43,123** | **$87,279** |
| **EDUCATION FACILITIES/EQUIPMENT** | | | | | | |
| 01 Capital Expend - Facilities | $73,386 | $76,198 | $149,584 | $70,296 | $71,228 | $141,524 |
| 02 Capital Expend - Equipment | 36,078 | 38,998 | 75,076 | 38,992 | 39,781 | 78,773 |
| 03 Capital Expend - Health and Safety | 11,260 | 17,397 | 28,657 | 15,629 | 12,298 | 27,927 |
| 04 Deseg. Capital Improvements Grants (Info only) | | | | | | |
| 08 Debt Service Equalization | 17,018 | 27,527 | 44,545 | 30,248 | 31,875 | 62,123 |
| **TOTAL** | **$137,742** | **$160,120** | **$297,862** | **$155,165** | **$155,182** | **$310,347** |
| **EDUCATION ORGANIZATION/COOPERATION** | | | | | | |
| 01 Cooperation/Combination | $3,767 | $3,647 | $7,414 | $3,298 | $1,954 | $5,252 |
| 02 District Cooperation Revenue | 0 | 12,290 | 12,290 | 11,793 | 1,715 | 13,508 |
| 03 Consolidation Transition Aid | 0 | 430 | 430 | 826 | 913 | 1,739 |
| 04 Special Consolidation Aid | 0 | 70 | 70 | 75 | 40 | 115 |
| 05 Capital Facility Grants for C&C | 0 | 500 | 500 | 408 | 0 | 408 |
| 06 Transition Aid for Information Support | 0 | 800 | 800 | 500 | 250 | 750 |
| **TOTAL** | **$3,767** | **$17,737** | **$21,504** | **$16,900** | **$4,872** | **$21,772** |
| **ACCESS TO EXCELLENCE** | | | | | | |
| 01 Area Learning Centers | $150 | $150 | $300 | $0 | $0 | $0 |
| 02 Summer Program Scholarships (HECB) | 214 | 214 | 428 | 0 | 0 | 0 |
| 03 Adv. Placement & Int'l Baccalaureate Grants | 197 | 853 | 1,050 | 0 | 0 | 0 |
| 04 ITV Levy /Instructional Technology | 0 | 2,681 | 2,681 | 2,573 | 6,807 | 9,380 |
| 05 Educational Effectiveness | 870 | 870 | 1,740 | 749 | 749 | 1,498 |
| 06 Academic Excellence Foundation | 473 | 575 | 1,048 | 452 | 452 | 904 |
| 07 Environmental Education (MDE) | 30 | 30 | 60 | 0 | 0 | 0 |
| 08 Graduation Rule Acceleration | 4,033 | 5,967 | 10,000 | 10,000 | 5,000 | 15,000 |
| 09 School Improvement Incentive Grants | 125 | 125 | 250 | 0 | 0 | 0 |
| 10 School Restructuring Grants - Models | 0 | 750 | 750 | 0 | 0 | 0 |
| 11 Staff Development Incentive | 0 | 100 | 100 | 0 | 0 | 0 |
| 12 Faculty Exchange Program | 0 | 75 | 75 | 0 | 0 | 0 |
| 13 Mathematics-Science Grant | 295 | 2,705 | 3,000 | 1,292 | 1,292 | 2,584 |

# EDUCATION AIDS APPROPRIATIONS

($ in 000s)

| | ESTIMATED EXPENDITURES | | | GOVERNOR'S RECOMMENDATIONS | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | F.Y. 1994-95 | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
| 14 Inst. Adv Tchg (Minnesota Hum. Commission) | 325 | 325 | 650 | 0 | 0 | 0 |
| 15 Technology Grants | 0 | 1,600 | 1,600 | 0 | 0 | 0 |
| 16 Educational Performance Improvement Grants | 0 | 800 | 800 | 0 | 0 | 0 |
| 17 Internet (InforMNs Project) | 200 | 200 | 400 | 200 | 200 | 400 |
| 18 Learner Improvement Revenue | | | | 0 | 10,358 | 10,358 |
| 19 Charter School Start-up | 0.0 | 0.0 | 0.0 | 100 | 100 | 200 |
| **TOTAL** | **$6,912** | **$18,020** | **$6,450** | **$15,366** | **$24,958** | **$40,324** |
| **OTHER EDUCATION PROGRAMS** | | | | | | 0 |
| 01 School Lunch/Milk Program | $6,525.00 | $6,525.00 | $13,050.00 | 5,617 | 5,617 | 11,234 |
| 02 School Breakfast | 200 | 400 | 600 | 344 | 344 | 688 |
| 03 Summer Food Service | 0 | 30 | 30 | 13 | 13 | 26 |
| 04 Alternative Preparation Licensing, Minority Fellowship Gr | 100 | 150 | 250 | 0 | 0 | 0 |
| 05 Teacher Mentorship (Bd T) | 319 | 361 | 680 | 0 | 0 | 0 |
| 06 Minority Teacher Incentives | 291 | 309 | 600 | 0 | 0 | 0 |
| 07 Career Teacher Aid | 196 | 54 | 250 | 0 | 0 | 0 |
| 08 Teacher of Color Program | 300 | 500 | 800 | 0 | 0 | 0 |
| 09 Teacher Education Improvement - Residency | 23 | 577 | 600 | 0 | 0 | 0 |
| 10 Integration Grants | 18,844 | 18,844 | 37,688 | 16,222 | 16,222 | 32,444 |
| 11 Rule Compliance Levy | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 Nonpublic Pupil Aid | 9,016 | 9,696 | 18,712 | 8,447 | 8,229 | 16,676 |
| 13 Nonpublic Pupil Program Summary (Info only) | | | | | | |
| 14 Abatement Aid and Levy | 12124 | 10067 | 22,191 | 22541 | 9605 | 32,146 |
| 15 Miscellaneous General Levies | | | | | | |
| 16 Youth Apprentice (Chap. 335) M.S. 126B.05 | 517 | 483 | 1,000 | 0 | 0 | 0 |
| 17 YouthWorks - Council, Grants, Match, Admin (Chap. 14 | 127 | 4,031 | 4,158 | 1,813 | 1,813 | 3,626 |
| 18 Cultural Exchange Program | 0 | 142 | 142 | 0 | 0 | 0 |
| 19 Site Grants - Coop Mentor- Alt Licensure (BdT) | 0 | 100 | 100 | 0 | 0 | 0 |
| 20 Desegregation Office - MDE | 0 | 150 | 150 | 129 | 129 | 258 |
| 21 Male Responsibility & Fathering Grants | 0 | 500 | 500 | 0 | 0 | 0 |
| 22 Magnet Schools and Program Grants | 0 | 1,500 | 1,500 | 2,302 | 2,302 | 4,604 |
| 23 Cross Cultural Initiatives (SBE) | 1 | 134 | 135 | 0 | 0 | 0 |
| 24 Agriculture Education Specialist (MDE) | 35 | 35 | 70 | 0 | 0 | 0 |
| 25 Education and Employment Transitions System (Info only) | | | | | | |
| 26 Teacher Certification (Info only) | | | | | | |
| **TOTAL** | **$48,618** | **$54,588** | **$103,206** | **$57,428** | **$44,274** | **$101,702** |
| **PUBLIC LIBRARIES** | | | | | | |
| 01 Libraries - Basic Grants | $7,819 | $7,819 | $15,638 | 7,037 | 6,334 | 13,371 |
| 02 Libraries - Cooperative Grants | 527 | 527 | 1,054 | 474 | 427 | 901 |
| 03 Librarians of Color | 0 | 55 | 55 | 48 | 48 | 96 |
| 04 Children's Library Services Grants | 0 | 50 | 50 | 43 | 43 | 86 |
| **TOTAL** | **$8,346** | **$8,451** | **$16,797** | **$7,602** | **$6,852** | **$14,454** |
| **TOTAL STATE GENERAL FUND** | **$2,572,483** | **$2,708,692** | **$5,262,693** | **$2,637,103** | **$2,786,674** | **$5,423,777** |

# EDUCATION AIDS APPROPRIATIONS

($ in 000s)

| | ESTIMATED EXPENDITURES | | | GOVERNOR'S RECOMMENDATIONS | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | F.Y. 1994-95 | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
| **B. OTHER STATE FUNDS** | | | | | | |
| ENVIRONMENTAL TRUST (Fund 03) | | | | | | |
| DISCONTINUED/NONRECURRING | | | | | | |
| 20 Environmental Projects (LCMR) | $369 | $810 | $1,179 | -- | -- | -- |
| MINNESOTA RESOURCES (Fund 13) | | | | | | |
| DISCONTINUED/NONRECURRING | | | | | | |
| 20 Environmental Projects (LCMR) | 0 | 726 | $726 | -- | -- | -- |
| SCHOOL ENDOWMENT (Fund 20) | | | | | | |
| GENERAL EDUCATION | | | | | | |
| 01 General Education | 33,772 | 32,000 | $65,772 | $32,500 | $32,500 | $65,000 |
| SPECIAL REVENUE (Fund 21) | | | | | | |
| COMMUNITY AND FAMILY EDUCATION | | | | | | |
| 14 Alcohol-Impaired Driver Education | 314 | 314 | $628 | 314 | 314 | $628.0 |
| 15 Chemical Abuse Prevention Grants | 142 | 290 | $432 | 200 | 200 | $400.0 |
| ACCESS TO EXCELLENCE | | | | | | |
| 08 Graduation Rule Acceleration | 188 | 188 | $376 | 188 | 188 | $376.0 |
| **TOTAL OTHER STATE FUNDS** | **$34,785** | **$34,328** | **$69,113** | **$33,202** | **$33,202** | **$66,404** |

**Appropriation data shown for F.Y. 1994 and F.Y. 1995 are actual or estimated expenditures during the year, including both prior year adjustment and current year payments.** For many aid programs, the current year payments are based on 85% of the estimated annual aid entitlement for the current year. The final adjustment payments made in the following year are based on 100% of the actual aid entitlement computed using school district end-of-year data, minus the 85% current year payments. The expenditure amounts shown by program may not equal the direct appropriations provided in law due to cancellations, balance forwards, or transfers from programs with excess appropriations to programs with deficient appropriations. The Governor's recommendations for F.Y. 1996 and F.Y. 1997 are also shown on the 85-15% funding basis.

# EDUCATION AIDS APPROPRIATIONS

($ in 000s)

| | ESTIMATED EXPENDITURES | | |
|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | F.Y. 1994-95 |
| **DISCONTINUED/NONRECURRING PROGRAMS** | | | |
| 13 Spec. Ed. - Residential | $2,616 | n.a. | $2,616 |
| 14 Regional Mgmt Information Centers | 3275 | n.a. | 3,275 |
| 15 Individualized Learning and Development | 2403 | n.a. | 2,403 |
| 16 ECSU Aid | 733 | $110 | 843 |
| 17 Sec. Vocational Cooperatives | 142 | 24 | 166 |
| 18 Nett Lake Insurance/Unemployment | 26 | 50 | 76 |
| 19 Education in Agriculture Leadership | 21 | 29 | 50 |
| 20 Environmental Projects (LCMR) | 1540 | 2 | 1,542 |
| 21 Spec. Ed. - Advisory Councils | 15 | n.a. | 15 |
| 22 North Branch Community School | 200 | n.a. | 200 |
| 23 ECFE - Home Visiting | 450 | n.a. | 450 |
| 24 Local Collaboratives | 4470 | n.a. | 4,470 |
| 25 Library Demonstration Grant | 30 | n.a. | 30 |
| 26 Coop. Sec. Facility Planning | 100 | n.a. | 100 |
| 27 Facility Collaboration Planning Grant #2580 | 50 | n.a. | 50 |
| 28 Metro Deaf Transportation | 21 | 68 | 89 |
| 29 Mountain Iron-Buhl Grant | 75 | 75 | 150 |
| 30 AmerSignLang- Proficiency Evaluation | 12 | 10 | 22 |
| 31 Richfield Grant | n.a. | 500 | 500 |
| 32 Warroad Grant | n.a. | 50 | 50 |
| 33 Additional General Education Aid | n.a. | 15550 | 15,550 |
| 34 Task Force on Disabilities | n.a. | 25 | 25 |
| 35 Student Suspensions and Expulsions Study | n.a. | 40 | 40 |
| 36 Student Survey | n.a. | 150 | 150 |
| 37 Violence Prevention Education (Chap. 576) | n.a. | 999 | 999 |
| 38 Violence Prevention High Risk Youths (Chap. 576) | n.a. | 2200 | 2,200 |
| 39 Local Grass Roots Collaboration | n.a. | 100 | 100 |
| 40 Truancy Project (Chap. 576) | n.a. | 100 | 100 |
| 41 Learning Readiness (Laws 94 Chap. 576) | n.a. | 1500 | 1,500 |
| 42 Facility Planning Grant Lakefield et. al. | n.a. | 100 | 100 |
| 43 Facility Planning Grant - N. St. Paul et. al. | n.a. | 100 | 100 |
| 44 ITV Grants - Districts in Scott/Carver Cos. | n.a. | 189 | 189 |
| 45 ITV Grant - Cromwell | n.a. | 125 | 125 |
| 46 Time and Technology Grant - Cloquet | n.a. | 83 | 83 |
| 47 Coalition for Education Reform and Accountability | n.a. | 50 | 50 |
| 48 Low Income Concentration Grant | n.a. | 1000 | 1,000 |
| 49 Free Breakfast Grants | n.a. | 167 | 167 |
| 50 Nett Lake Youth Program | n.a. | 25 | 25 |
| 51 Red Lake Multicultural Grant | n.a. | 69 | 69 |
| 52 Sexuality and Family Life Survey | n.a. | 25 | 25 |
| 53 Burnsville Facility Grant | n.a. | 500 | 500 |
| **TOTAL** | **$16,179** | **$24,015** | **$40,194** |

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AGENCY: Education Aids

# FEDERAL FUNDS

($ in 000s)

| | | Estimated Expenditures | | Governor's Recommendation | |
|---|---|---|---|---|---|
| | | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| **C. FEDERAL PROGRAMS** | | | | | |
| 0319 | Spec.Ed.Disabled | 34,034 | 34,476 | 34,476 | 34,476 |
| 0320 | Spec.Ed.Preschool | 7,117 | 7,024 | 7,024 | 7,024 |
| 0321 | Spec.Ed.Deaf/Blind | 207 | 214 | 214 | 214 |
| 0322 | Disabled/Residential Facilities | 1,178 | 436 | 436 | 436 |
| 0323 | Chapter 1 ECIA | 83,141 | 79,862 | 79,862 | 79,862 |
| 0324 | Behavioral Intervention | 207 | 117 | 117 | |
| 0325 | Migrant Education | 1,857 | 1,570 | 1,570 | 1,570 |
| 0326 | Transition - Disabled Youths | 426 | 337 | 337 | |
| 0327 | Secondary Vocational | 4,451 | 5,473 | 5,473 | 5,473 |
| 0328 | Emergency Immigrant | 296 | 170 | 170 | |
| 0421 | Part H - Infant and Toddlers | 1,124 | 3,202 | 3,202 | 3,202 |
| 0422 | Homeless Children and Adults | 264 | 257 | 257 | 257 |
| 0423 | School Age Child Care-Dependent Care | 445 | 664 | 664 | 664 |
| 0424 | Drug Free Schools & Communities | 8,914 | 6,239 | 6,239 | 6,239 |
| 0425 | Serve America (Youth Service) | 389 | 520 | 520 | 520 |
| 0426 | AIDS/HIV/STD Education | 26 | 27 | 27 | 27 |
| 0427 | Adult Basic Education | 3,108 | 3,016 | 3,016 | 3,016 |
| 0720 | Foreign Language Assistance | 209 | 218 | 218 | 218 |
| 0721 | NEH Articulate Language - FIPS | 89 | 152 | 152 | 152 |
| 0722 | Byrd Scholarship Program | 174 | 351 | 351 | 351 |
| 0723 | Framework in Arts | 256 | 256 | 256 | |
| 0724 | Teacher Inservice Training | 4,025 | 2,526 | 2,526 | 2,526 |
| 0725 | Sci/Math Internet Grant | | 65 | 65 | 65 |
| 0726 | Goals 2000 | | 710 | 9,000 | 9,000 |
| 0827 | Nutrition Education Training | 47 | 36 | 36 | 36 |
| 0828 | School Lunch | 58,384 | 58,175 | 58,175 | 58,175 |
| 0829 | Special Milk | 905 | 844 | 844 | 844 |
| 0830 | School Breakfast | 8,627 | 7,959 | 7,959 | 7,959 |
| 0831 | Child Care Food | 59,202 | 55,977 | 55,977 | 55,977 |
| 0832 | Summer Food Service | 2,196 | 1,734 | 1,734 | 1,734 |
| 0833 | Food Distribution | | | | |
| 0834 | Consolidated Programs (Block Grant) | 8,643 | 5,572 | 5,572 | 5,572 |
| 0835 | School - Work Opportunities | | 270 | 2,000 | 2,000 |
| 0836 | Americorps | | 1,225 | 1,225 | 1,225 |
| 1005 | Public Library Aid | 1,846 | 2,058 | 2,058 | 2,058 |
| | TOTAL | 291,491 | 281,858 | 291,752 | 291,042 |

AGENCY: EDUCATION AIDS

# SCHOOL DISTRICT GROSS CERTIFIED LEVIES

($ in 000s)

| Program Category | HISTORICAL LEVIES | | | GOVERNOR'S RECOMMENDATION | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | BIENNIUM | F.Y. 1996 | F.Y. 1997 | BIENNIUM |
| Calendar Year of Levy | Pay 1993 | Pay 1994 | | Pay 1995 | Pay 1996 | |
| 01 GENERAL EDUCATION | | | | | | |
| 01 General Education | $971,794.7 | $1,044,199.2 | $2,015,993.9 | $1,054,932.3 | $1,252,775.7 | $2,307,708.0 |
| 01 Training and Experience | 23,243.2 | 35,838.3 | 59,081.5 | 44,825.2 | 0.0 | 44,825.2 |
| 01 Supplemental | 7,994.0 | 2,268.3 | 10,262.3 | 2,346.4 | 2,548.8 | 4,895.2 |
| 01 Referendum | 276,383.1 | 187,484.1 | 463,867.2 | 195,185.2 | 211,982.6 | 407,167.8 |
| -- Limitation Adjustments | (2,202.3) | (847.0) | (3,049.3) | (308.1) | (4,629.5) | (4,937.6) |
| TOTAL | $1,277,212.7 | $1,268,942.9 | $2,546,155.6 | $1,296,981.0 | $1,462,677.6 | $2,759,658.6 |
| 02 PUPIL TRANSPORTATION | | | | | | |
| 01 Basic | $67,642.5 | $67,236.9 | $134,879.4 | $65,662.3 | $67,500.0 | $133,162.3 |
| 01 Nonregular | 28,078.8 | 26,137.0 | 54,215.8 | 29,136.0 | 31,749.2 | 60,885.2 |
| 01 Contracts | 7,404.5 | 7,981.7 | 15,386.2 | 8,569.8 | 8,652.3 | 17,222.1 |
| 01 Excess | 22,150.9 | 25,461.0 | 47,611.9 | 27,113.3 | 7,000.0 | 34,113.3 |
| 02 Late Activity Bus | 1,953.0 | 1,985.3 | 3,938.3 | 3,069.0 | 0.0 | 3,069.0 |
| 02 Bus Purchase | 5,808.1 | 6,477.2 | 12,285.3 | 6,668.3 | 6,868.3 | 13,536.6 |
| 02 Leased Facilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 03 Postsecondary | 163.6 | 182.1 | 345.7 | 124.5 | 182.1 | 306.6 |
| -- Limitation Adjustments | 662.0 | (3,469.8) | (2,807.8) | (1,157.2) | (3,381.1) | (4,538.3) |
| TOTAL | $133,863.4 | $131,991.4 | $265,854.8 | $139,186.0 | $118,570.8 | $257,756.8 |
| 03 SPECIAL PROGRAMS | | | | | | |
| 08 Special Education Current Year | $77,439.0 | $84,584.9 | $162,023.9 | $135,029.1 | $113,518.7 | $248,547.8 |
| -- Limitation Adjustments | 21,436.4 | 15,692.8 | 37,129.2 | 9,202.5 | 9,994.4 | 19,196.9 |
| TOTAL | $98,875.4 | $100,277.7 | $199,153.1 | $144,231.6 | $123,513.1 | $267,744.7 |
| 04 COMMUNITY AND FAMILY EDUCATION | | | | | | |
| 01 Community Education Basic | $26,690.8 | $32,622.9 | $59,313.7 | $33,791.6 | $27,693.6 | $61,485.2 |
| 02 Extended Day-Disabled | 1,901.8 | 2,277.9 | 4,179.7 | 2,339.9 | 0.0 | 2,339.9 |
| 03 Grandfather | 648.4 | 645.8 | 1,294.2 | 595.9 | 0.0 | 595.9 |
| 03 ECFE Home Visiting | 0.0 | 405.1 | 405.1 | 451.5 | 465.0 | 916.5 |
| 04 Adult Education Basic | 5,899.5 | 3,348.7 | 9,248.2 | 3,463.7 | 3,567.6 | 7,031.3 |
| 05 Adults with Disabilities | 635.9 | 664.2 | 1,300.1 | 667.8 | 577.0 | 1,244.8 |
| 08 Early Childhood Family Education | 17,537.9 | 17,636.9 | 35,174.8 | 18,134.4 | 18,678.4 | 36,812.8 |
| -- Limitation Adjustments | 116.4 | 113.8 | 230.2 | 40.2 | (45.2) | (5.0) |
| TOTAL | $53,430.7 | $57,715.3 | $111,146.0 | $59,485.0 | $50,936.4 | $110,421.4 |

AGENCY: EDUCATION AIDS

# SCHOOL DISTRICT GROSS CERTIFIED LEVIES

($ in 000s)

| Program Category | HISTORICAL LEVIES | | | GOVERNOR'S RECOMMENDATION | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | BIENNIUM | F.Y. 1996 | F.Y. 1997 | BIENNIUM |
| Calendar Year of Levy | Pay 1993 | Pay 1994 | | Pay 1995 | Pay 1996 | |
| 05 EDUCATION FACILITIES/EQUIPMENT | | | | | | |
| 01 Facilities - Capital | $40,663.6 | $42,452.5 | $83,116.1 | $42,978.4 | $43,053.4 | $131,623.1 |
| 02 Equipment - Capital | 19,839.6 | 20,647.8 | 40,487.4 | 22,434.3 | 23,157.0 | 131,623.1 |
| 03 Health and Safety | 57,423.3 | 23,251.3 | 80,674.6 | 31,933.8 | 32,681.1 | 64,614.9 |
| 07 Building Lease | 8,715.1 | 10,036.6 | 18,751.7 | 13,356.8 | 13,757.5 | 27,114.3 |
| 07 Building Construction Down Payment | 1,037.6 | 1,097.7 | 2,135.3 | 785.8 | 1,157.7 | 1,943.5 |
| 07 Cooperative Building Repair | 0.0 | 12.0 | 12.0 | 0.0 | 12.0 | 12.0 |
| 07 Disabled Access | 17,645.8 | 14,160.2 | 31,806.0 | 9,723.1 | 8,000.0 | 17,723.1 |
| 07 Consolidation/Transition (Cap Exp) | 51.4 | 0.0 | 51.4 | 225.9 | 0.0 | 225.9 |
| 07 Alternative Facilities | 0.0 | 5,400.0 | 5,400.0 | 5,900.0 | 6,077.0 | 11,977.0 |
| 08 Debt Service and Equalization | 200,452.8 | 221,718.5 | 422,171.3 | 239,864.4 | 256,651.0 | 496,515.4 |
| 08 Debt Service Facilities | 10.0 | 3.0 | 13.0 | 0.0 | (3.0) | (3.0) |
| 08 Debt Service Equipment | 269.7 | 257.1 | 526.8 | 650.6 | 0.0 | 650.6 |
| 08 Coop Secondary Facilities Debt | 1,532.0 | 971.1 | 2,503.1 | 1,714.2 | 300.0 | 2,014.2 |
| 08 Lease Purchase * | 6,062.4 | 7,373.2 | 13,435.6 | 12,178.6 | 15,000.0 | 27,178.6 |
| 08 Energy Conservation * | 3,754.8 | 4,404.9 | 8,159.7 | 3,985.6 | 3,600.0 | 7,585.6 |
| 08 Alternative Facilities Debt | 0.0 | 13,936.7 | | 13,748.0 | 15,000.0 | 28,748.0 |
| 08 Debt Excess Levy | (10,169.8) | (6,366.1) | (16,535.9) | (7,739.1) | (8,000.0) | (15,739.1) |
| -- Limitation Adjustments | (14,142.3) | (12,966.6) | (27,108.9) | (2,038.5) | (780.0) | (2,818.5) |
| TOTAL | $333,146.0 | $346,389.9 | $679,535.9 | $389,701.9 | $409,663.7 | $799,365.6 |
| 06 EDUCATION ORGANIZATION/COOPERATION | | | | | | |
| 01 Cooperation/Combination | 1,827.8 | 1,793.2 | 3,621.0 | $2,097.9 | $1,712.7 | $3,810.6 |
| 02 District Cooperation | 0.0 | 23,882.6 | 23,882.6 | 47,759.3 | 51,866.2 | 99,625.5 |
| 03 Consolidation/Transition (Retirement) | 0.0 | 0.0 | 0.0 | 35.0 | 260.0 | 295.0 |
| -- Education Districts | $13,024.0 | $0.0 | $13,024.0 | 0.0 | 0.0 | 0.0 |
| -- Sec. Vocational Cooperatives | 830.0 | 0.0 | 830.0 | 0.0 | 0.0 | 0.0 |
| -- Interdistrict Cooperation | 1,626.7 | 0.0 | 1,626.7 | 0.0 | 0.0 | 0.0 |
| -- Intermediate Districts | 15,096.5 | 15,462.0 | 30,558.5 | 0.0 | 0.0 | 0.0 |
| -- Big District Cooperation | 6,341.4 | 0.0 | 6,341.4 | 0.0 | 0.0 | 0.0 |
| -- Ed District/Voc Coop Additional Levy | 2,058.0 | 1,819.3 | 3,877.3 | 0.0 | 0.0 | 0.0 |
| -- Intermediate Formula Change | 2,220.5 | 0.0 | 2,220.5 | 0.0 | 0.0 | 0.0 |
| -- Limitation Adjustments | 30.2 | (226.6) | (196.4) | 19,300.0 | 0.0 | 19,300.0 |
| TOTAL | $43,055.1 | $42,730.5 | $85,785.6 | $69,192.2 | $53,838.9 | $123,031.1 |

AGENCY: EDUCATION AIDS

# SCHOOL DISTRICT GROSS CERTIFIED LEVIES

($ in 000s)

| Program Category | HISTORICAL LEVIES | | | GOVERNOR'S RECOMMENDATION | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | BIENNIUM | F.Y. 1996 | F.Y. 1997 | BIENNIUM |
| Calendar Year of Levy | Pay 1993 | Pay 1994 | | Pay 1995 | Pay 1996 | |
| 07 ACCESS TO EXCELLENCE | | | | | | |
| 04 Interactive TV | 3,122.4 | 1,494.5 | 4,616.9 | 1,756.7 | 5,986.5 | 7,743.2 |
| 10 School Restructuring | 0.0 | 106.8 | 106.8 | 693.2 | 0.0 | 693.2 |
| 11 Staff Development | 0.0 | 6.4 | 6.4 | 5.0 | 0.0 | 5.0 |
| TOTAL | $3,122.4 | $1,607.7 | $4,730.1 | $2,454.9 | $5,986.5 | $8,441.4 |
| 08 OTHER EDUCATION PROGRAMS | | | | | | |
| 11 Desegregation | $14,624.9 | $19,191.4 | $33,816.3 | $20,156.6 | $20,793.6 | $40,950.2 |
| 14 Abatement | 25,421.0 | 15,768.8 | 41,189.8 | 39,493.0 | 8,290.3 | 47,783.3 |
| 15 Unemployment Insurance | 5,569.7 | 5,759.1 | 11,328.8 | 5,617.6 | 5,853.4 | 11,471.0 |
| 15 Statutory Operating Debt | 134.0 | 131.9 | 265.9 | 53.6 | 53.6 | 107.2 |
| 15 Operating Debt | 600.9 | 1,176.6 | 1,777.5 | 1,172.3 | 0.0 | 1,172.3 |
| 15 Judgement | 246.0 | 259.3 | 505.3 | 527.4 | 259.3 | 786.7 |
| 15 State Audit | 14.3 | 0.0 | 14.3 | 0.0 | 0.0 | 0.0 |
| 15 Health Insurance Levy | 709.4 | 5,826.4 | 6,535.8 | 6,279.7 | 6,279.7 | 12,559.4 |
| 15 Health Benefits Levy | 8,062.9 | 8,189.4 | 16,252.3 | 8,368.7 | 0.0 | 8,368.7 |
| 15 Minneapolis Retirement | 3,134.9 | 2,364.1 | 5,499.0 | 1,159.2 | 959.1 | 2,118.3 |
| 15 Additional Retirement | 0.0 | 1,600.0 | 1,600.0 | 2,350.0 | 3,600.0 | 5,950.0 |
| 15 Minneapolis Health Insurance | 0.0 | 266.4 | 266.4 | 263.2 | 276.0 | 539.2 |
| 15 St. Paul Severance | 408.6 | 378.9 | 787.5 | 366.2 | 370.7 | 736.9 |
| 15 Crime Levy | 3,482.9 | 3,382.3 | 6,865.2 | 3,910.6 | 3,817.1 | 7,727.7 |
| 15 Ice Arena Levy | 167.5 | 205.0 | 372.5 | 217.3 | 0.0 | 217.3 |
| 15 Reorganization Operating Debt Levy | 289.9 | 414.6 | 704.5 | 756.6 | 507.4 | 1,264.0 |
| 15 Severance Levies | 91.0 | 473.2 | 564.2 | 1,089.7 | 852.1 | 1,941.8 |
| 15 Consolidation/Transition Levies | 134.8 | 197.4 | 332.2 | 551.7 | 197.4 | 749.1 |
| 15 Outplacement Levy | 0.0 | 41.8 | 41.8 | 18.4 | 0.0 | 18.4 |
| -- Low Fund Balance | 1,016.3 | 0.0 | 1,016.3 | 0.0 | 0.0 | 0.0 |
| -- Tech College Merger --Service Fees | 1,336.0 | 835.2 | 2,171.2 | 346.8 | 0.0 | 346.8 |
| -- Limitation Adjustments | (5,034.3) | (1,302.9) | (6,337.2) | (2,673.8) | (2,417.6) | (5,091.4) |
| TOTAL | $60,410.7 | $65,158.9 | $125,569.6 | $90,024.8 | $49,692.1 | $139,716.9 |
| OTHER LEVIES AND ADJUSTMENTS | | | | | | |
| Technical College Levies | 1,723.1 | 591.0 | $2,314.1 | $146.9 | $147.0 | $293.9 |
| Taconite Adjustments | ($11,261.5) | ($10,865.2) | ($22,126.7) | (10,916.5) | (10,916.5) | ($21,833.0) |
| HACA | (189,257.6) | (144,418.3) | (333,675.9) | (145,551.9) | (145,551.9) | (291,103.8) |
| **GRAND TOTAL CERTIFIED LEVIES** | $1,804,320.4 | $1,860,121.8 | 3,664,442.2 | $2,034,935.9 | $2,118,557.7 | 4,153,493.6 |

AGENCY: EDUCATION AIDS

# SCHOOL DISTRICT GROSS CERTIFIED LEVIES

($ in 000s)

| Program Category | HISTORICAL LEVIES | | | GOVERNOR'S RECOMMENDATION | | |
|---|---|---|---|---|---|---|
| | F.Y. 1994 | F.Y. 1995 | BIENNIUM | F.Y. 1996 | F.Y. 1997 | BIENNIUM |
| Calendar Year of Levy | Pay 1993 | Pay 1994 | | Pay 1995 | Pay 1996 | |
| **SUMMARY BY MAJOR TYPE OF LEVY** | | | | | | |
| Operating Fund Levies | $1,669,970.4 | $1,668,424.4 | $3,338,394.8 | $1,801,555.5 | $1,865,215.4 | $3,666,770.9 |
| Nonoperating Fund Levies | 333,146.0 | 346,389.9 | 679,535.9 | 389,701.9 | 409,663.7 | 799,365.6 |
| School District Revenue | $2,003,116.4 | $2,014,814.3 | $4,017,930.7 | $2,191,257.4 | $2,274,879.1 | $4,466,136.5 |
| Homestead Credit Adjustment-PERA | (2,990.3) | (2,990.3) | (5,980.6) | (2,990.3) | (2,990.3) | (5,980.6) |
| Int-Homestead Credit Adjustment-PERA | (133.7) | (133.7) | (267.4) | (133.7) | (133.7) | (267.4) |
| Statutory Operating Debt | (134.0) | (131.9) | (265.9) | (53.6) | (53.6) | (107.2) |
| **TOTAL LEVY REVENUE** | $1,999,858.4 | $2,011,558.4 | $4,011,416.8 | $2,188,079.8 | $2,271,701.5 | $4,459,781.3 |

* Starting with 93 Payable 94 these components are debt service levy components.

NOTE: Levy data shown for F.Y. 1994 and F.Y. 1995 are actual amounts certified by school districts based on district estimates of pupil units, expenditures, and other factors driving levy limitations. Limitation adjustments based on actual data are shown in the year that the adjustments are certified. Levy data shown for F.Y. 1996 are estimated certified levies based on actual levy limitations and projected certification percentages. Levy data shown for F.Y. 1997 are estimated certified levies based on formulas recommended by the Governor, extrapolation of levy trends from recent years, and estimated 1994 adjusted net tax capacities.

The amounts shown may differ from the amounts reported on the individual program budgets, as the amounts reported in the individual program budgets are based on the latest Minnesota Department of Education estimates of final levy authority, including adjustments based on final expenditure and pupil unit data.
the latest Minnesota Department of Education estimates of final levy authority, including adjustments based on final expenditure and pupil unit data.

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# GENERAL EDUCATION PROGRAMS (01)

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| | | |
|---|---|---|
| **PROGRAM:** | 01 | General Education Program |
| **AGENCY:** | | Education Aids |
| | 0101 | GENERAL EDUCATION PROGRAM |
| **CITATION:** | | M.S. 124; 124A |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide Minnesota school districts with general operating revenues, thereby promoting an adequate and equitable system of elementary and secondary education for more than 800,000 students. More specifically, the General Education Program has the following objectives:

- Equity for students.

The General Education Program formula provides equity for students by distributing a large base of funding on a uniform per pupil basis. The formula also provides additional revenues for variations in 1) the cost of delivering equivalent educational programs and services to students, and 2) the cost of educational programs to meet unique needs of different student populations. Through the design of the formula, students have the ability to attend alternative educational programs through a variety of programs such as Open Enrollment and Postsecondary Enrollment Options.

- Equity for taxpayers.

The General Education formula provides equity for taxpayers by imposing tax burdens for basic educational programs and services that are uniform throughout the state. In addition, school districts that provide discretionary programs and services have higher tax rates than school districts that do not provide these services.

- Efficient use of resources.

The General Education formula encourages school districts to provide needed educational programs and services at the least possible cost by addressing only those factors that are beyond the control of the school districts.

- Local control.

Minnesota school districts have a long history of local control. The General Education formula preserves local control of education by providing funding through a general purpose formula that does not significantly restrict local discretion.

- Facilitation of state priorities.

While most of the revenues are provided for broad purposes, the General Education formula restricts some of the funds to be used only for the purposes specified in law. These restricted funds may only be used to facilitate attainment of certain programs and services identified as priorities at the state level.

- Stability for students and taxpayers.

The General Education formula provides stable funding to ensure continuity of programs for students and stability in tax rates for taxpayers.

The General Education Revenue provides the basic support to the school districts, and thus brings to Minnesotans the benefits of being an educated populace. It supplies to districts approximately 80% of their operating revenues and approximately 73% of all revenues. This level of support has enabled Minnesotans to enjoy an education system widely regarded as one of the very best in the United States.

By providing districts with general revenue, this program contributes to the financial health of the districts.

In Minnesota, we have chosen to have a decentralized education system, which ensures that the interest, creativity, and caring which results from local control is realized. For the school districts to be able to function well to accomplish our goals, districts must be provided with an adequate level of general purpose funding.

Because the General Education Program provides basic, general purpose revenue to districts, this program contributes to all of the Department of Education's goals and priorities. This is especially true of the following *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive for learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive for learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

PROGRAM: 01 General Education Program
AGENCY: Education Aids

0101 GENERAL EDUCATION PROGRAM
(Continuation)

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

By providing districts with general revenue, this program contributes to the financial health of districts and contributes to the current priorities of the Minnesota Department of Education (MDE) with a special emphasis on the following two priorities:

- **Coalition for Education Reform and Accountability**
- **Education Facilities Improvement**

Most goals, priorities, outcomes and effectiveness indicators help meet more than one education goal. For additional information on the goals and priorities of the Department of Education, refer to the Annual Agency Performance Report, September 1994, pages 14, 18, 22, 59, 124, 126, 134, 135, 138, and 139.

**DESCRIPTION:**

The General Education Revenue Program provides Minnesota school districts with approximately 80% of their operating fund revenues. The program ensures that districts receive equivalent revenues per pupil, and that the associated taxes on real property are levied at a rate that is uniform across districts.

Since equivalent tax efforts result in equivalent funding per student, the system is said to be fully equalized.

A. OVERVIEW OF GENERAL EDUCATION REVENUE

General education revenue can be categorized along two dimensions: by funding component, and by revenue source. First, the district's total revenue is determined for each funding component. Next, it is determined how much of this revenue will be generated by the local property tax levy. Finally, state aid is calculated by subtracting local revenue from total revenue.

B. THE CALCULATION OF REVENUE

The revenue components are:

1. Revenue Prior to Adjustment:
   a. Basic Revenue,
   b. Compensatory Revenue,
   c. Training and Experience (T & E) Revenue, and
   d. Sparsity Revenue.

2. Adjustments:
   a. Supplemental Revenue, and
   b. Operating Fund Balance Reduction.

Basic revenue is received by all districts. Compensatory revenue, T & E revenue, and sparsity revenue are based on extra costs that are difficult or impossible to control. Supplemental revenue and the fund balance reduction are restricted to certain districts.

1. **Basic Revenue**

Basic revenue is found by multiplying a district's Weighted Average Daily Membership (WADM) by the designated formula allowance.

a. WADM

WADM is the primary measure of school district revenue need. It is based on the associated concept of Average Daily Membership (ADM), which equals the number of student membership days divided by the number of session days. Students are kept in membership until they exit from enrollment or have not been accounted for in three weeks.

To reflect cost differences, WADM is calculated from ADM by applying the following weights:

| Category of Student | WADMs per ADM |
|---|---|
| Disabled pre-kindergarten | 1.00 |
| Disabled kindergarten | 1.00 |
| Regular kindergarten | 0.53 |
| Elementary (grades 1-6) | 1.06 |
| Secondary (grades 7-12) | 1.30 |

The weight for regular kindergarten is lower because the state provides revenue for only half-day kindergarten programs. The number of WADMs generated by a disabled pre-kindergarten or kindergarten student equals the number of hours of service per year in the student's Individual Education Plan (IEP) divided by 875, with a minimum of 0.5 for a full year student and a maximum of 1.0.

The weight for regular kindergarten students was 0.50 until 1992-93. It was increased to 0.515 for 1993-94, and to 0.530 for 1994-95 and thereafter.

The weight for grades 1-6 was 1.00 until 1992-93. It was increased to 1.03 for 1993-94, and to 1.06 for 1994-95 and thereafter.

The extra basic revenue generated by the increase in kindergarten and elementary pupil weights is restricted for the purpose of reducing class size.

b. Formula Allowance

This term refers to the level of basic funding per WADM. Recent amounts are:

| Year | Formula Allowance | Change From Prior Year |
|---|---|---|
| F.Y. 1995 | $ 3,150 | $ 100 |
| F.Y. 1994 | 3,050 | 0 |
| F.Y. 1993 | 3,050 | 0 |
| F.Y. 1992 | 3,050 | 97 |
| F.Y. 1991 | 2,953 | 83 |
| F.Y. 1990 | 2,838 | |

The above figures, when viewed in isolation, may create a misleading impression. There are two reasons for this:

1. When the 1994-95 formula allowance is adjusted for changes between 1992-93 and 1994-95 in the kindergarten and elementary pupil weights, it jumps from $3,150 to $3,237.

2. Starting in 1994-95, supplemental and referendum revenues are reduced by a portion of the increase from 1993-94 levels in basic, compensatory, and training & experience revenue per WADM. (These other funding components are explained below.) For many districts, much of the gain in basic revenue is lost in supplemental or referendum revenue.

2. **Compensatory Revenue**

Compensatory revenue is found by multiplying a district's AFDC Pupil Units by the designated formula allowance.

F.Y. 1996 is the first year of full phase-in of a new compensatory formula. The first year of the phase-in was 1992-93. Since the new formula is more generous than the old one, compensatory revenue has shown consistent increases.

Under the new formula, every district that serves at least one AFDC pupil qualifies for compensatory revenue. The number of pupil units per AFDC pupil increases with the "concentration ratio," the ratio of AFDC pupils to pupils served. If the concentration ratio is zero, each AFDC pupil generates zero pupil units. If the concentration ratio is 11.5% or greater, each AFDC pupil generates the maximum of 0.65 pupil units.

Under the old formula, compensatory revenue was provided only to districts where the ratio of AFDC students to WADM was at least 0.06. As this concentration ratio increased, the pupil units per AFDC student also increased. If the concentration ratio was less that 6%, the pupil units per AFDC student was zero; if the concentration ratio was 11% or more, the pupil units per AFDC student was set at the maximum value of 0.6.

3. **Training and Experience (T & E) Revenue**

Training and Experience (T & E) Revenue is provided to cover about 25% of the added cost of employing teachers who have high seniority and graduate education, and who therefore receive higher salaries than beginning teachers.

F.Y. 1996 is the first year of full phase-in of a new training & experience formula. The phase-ins for compensatory and for T & E revenues are similar: in both cases the first year of phase-in was 1992-93, and in both cases the new formula is more generous than the old one, creating consistent revenue increases.

Virtually every district that employs teachers will qualify for T & E revenue.

Under the new formula there are a number of changes:

1. Redefine the training and experience index such that 1.0 is the state average level of training and experience.
2. Increase the portion of training and experience cost funded.
3. Provide training and experience revenue across the full range of training and experience rather than just districts with the highest levels of training and experience.

4. **Sparsity Revenue**

Sparsity Revenue is provided to districts with small schools that are too isolated to reduce costs by cooperating or consolidating. The smaller the enrollment, the greater the potential sparsity revenue per student. The greater the isolation, the greater the portion of potential revenue that is paid.

a. Sparsity Revenue for High Schools

Sparsity revenue is calculated on a school-by-school basis. For a high school to generate sparsity revenue, it must have a secondary ADM (grades 7-12) less than 400. The first step in calculating revenue is to determine the extra cost associated with small class sizes, low student-teacher ratios, and so forth. Extra cost is determined by the following formula:

extra cost =

1.5 x
formula allowance x
secondary ADM x
(400 - secondary ADM)/(400 + secondary ADM)

- The next step is to determine the portion of extra cost that will be allowed. This is determined with reference to a high school's isolation index, which equals the square root of 55% the area of the school district, plus the distance to the nearest other high school. (If a district is perfectly square and has a high school at its center, the square root of 55% of the area equals a little more than the distance from the high school to the most remote point within the district. If a district has more than one high school, the district's area is divided equally among all high schools.)

The portion of extra cost that is allowed is determined by the formula:

portion = (isolation index - 23)/15

with a minimum of zero and a maximum of one.

The isolation index approximates the longest travel distance that would be necessary after consolidation. Under this formula:

- If the isolation index is less than 23, no sparsity revenue is generated. A commute less than 23 miles is not considered a bar to consolidation.

- If the isolation index is more than 38, all extra costs are paid. A commute more than 38 miles is considered a complete bar to consolidation.

b. Sparsity Revenue for Elementary Schools

Sparsity revenue for elementary schools was first provided in 1989-90. It is determined on a school-by-school basis, and provided for schools with an elementary ADM (kindergarten through grade 6) less than 140. The extra cost of operating a small school is determined by the formula:

extra cost =

formula allowance x
elementary ADM x
(140 - elementary ADM)/(140 + elementary ADM)

If an elementary school is located at least nineteen miles from the nearest other elementary school, the entire extra cost is covered by sparsity revenue. If an elementary school is located less than nineteen miles from the nearest other elementary school, none of the extra cost is covered.

5. **Supplemental Revenue**

Supplemental revenue is based on the idea that districts should receive compensation for any decrease from year to year in total revenue per WADM from the basic, sparsity, and training & experience funding formulas.

Supplemental revenue is initially defined as the result of multiplying the current year's resident WADM by the amount of supplemental revenue per WADM that was received in 1992-93. This revenue is then reduced on the basis of increases in the formula allowance, and increases per WADM in compensatory and T & E revenues.

If the revenue reduction exceeds the initial level of supplemental revenue, then the revised supplemental revenue is zero, and the remaining reduction is taken from referendum revenue.

6. **Operating Fund Balance Reduction**

A reduction to general revenue is applied to districts with especially high balances in the general, transportation, food service, and community service funds. The reduction equals the amount by which the total balance in these four funds exceeds 25% of the formula allowance per pupil unit served ($787.50 in F.Y. 1995), with a maximum reduction of $250 per resident WADM.

The operating fund balance reduction is allocated between the general fund, the transportation fund, and the community service fund in proportion to the operating balances in each fund.

7. **Referendum Revenue**

A school board may increase its revenue for general education, beyond the level otherwise provided by state law, by obtaining approval from the voters in the district for a referendum levy.

The total referendum revenue that may be raised is equal to 1) the tax capacity rate approved by voters, multiplied by the school district's net tax capacity, plus 2) the dollars per WADM approved by voters, multiplied by the school district's WADM, minus 3) a portion of the increase from 1993-94 levels in basic, compensatory, and training & experience revenue per WADM. The revenue reduction has already been discussed in the sections on basic revenue and supplemental revenue.

Revenue authorities expressed as tax capacity rates are based on referendums held in 1990 or earlier. Revenue authorities expressed as dollars per pupil unit are based on referendums held in 1991 or later, and on conversions from tax capacity rates that were made in 1992 and 1993.

Referendum levies based on referendums held in 1991 or earlier are spread among taxpayers on the basis of net tax capacity. Referendum levies based on referendums held in 1992 or later are spread among taxpayers on the basis of market value. This increases the levy burden on homes and farms, and decreases the burden on commercial property.

The first $315 per pupil unit of referendum revenue allowance is fully equalized. Authority from new referendums is limited to no more than ten years.

At least 15 days prior to the referendum election, the school district must send a notice to all taxpayers in the district containing:

- a sample ballot; and
- examples of the dollar impact of the referendum on typical taxpayers with various types of property.

A school board can choose to levy any portion of the amount that a referendum authorizes.

## C. THE CALCULATION OF AIDS AND LEVIES

The general education property tax levy is based on a uniform statewide rate. For property taxes levied in 1994 for payment in 1995 to generate revenues for 1995-96, this rate is 34.2% of Adjusted Net Tax Capacity (ANTC). The concept of ANTC is discussed below.

As a result of the general education funding formula:

- All districts make equivalent tax efforts.
- All districts receive equivalent funding per student.
- The greater a district's property wealth per student, the greater the portion of its revenue that is generated by local taxes.

### 1. Adjusted Net Tax Capacity

Adjusted Net Tax Capacity is a measure of property valuation that reflects the relative ability of school districts to generate local revenue. It was first used as a basis for property taxes levied in 1989 for payment in 1990 to fund education in 1990-91.

The ANTC is determined as follows:

- The Net Tax Capacity (NTC) represents a specified percentage of market value as determined by the tax assessor. The percentage of market value varies with the class of property.
- The Adjusted Net Tax Capacity represents the NTC after an adjustment that is determined by a sales ratio study conducted by the Department of Revenue.

The sales ratio compares the actual selling price of property to the value ascribed by the assessor. Since the typical ratio of ascribed value to true market value will vary from assessor to assessor, the NTC prior to the sales ratio adjustment is not an accurate measure of the local ability to generate revenue for schools. However, the ANTC is an accurate measure of this.

### 2. Aid and Levy for General Revenue Before Adjustment

General education revenue before adjustment equals the sum of basic, compensatory, and sparsity revenue. For most districts, the separation of this revenue into aid and levy is:

Levy = Rate x ANTC
Aid = Revenue - Levy

As already noted, the rate for 1995-96 revenue is .342. The rate for 1994-95 revenue was .349.

If a district's ANTC is extremely high, then the rate times the ANTC may exceed the revenue. In such cases the district is said to be off the formula, and the above rules do not apply. Districts off the formula generally do not receive any state aid for general revenue purposes. These districts are required to levy for the full amount of general revenue, and are also required to make an additional levy for levy equity, equal to the amount by which the rate times the ANTC exceeds the revenue.

Revenue raised through levy equity is subtracted from state aid. Since districts off the formula do not receive any state aid for general revenue, the subtraction is made from state aids that are not associated with general revenue.

3. **Aid and Levy for Training and Experience Revenue**

Starting in 1992-93, there is a separate levy for T & E. The portion of T&E revenue that comes in the form of levy is computed by dividing a district's ANTC per WADM by an equalizing factor that is found by dividing the formula allowance by the basic education tax rate. The equalizing factor for 1995-96 is $3,150/.342 = $9,211. The T & E levy is limited to the amount of T&E revenue. T&E aid equals T&E revenue minus the T&E levy.

4. **Aid and Levy for Supplemental Revenue**

The levy for supplemental revenue equals the total revenue multiplied by the levy ratio. The levy ratio equals general revenue before adjustment, divided by the product of the standard general education levy rate times the ANTC. For districts off the formula, the levy ratio is set equal to one.

Supplemental aid equals total supplemental revenue minus the supplemental levy.

5. **Fund Balance Reductions to Aid and Levy**

The general education levy is reduced by an amount equal to the total reduction for an excess operating fund balance, multiplied by the same levy ratio that applies to supplemental revenue.

The aid reduction for an excess fund balance equals the total reduction minus the levy reduction.

6. **Aid and Levy for Referendum Revenue**

Prior to 1992-93, the referendum revenue was entirely levy. A formula for referendum aid was phased in between 1992-93 and 1994-95. For 1995-96, the first $315 per WADM of referendum revenue is separated between aid and levy in the same proportions that apply for training and experience revenue. Referendum revenue in excess of $315 per WADM is entirely levy.

7. **Postsecondary Enrollment Options**

The Postsecondary Enrollment Options (PSEO) allows 11th and 12th grade learners, who are enrolled in a public school and who meet the admission requirements for the postsecondary institution of their choice, to receive high school credit for attending, full or part-time, a technical college; a community college; a residential liberal arts college or university; any of the Minnesota state universities; or nonprofit, degree granting trade school.

For F.Y. 1993 and beyond, PSEO pupils will generate pupil units based on the ratio of the number of hours enrolled in high school credit-bearing classes to 1,020 hours. Each student is guaranteed to generate pupil units equal to 0.12 ADM times 1.3 up to a maximum of 1.0 ADM times 1.3. The guaranteed 0.12 ADM is prorated for part-year pupils.

A second program through which students may earn high school credits via postsecondary courses was authorized by the 1992 legislature. This program is referred to as "College in the Schools." In this program high school students take postsecondary level courses and the school district pays tuition to the postsecondary institution, by-passing the PSEO program. These students generate full general education revenue.

8. **Revenue for Private Alternative Programs**

Public school districts can contract with private organizations to provide students with alternative educational services. When this is done, the school district receives only basic revenue for the students being served, and must send at least 88% of this revenue on to the private organization.

9. **Shared Time General Education Aid**

General education aid is paid to districts for students who attend public schools on a part-time basis while also attending private schools. Revenue for shared time pupils equals their full time equivalent WADM times the formula allowance. This revenue does not have a levy component; it comes entirely in the form of aid.

D. RESTRICTIONS TO SPENDING GENERAL EDUCATION REVENUES

General revenues are for the most part free from spending restrictions. However, certain requirements must be met:

1. Starting in 1991-92, each district must set aside $5 per WADM for parent involvement programs.

2. Starting in 1988-89, each district must set aside a certain amount for staff development. The restricted amounts are:

| | |
|---|---|
| For 1988-89 to 1990-91: | $ 10.00 per WADM |
| For 1991-92 to 1992-93: | $ 15.00 per WADM |
| For 1993-94: | $ 30.50 per WADM |
| For 1994-95: | $ 63.00 per WADM (2.0% of basic revenue) |
| For 1995-96 and after: | $ 78.75 per WADM (2.5% of basic revenue) |

3. Starting in 1993-94, each district must set aside a certain amount to reduce elementary class sizes. The restricted amounts are:

| | |
|---|---|
| For 1993-94: | $ 91.50 per ADM for grades 1-6, and half of this per kindergarten ADM. |
| For 1994-95 and after: | $ 189.00 per ADM for grades 1-6, and half of this per kindergarten ADM. |

These restrictions equal the additional basic revenue created by increasing the kindergarten and elementary pupil weights from their 1992-93 values of 0.50 and 1.00.

E. REPLACEMENTS OF GENERAL EDUCATION REVENUE

A district's general education revenue is reduced by the amount that it receives from the following sources:

1. The School Endowment Fund

The School Endowment Fund is apportioned twice a year to all districts on the basis of the previous year's average daily membership (M.S. 124.09.) The School Endowment Fund distributes money that is transferred to it from the Permanent School Fund, which generates revenue from its holdings of real property.

If a district receives no general education aid because it is off the formula, the amount it receives from the Endowment School Fund is subtracted from other state revenues provided to the district.

2. County Apportionment Deduction

School districts receive revenue from the apportionment of certain county receipts (M.S. 124.10). This revenue is derived from penalties on real estate taxes, taxes on transmission and distribution lines, liquor license fees, fines, and other sources.

For districts on the formula, this revenue is deducted from general education aid. For districts off the formula, it is deducted from the general education levy.

3. Taconite Aid

Certain districts receive a portion of the state's revenue from various taconite taxes (M.S. 294.21-294.28, Chap. 298). The general education revenue of these districts is reduced by an equal amount. The general education levy is reduced by a minimum of 50% of the second previous year's taconite receipts. The remaining reduction is taken from general education aid.

**PROGRAM STATUS:**

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

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Due to economic and demographic factors, projected spending growth under current statutory formulas will significantly exceed projected revenue growth for the next several bienniums.
- The complexity of the current education funding system limits public understanding and involvement.
- Minnesota districts face differing challenges. Priorities in districts vary based on their needs.
- Districts face challenges in terms of how to provide efficient, high quality service for students and their families given limited growth of resources.

**B. STRATEGIES:**

- To increase public understanding and accountability, the education funding system should be simplified and focused more on results.
- To maximize efficiency and effectiveness, decisions on the use of resources should be made as close to the learner as possible.
- Districts need enhanced flexibility to meet learner needs if they are to be held accountable for results.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $2,250,722 for F.Y. 1996 and $2,163,855 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $1,932,836 in F.Y. 1996 ($302,683 for F.Y. 1995 and $1,630,153 for F.Y. 1996), and $2,109,272 in F.Y. 1997 ($314,205 for F.Y. 1996 and $1,795,067 for F.Y. 1997).

The Governor recommends the following modifications in the General Education Program:

1. Increase the formula allowance to $3,220 for F.Y. 1996 and to $3,240 for F.Y. 1997.

2. Beginning in F.Y. 1996, change the referendum/supplemental allowance reduction such that the reduction does not increase as the formula allowance increases. Beginning in F.Y. 1997, freeze

the referendum/supplemental allowance reduction at the F.Y. 1996 level.

3. Beginning in F.Y. 1996, repeal the mandate requiring school districts to reserve a portion of general education revenue for class size reduction and the associated pupil unit weightings. Weight kindergarten pupils at 0.5 and elementary pupils at 1.0.

4. Beginning in F.Y. 1996, repeal the mandate requiring school districts to reserve a portion of general education revenue for staff development and parent involvement.

5. Beginning in F.Y. 1996, repeal the mandate requiring school districts to transfer a portion of general education revenue to the community service fund for the employer contributions for teacher retirement and FICA for teacher retirement association members paid from the community service fund.

6. Beginning in F.Y. 1996, permit school districts to permanently transfer money from the general fund to the equipment account in the capital expenditure fund.

7. Beginning in F.Y. 1997, repeal the reduction to general education revenue for school districts maintaining fund balances exceeding 25% of the formula allowance.

8. Beginning in F.Y. 1996, repeal the January 15 contract deadline and penalty.

These changes will increase school district flexibility to manage resources in the manner determined locally to be most effective for improving student performance.

9. Beginning in F.Y. 1997, combine the compensatory, assurance of mastery and limited English proficiency (LEP) revenues, (together with federal Chapter/Title I funds), to form a new learning gap block grant. Define learning gap pupil units as the sum of AFDC pupil units and LEP pupil units. Add an additional weighting of 0.03 for each AFDC pupil. Compute LEP pupil units as 0.18 times the district's LEP enrollment, with a minimum of 1 LEP pupil unit for a district enrolling LEP pupils. Compute learning gap revenue as the sum of $4 times actual pupil units plus the formula allowance times learning gap pupil units. Require that learning gap revenue be used for compensatory education programs.

This block grant will target compensatory education revenues to school districts with the greatest needs, and will provide districts with greater flexibility to manage resources in the manner determined locally to be most effective for closing the learning gap.

10. Beginning in F.Y. 1997, equalize referendum levies spread on referendum market value based on the school district's referendum market value per pupil unit. Set the equalizing factor for levies spread on referendum market value at $466,000 per pupil unit.

This will make the equalization method for market value referendum levies consistent with the tax base on which the levies are spread.

11. Beginning in F.Y. 1997, equalize referendum levies spread on tax capacity using an equalizing factor of $9,415 per pupil unit.

This will stabilize the state and local shares of referendum revenue as changes are made in pupil unit weightings, the formula allowance, and the general education levy target.

12. Beginning in F.Y. 1997, fully fund training and experience revenue from state aid, eliminating the separate training and experience levy.

This will simplify levy computations, create a more uniform distribution of general education levies statewide, and make the method of funding training and experience revenue consistent with the method of funding compensatory revenue and sparsity revenue.

13. Beginning in F.Y. 1997, define the "statewide uniform education levy" as the sum of the general education, basic transportation, capital expenditure facilities, and capital expenditure equipment levies.

14. Beginning in F.Y. 1997, set the target for the statewide uniform education levy at $1,386,500,000. Set the targets for the general education levy, the basic transportation levy, the capital expenditure facilities levy, and the capital expenditure equipment levy, respectively, at 90.36%, 4.87%, 3.10%, and 1.67% of this amount.

15. Beginning in F.Y. 1997, modify the notice of proposed property taxes and the property tax statement to show the statewide uniform education levy as a separate line.

These changes will clarify state and local roles in school property tax decisions, thereby increasing public understanding and accountability.

16. Beginning in F.Y. 1997, require school districts to hold at least one public hearing each spring to discuss and seek public comment on student performance, the district's budget for the current fiscal year, and the district's proposed budget for the following fiscal year. The hearing may be held in conjunction with a regularly scheduled school board meeting.

This will increase public understanding and involvement in school performance and budget issues.

17. Beginning in F.Y. 1997, change the deadline for the Department of Education to certify levy limitations to school districts to September 8, and the deadline for school districts to certify proposed property taxes to the county auditor to September 30. Specify that, if a school district does not certify a proposed levy by September 30, the levy limitation shall be deemed the proposed levy.

This will enable the department to base initial levy computations on more accurate and complete data, will allow the school districts more time to review the levy limitations, and will avoid the need for special board meetings for school districts that intend to propose the maximum levy amounts.

18. Beginning in F.Y. 1997, compute AFDC pupil units for students moving between a school district with a desegregation plan and another school district under open enrollment using the AFDC pupil weighting for the district from which the students are moving.

This will facilitate desegregation by ensuring that districts receiving students from a district with a desegregation plan receive the same compensatory funding for these students as the home district would have received had the students remained in their home district.

19. Beginning in F.Y. 1997, compute pupil units for prekindergarten disabled students using a single formula based on membership hours. Define average daily membership as the number of hours of instruction divided by 825, with a minimum of 0.28 ADM per student.

This will simplify record keeping and reporting of prekindergarten pupil data for school districts.

20. Beginning in F.Y. 1996, adjust general education aid payments to school districts qualifying for a 90%-10% payment schedule under the year-round school statute to ensure that qualifying districts receive an amount equal to 90% of the district's aid for all programs during the current year.

This will enable the implementation of the required 90%-10% payment schedule without changing the appropriation computations for all categorical programs.

21. Beginning in F.Y. 1996, modify the computation of postsecondary enrollment options (PSEO) pupil units by a) using the actual number of annual instructional hours in the district as the divisor instead of 1020 hours, and b) including study hall hours for the portion of the year when the student is not participating in PSEO.

This will make the computation of average daily membership for PSEO pupils more consistent with the computation of average daily membership for other pupils.

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| I. Pupil Unit and Property Valuation Data | | | | | |
| A. Average Daily Membership | | | | | |
| 1. Pre-kindergarten | 4,825 | 4,900 | 4,900 | 4,900 | 4,900 |
| 2. Kindergarten disabled | 1,843 | 2,086 | 2,086 | 2,086 | 2,086 |
| 3. Kindergarten non-disabled | 59,212 | 59,201 | 59,894 | 60,705 | 60,966 |
| 4. Elementary | 378,258 | 380,023 | 381,939 | 384,133 | 386,482 |
| 5. Secondary | 337,338 | 349,757 | 364,125 | 376,377 | 387,298 |
| 6. Total ADM | 781,476 | 795,967 | 812,944 | 828,201 | 841,732 |
| B. Weighted Average Daily Membership | | | | | |
| 1. Total WADM | 853,076 | 883,582 | 916,948 | 935,631 | 952,457 |
| C. AFDC Pupil Units | | | | | |
| 1. Student Counts | 67,336 | 69,450 | 74,293 | 76,495 | 78,015 |
| 2. AFDC pupil units (old formula) | 25,044 | 25,656 | 27,379 | N/A | N/A |
| 3. AFDC pupil units (new formula) | 34,578 | 35,706 | 38,449 | 39,646 | 40,457 |
| D. Property Valuation | | | | | |
| 1. Valuation Year | 1990 | 1991 | 1992 | 1993 | 1994 |
| 2. ANTC (Adjusted Net Tax Capacity) | 3,315,084.9 | 3,192,308.6 | 3,012,881.5 | 3,102,495.1 | 3,255,614.2 |
| II. General Education Revenues | | | | | |
| A. Basic Revenue | | | | | |
| 1. Formula Allowance | 3,050 | 3,050 | 3,150 | 3,150 | 3,150 |
| 2. Basic Revenue (WADM times formula allowance) | 2,601,882.3 | 2,694,926.0 | 2,888,386.4 | 2,947,236.6 | 3,000,239.0 |
| 3. Districts | 413 | 394 | 381 | 381 | 381 |

PROGRAM: 01 General Education Program
AGENCY: Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Compensatory Revenue | | | | | |
| 1. Amount | 83,653.0 | 93,577.6 | 112,396.7 | 124,883.8 | 127,439.3 |
| 2. Districts | 410 | 391 | 380 | 373 | 379 |
| C. Elementary Sparsity Revenue | | | | | |
| 1. Amount | 569.2 | 569.2 | 646.1 | 646.1 | 646.1 |
| 2. Districts | 9 | 9 | 9 | 9 | 9 |
| D. Secondary Sparsity Revenue | | | | | |
| 1. Amount | 5046.1 | 4938.7 | 8314.7 | 8154.2 | 8107.9 |
| 2. Districts | 55 | 50 | 60 | 57 | 58 |
| E. Fund Balance Reduction | | | | | |
| 1. Maximum fund balance per pupil unit | 600.00 | 600.00 | 787.50 | 787.50 | 787.50 |
| 2. Fund balance reduction | 4,338.6 | 4,964.8 | 1,734.7 | 687.3 | 672.4 |
| 3. Districts | 66 | 68 | 20 | 10 | 10 |
| F. General Education Revenue (Excl. Supplemental) | | | | | |
| 1. Amount | 2,686,812.0 | 2,789,046.7 | 3,008,009.2 | 3,080,233.4 | 3,135,759.9 |
| 2. Districts | 413 | 394 | 381 | 381 | 381 |
| III. General Education Aid and Levy | | | | | |
| A. Initial General Education levy | | | | | |
| 1. Basic tax rate Percent of ANTC | 27.9 | 30.7 | 34.9 | 34.2 | 32.6 |
| 2. Statutory amount to be levied | 916,000.0 | 969,800.0 | 1,044,000.0 | 1,054,000.0 | 1,054,000.0 |
| 3. Actual Levy Amount | 918,633.7 | 974,443.9 | 1,045,904.7 | 1,056,078.1 | 1,056,822.2 |
| 4. Districts | 413 | 394 | 381 | 381 | 381 |

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Fund Balance Reduction to Levy | | | | | |
| 1. Amount | 1,942.5 | 2,356.4 | 678.3 | 268.9 | 261.1 |
| 2. Districts | 66 | 68 | 20 | 10 | 10 |
| C. Net General Education Levy | | | | | |
| 1. Amount (initial levy minus fund balance reduction) | 916,691.2 | 972,087.5 | 1,045,226.4 | 1,055,809.2 | 1,056,561.1 |
| 2. Districts | 413 | 394 | 381 | 381 | 381 |
| D. General Education Aid | | | | | |
| 1. Initial Aid Amount | 1,775,994.5 | 1,820,086.1 | 1,964,138.5 | 2,025,132.4 | 2,079,904.7 |
| 2. Fund balance reduction | (2,396.1) | (2,608.4) | (1,056.4) | (418.4) | (411.3) |
| 3. Total aid | 1,773,598.4 | 1,817,477.7 | 1,963,082.1 | 2,024,714.0 | 2,079,493.4 |
| 4. Districts | | | | | |
| a. Receiving initial aid | 409 | 390 | 379 | 379 | 379 |
| b. Fund balance reductions | 65 | 66 | 20 | 10 | 10 |
| c. Total districts | 409 | 390 | 379 | 379 | 379 |
| E. Levy Equity Adjustment | | | | | |
| 1. Amount off the formula | 9,752.5 | 6,113.2 | 5,890.3 | 5,252.7 | 4,802.6 |
| 2. Levy equity adjustment (the amount added to the levy and then subtracted from state categorical aids) | 3,477.6 | 518.4 | 299.3 | 289.9 | 294.6 |
| 3. Districts | 4 | 4 | 2 | 2 | 3 |
| IV. Training and Experience Aid and Levy | | | | | |
| A. Training and Experience Revenue | | | | | |
| 1. Amount | 37,015.4 | 58,360.9 | 94,069.2 | 120,953.8 | 123,487.3 |
| 2. Districts | 405 | 392 | 379 | 379 | 379 |

PROGRAM: 01 General Education Program
AGENCY: Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Training and Experience Levy | | | | | |
| 1. Amount | 15,953.9 | 22,870.2 | 35,880.8 | 44,882.0 | 44,913.8 |
| 2. Districts | 405 | 392 | 379 | 379 | 379 |
| C. Training and Experience Aid | | | | | |
| 1. Amount | 21,061.5 | 35,490.7 | 58,188.4 | 76,071.8 | 78,573.5 |
| 2. Districts | 403 | 390 | 377 | 377 | 377 |
| V. Supplememtal Aid and Levy | | | | | |
| A. Supplemental Revenue | | | | | |
| 1. Amount | 13,761.7 | 15,325.8 | 3,993.2 | 2,996.7 | 2,973.7 |
| 2. Districts | 135 | 130 | 26 | 14 | 14 |
| B. Supplemental Levy | | | | | |
| 1. Amount | 7,714.4 | 8,142.4 | 2,402.6 | 2,177.1 | 2,178.5 |
| 2. Districts | 135 | 130 | 26 | 14 | 14 |
| C. Supplemental Aid | | | | | |
| 1. Amount | 6,047.3 | 7,183.4 | 1,590.6 | 819.6 | 795.2 |
| 2. Districts | 132 | 127 | 25 | 13 | 13 |
| VI. Referendum Aid and Levy | | | | | |
| A. Referendum Revenue | | | | | |
| 1. Amount | 283,102.5 | 308,209.5 | 294,191.4 | 314,273.2 | 345,700.5 |
| 2. Districts | 269 | 273 | 269 | 284 | 286 |
| B. Referendum Levy | | | | | |
| 1. Amount | 270,183.5 | 279,448.6 | 188,995.7 | 195,185.2 | 213,490.7 |
| 2. Districts | 269 | 273 | 269 | 284 | 286 |
| C. Referendum Aid | | | | | |
| 1. Amount | 12,919.0 | 28,760.9 | 105,195.7 | 119,088.0 | 132,209.8 |
| 2. Districts | 236 | 231 | 268 | 283 | 285 |

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| VII. Post Secondary Enrollment Aid | | | | | |
| A. Amount | 8,681.6 | 10,383.0 | 10,943.0 | 11,130.3 | 11,472.8 |
| B. Districts | 290 | 296 | 300 | 300 | 300 |
| VIII. Private Alternative Aid | | | | | |
| A. Amount | 4,481.4 | 4,516.0 | 4,538.4 | 4,687.2 | 4,687.2 |
| B. Districts | 3 | 3 | 3 | 3 | 3 |
| IX. Shared Time Aid | | | | | |
| A. FTE Pupil Units | 820 | 880 | 880 | 880 | 880 |
| B. Formula Allowance | 3,050 | 3,050 | 3,150 | 3,150 | 3,150 |
| C. Amount | 2,498.3 | 2,684.0 | 2,772.0 | 2,772.0 | 2,772.0 |
| D. Districts | 158 | 158 | 158 | 158 | 158 |
| X. Subtractions from Aid | | | | | |
| A. Endowment Fund Earnings | 31,918.3 | 33,771.8 | 32,000.0 | 32,500.0 | 32,500.0 |
| B. Taconite Aid | 3,657.0 | 2,960.8 | 2,764.1 | 2,764.1 | 2,764.1 |
| C. County Apportionment | 17,623.5 | 17,903.3 | 17,000.0 | 17,000.0 | 17,000.0 |
| D. Total Subtractions | 53,198.8 | 54,635.9 | 51,764.1 | 52,264.1 | 52,264.1 |
| XI. Program Totals | | | | | |
| A. Total Program Revenue | | | | | |
| 1. Reserved for categoricals | 57,241.4 | N/A | N/A | N/A | N/A |
| 2. Reserved for Parental Involvment | 4,265.4 | 4,417.9 | 4,584.7 | 4,678.2 | 4,762.3 |
| 3. Reserved for staff development | 12,796.1 | 26,949.3 | 57,767.7 | 73,680.9 | 75,006.0 |
| 4. Learning and Development Reserve | N/A | 37,480.6 | 77,846.5 | 78,337.8 | 78,806.4 |
| 5. Unreserved Revenue | 2,962,050.0 | 3,119,678.2 | 3,278,317.5 | 3,380,349.7 | 3,468,278.7 |
| 6. Total Program Revenue (before TRA subt.) | 3,036,352.9 | 3,188,525.9 | 3,418,516.4 | 3,537,046.6 | 3,626,853.4 |
| 7. TRA Adjustment | (14,785.8) | (15,352.8) | (16,300.4) | (17,115.4) | (17,971.2) |
| 8. Total Program Revenue | 3,021,567.1 | 3,173,173.1 | 3,402,216.0 | 3,519,931.2 | 3,608,882.2 |

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Total Local Levies | 1,210,543.0 | 1,282,548.7 | 1,272,505.5 | 1,298,053.5 | 1,317,144.1 |
| C. Total Aid Entitlement | | | | | |
| 1. Gross aid (districts on the formula) | 1,829,287.5 | 1,906,495.7 | 2,146,310.2 | 2,239,282.9 | 2,310,003.9 |
| 2. Levy equity adjustment | (3,477.6) | (518.4) | (299.3) | (289.9) | (294.6) |
| 3. Aid Before TRA Adj | 1,825,809.9 | 1,905,977.3 | 2,146,010.9 | 2,238,993.0 | 2,309,709.3 |
| 4. TRA Adjustment | (14,785.8) | (15,352.8) | (16,300.4) | (17,115.4) | (17,971.2) |
| 5. Aid after TRA Adj | 1,811,024.1 | 1,890,624.5 | 2,129,710.5 | 2,221,877.6 | 2,291,738.1 |
| 6. Subtractions | (53,198.8) | (54,635.9) | (52,264.1) | (52,264.1) | (52,264.1) |
| 7. Net Aid | 1,757,825.3 | 1,835,988.6 | 2,077,946.4 | 2,169,613.5 | 2,239,474.0 |
| D. Discontinued Programs | | | | | |
| 1. Declining Pupil Unit Aid | N/A | 1,572.9 | N/A | N/A | N/A |
| 2. Addition General Educ Aid | N/A | N/A | 15,550.0 | N/A | N/A |
| 3. Richfield Aid | N/A | N/A | 500.0 | N/A | N/A |
| 4. Angle Inlet Aid | N/A | N/A | 50.0 | N/A | N/A |
| 5. Total discont. programs | 0.0 | 1,572.9 | 16,100.0 | 0.0 | 0.0 |
| E. Grand Total Aid | 1,757,825.3 | 1,837,561.5 | 2,094,046.4 | 2,169,613.5 | 2,239,474.0 |

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-1
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|
| XII. Aid Entitlement Reconciliation | | | | |
| A. Appropriation-Implied Entitlement | 1,903,838 | 2,140,616 | 2,140,616* | 2,140,616* |
| B. Entitlement Changes Per Law | | | | |
| 1. Budget Variables | | | | |
| a. Revenue Increases/(Decreases) | | | | |
| (i) Pupil Unit Change | (11,751) | (18,425) | 46,610 | 96,947 |
| (ii) AFDC Count Change | | 8,380 | 12,036 | 14,519 |
| (iii) Change in Fund Balance | (1,922) | 141 | 1,189 | 1,204 |
| (iv) Referendum Revenue Changes | | (1,795) | 13,229 | 49,714 |
| (v) Supplemental Reserve | 1,301 | | | |
| (vi) TRA Adjustment | 308 | 65 | (750) | (1,606) |
| b. Levy Decreases/(Increases) | | | | |
| (i) Change in Pupil Units | (149) | (473) | | |
| (ii) Change in Fund Balance | 887 | 70 | (554) | (563) |
| (iii) Change in Referendum Revenue | | 1,132 | (5,058) | (23,363) |
| (iv) Supplemental Revenue | (315) | | | |
| (v) TRA Adjustment | | | | |
| 2. Legislation Becoming Effective | | | | |
| a. Revenue Increases/(Decreases) | | | | |
| (i) T&E Phase-In | | | 24,936 | 25,351 |
| (ii) AFDC Phase-In | | | 8,831 | 8,903 |
| (iii) Change in Levy Target | | | | |
| b. Levy Decreases/(Increases) | | | | |
| (i) T&E Phase-In | | | (9,207) | (9,984) |
| (ii) Change in Levy Target | | | (10,000) | (10,000) |
| C. Total Aid Entitlement | | | | |
| After TRA Adjustment | 1,890,624 | 2,129,711 | 2,221,878 | 2,291,738 |
| Declining Pupil Unit Aid | 1,573 | — | — | — |
| | 1,892,197 | | | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations.

PROGRAM: 01 General Education Program
AGENCY: Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-2
GENERAL EDUCATION PROGRAM (APPROPRIATION ACCOUNT BASIS)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| I. Prior Year Final Adjustment | | | | | |
| A. Gross Payment | | | | | |
| 1. Regular | 277,184.2 | 279,733.7 | 293,371.1 | 321,530.8 | 335,476.7 |
| 2. Shared Time | 349.1 | 402.6 | 402.6 | 415.8 | 415.8 |
| 3. Total gross payment | 277,533.3 | 280,136.3 | 293,773.7 | 321,946.6 | 335,892.5 |
| B. Subtractions (Taconite and County Apportionment) | (20,509.1) | (21,064.2) | (20,791.6) | (19,264.1) | (19,264.1) |
| C. Tax Shift Adjustment | (2,441.6) | (18,588.9) | (3,634.0) | 0 | 0 |
| D. Other Adjustment | (93.6) | (2,715.4) | (347.6) | 0 | 0 |
| E. Net Final Payment | 254,489.0 | 237,767.8 | 269,000.5 | 302,682.5 | 316,628.4 |
| II. Current Year Advance | | | | | |
| A. Gross Payment | | | | | |
| 1. Regular | 1,549,294.7 | 1,612,013.4 | 1,822,007.6 | 1,901,034.5 | 1,961,147.1 |
| 2. Shared Time | 2,281.4 | 2,281.4 | 2,356.2 | 2,356.2 | 2,356.2 |
| 3. Total gross payment | 1,551,576.1 | 1,614,294.8 | 1,824,363.8 | 1,903,390.7 | 1,963,503.3 |
| B. Subtractions | | | | | |
| 1. Endowment fund | (31,918.3) | (33,268.2) | (32,000.0) | (32,500.0) | (32,500.0) |
| 2. Prior year taconite and county apportionment (not recovered on final payment) | (523.0) | (238.2) | (72.5) | (500.0) | (500.0) |
| C. Payment after Subtractions | 1,519,134.8 | 1,580,788.4 | 1,792,291.3 | 1,870,390.7 | 1,930,503.3 |
| D. Tax Shift Adjustment | (214,489.8) | 146,934.2 | (54,700.0) | (181,800.0) | (6,700.0) |

(continued on next page)

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0101 GENERAL EDUCATION PROGRAM AND REFERENDUM REVENUE
(Continuation)

TABLE 1-2
GENERAL EDUCATION PROGRAM (APPROPRIATION ACCOUNT BASIS)
(continued from previous page)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| E. Levy Equity Adjustment | (1,706.3) | (588.8) | (299.3) | (289.8) | (294.6) |
| F. TRA Reduction | (14,373.8) | (15,352.8) | (16,300.4) | (17,115.4) | (17,971.2) |
| G. Other Adjustments | (1,200.0) | 659.2 | (1,400.0) | (1,400.0) | (1,400.0) |
| H. Net Advance Payment | 1,287,364.9 | 1,712,440.2 | 1,719,591.6 | 1,669,785.5 | 1,904,137.5 |
| III. Total Payments (Ext. Discount) | 1,541,853.9 | 1,950,867.2 | 1,988,592.1 | 1,972,468.0 | 2,220,765.9 |
| IV. Discontinued Programs | N/A | [a] | 16,100.0 | N/A | N/A |
| V. Grand Total | 1,541,853.9 | 1,950,364.0[a] | 2,004,692.1 | 1,972,468.0 | 2,220,765.9 |

[a] Includes declining pupil unit aid

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0101: GENERAL EDUCATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 1,903,838 | $ 2,140,616 | $ 2,221,878 | $ 2,291,738 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL (After TRA Reduction) | 1,903,838 | 2,140,616 | 2,221,878 | 2,291,738 |
| 5. Statutory Formula Aid (Detail in Narrative) | 1,892,197[a] | 2,129,711[b] | | |
| 6. Funding Excess/Deficiency | 11,641 | 10,905 | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 1,282,549 | 1,272,506 | 1,298,053 | 1,317,144 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 3,174,746 | 3,402,217 | 3,519,931 | 3,608,882 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Increase Formula Allowance to $3220/$3240; Freeze Referendum/Suppl.Reduction @ FY 96 Level | | | 66,534 | 93,975 |
| 2. Change Pupil Unit Weights | | | <82,690> | <90,320> |
| 3. Repeal Fund Balance Reduction | | | | 403 |
| 4. Change Compensatory Formula | | | | 24,964 |
| 5. Eliminate T & E Levy | | | | 43,667 |
| 6. Increase General Education Levy; Equalize Ref. Levy with Equalizing Factor of $9415 | | | | <200,572> |
| Current Law Aid Funding Level (Line 4) | | | 2,221,878 | 2,291,738 |
| **RECOMMENDED AID ENTITLEMENT (After TRA Reduction)** | | | 2,205,722 | 2,163,855 |
| **GOVERNOR'S RECOMMENDATIONS : LEVY** | | | | |
| 1. Increase Formula Allowance to $3220/$3240; Freeze Referendum/Supp. Reduction @ FY 96 Level | | | <2,649> | <3,689> |
| 2. Change Pupil Unit Weights | | | <1,789> | <1,665> |
| 3. Repeal Fund Balance Reduction | | | | 250 |
| 4. Change Compensatory Formula | | | | <5> |
| 5. Eliminate T & E Levy | | | | <43,667> |
| 6. Increase General Education Levy; Equalize Ref. Levy with Equalizing Factor of $9415 | | | | 198,939 |
| Current Law Levy (Line 8) | | | 1,298,053 | 1,317,144 |
| **RECOMMENDED LEVY** | | | 1,293,615 | 1,467,307 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY (After TRA Reduction)** | | | 3,499,337 | 3,631,162 |

[a]Includes $1,573 of declining pupil unit aid available in FY 1994 only.

[b]Excludes $16,100 of one-time special appropriations for general education aid (staff development), Richfield aid, and Angle Inlet school aid. (See discontinued programs for more information.)

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0101: GENERAL EDUCATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 257,551[c] | 270,110[d] | 302,683 | 314,205 |
| Current Year 85 Percent | 1,712,440 | 1,734,867 | 1,630,153 | 1,795,067 |
| Transfers Per M.S. 124.14, Subd. 7 | <19,783> | <16,385> | | |
| **Total-State General Funds** | **1,950,208** | **1,988,592** | **1,932,836** | **2,109,272** |
| **Other Funds:** | | | | |
| **School Endowment Fund** | **33,772** | **32,000** | **32,500** | **32,500** |

[c]Includes excess of $19,783 used to fund categorical deficiencies for FY 1993

[d]Includes estimated excess of $16,385 for funding deficiencies for FY 1994 & FY 1995

| | | |
|---|---|---|
| PROGRAM: | 01 | General Education Program |
| AGENCY: | | Education Aids |
| | 0102 | PROPERTY TAX REVENUE RECOGNITION |
| CITATION: | | M.S. 121.904, Subd. 4a; 124.14, Subd. 6; 124.155 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

To recognize in the fiscal year of receipt a reasonable portion of the school district share of the spring property tax collections.

**DESCRIPTION:**

School districts recognize, in the fiscal year of receipt, a portion of the school district share of the spring property tax collections. The property tax revenue recognition provision is structured such that a change in the levy recognition percent is revenue neutral to school districts, except for the referendum levy and other levies (such as health insurance) specified in law. Districts with first time referendum levies will recognize a portion of the levy a year early, while districts levying for the last time will only recognize the balance not recognized the previous year.

Prior to F.Y. 1983, all of the school district's spring property tax collections were held and recognized as revenue in the following fiscal year. This policy changed in F.Y. 1983. Legislation provided 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 this change, a portion of the amount originally levied for the 1983-84 school year was recognized in 1982-83, and the state aids and credits due in 1982-83 for 1982-83 were reduced by the amount of the levy recognition change, excluding the portion of the referendum levy recognition change.

Beginning in F.Y. 1984, legislation provided that state aid payments must be adjusted by the difference between the current year's levy recognition change amount and the previous year's levy recognition change amount. The referendum levy portion of the recognition change amount is excluded from this calculation. The purpose of the aid adjustment is to ensure that district revenue is not affected by the levy recognition change. This adjustment will decrease aid payments if the levy recognition change for the current year is greater than the levy recognition change for the previous year. The adjustment will increase aid payments if the current year levy recognition change is less than the previous year levy recognition change. Any additional amount necessary for the payment of aids for this adjustment is provided by an open and standing appropriation.

M.S. 16A.1541 requires that the levy recognition percent will automatically be decreased if the state's general fund balance reaches a certain level. For fiscal years 1996 and 1997, Laws 1994, allows the levy recognition percent to be increased or decreased based on the November, 1994 forecast estimate of unreserved general fund balances at the end of the 1996-97 biennium.

F.Y. 1983: The levy recognition percent was 32% which resulted in early recognition of $256.6 million in district levy revenue and a $240.7 million reduction in aids and credits.

F.Y. 1984: The levy recognition percent continued at 32%. For 1983-84, the 32% levy recognition change resulted in early recognition of $291.7 million in district levy revenue and a $34.4 million net reduction in aids and credits.

F.Y. 1985: Based on the availability of a state general fund balance and the procedure specified in law, the levy recognition percent was reduced to 24%. The lowered levy recognition change amount for 1984-85 resulted in early recognition of $220.3 million in district levy revenue and a $69.5 million net payment of additional aid.

F.Y. 1986 and F.Y. 1987: The levy recognition percent was continued at 24%. For 1985-86, the result was early recognition of $229.8 million in district levy revenue and a $6.5 million net reduction in aids and credits. For 1986-87, the result was early recognition of $246.2 million in district levy revenue and a $12.9 million net reduction in aids and credits.

F.Y. 1988 and F.Y. 1989: The 1987 Legislature increased the levy recognition percent to 27%. For 1987-88, the result was early recognition of $295.2 million in district levy revenue and a $42.1 million net reduction in aids and credits. For 1988-89, the result was early recognition of $332.4 million in district levy revenue and a $29.0 million net reduction in aids and credits.

F.Y. 1990 and F.Y. 1991: The 1989 Legislature in special session increased the levy recognition percent to 31%. For 1989-90, the result was early recognition change of $366.0 million in district levy revenue and a $6.6 million net reduction in aids and credits. The Education Districts and Secondary Vocational Cooperatives levies were included for the first time in 1989-90. For 1990-91, the result was early recognition of $415.6 million in district levy revenue and a $42.7 million net reduction in aids and credits. The large reduction to 1990-91 aids and credits was due to a provision enacted in 1990 which changes the manner in which Homestead and Agricultural Credit Aid (HACA) was allocated to the various district levies, with more HACA allocated to the referendum and debt service levies, and no HACA allocated to the General Education levy and other major equalized levies.

F.Y. 1992: The 1991 Legislature increased the levy recognition percentage to 37%, and provided for an additional reduction to aids and credits for the increase in the revenue recognition of referendum levies as a result of the change in the levy recognition percentage. For 1991-92, the result was early recognition of $523.4 million in district levy revenue and a $108.6 million net reduction in aids and credits.

F.Y. 1993: The 1991 Legislature increased the levy recognition percentage to 50, and provided for an additional reduction to aids and credits for the increase in the revenue recognition of referendum levies as a result of the change in the levy recognition percentage. Statute also provided special categories of levy where revenues are recognized early (shiftable), but no subtraction of aid is required. For 1992-93, the result was early recognition of $776.8 million in district levy revenue and a $234.1 million net reduction in aids and credits.

F.Y. 1994: The levy recognition percentage was to continue at 50%, however, the provisions of

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0102 PROPERTY TAX REVENUE RECOGNITION
(Continuation)

M.S. 16A.1541 were implemented based on projected unrestricted state general fund balances, and the rate was decreased to 37.4%. In addition, the 1994 Legislature provided for payment of state aid for the decrease in the revenue recognition of referendum levies due to the reduction in the shift percentage. For 1993-94, the recognition change amount is estimated to be $629.6 million in district levy revenue and a $145.4 million net payment of additional state aid.

F.Y. 1995: The levy recognition percentage continues at 37.4%. For 1994-95, the recognition change amount is estimated to be $667.2 million in district levy revenue and an estimated $54.8 million net reduction in aids and credits.

**PROGRAM STATUS:**

Program statistics are shown in Table 1-3.

**BUDGET ISSUES:**

**A. CHALLENGES:**

Laws 1994, Chap. 632, Art. 5, Sec. 2 provides that if planning estimates show budgetary balances before reserves of less than $350 million at the end of the 1996-97 biennium, the commissioner of finance may increase the tax shift recognition percentage as necessary (but not in excess of 48%) to bring the budget balance before reserves to $350 million. If the same estimated budgetary balances before reserves exceed $350 million, the tax shift recognition percentage is likewise decreased, but not to less than zero. If the shift is increased to 48% in F.Y. 1996 and 1997, school district revenues will not be affected, but districts may face greater cashflow difficulties in the last months of F.Y. 1996 as aid and credit payments are recovered to reflect the greater amount of spring tax receipts being recognized as revenue. This may result in increased borrowing for operating expenses and increased interest expenses for school districts.

**B. STRATEGIES:**

- Minnesota Statutes give authority for school districts to borrow for cashflow needs based on property taxes receivable from the county and state education aids receivable from the state. The 1993 Legislature established the credit enhancement program under M.S. 124.755. This program provides that if a participating district defaults on redemption of its certificates or bonds, the state will make the payment to the holders of the certificates or bonds if state cash balances are sufficient. The program gives the school districts the benefit of the State of Minnesota credit rating and is designed to allow school districts to qualify for favorable interest rates. In event of a district default and payment made by the state, a district participating in the program is obligated to repay the state treasurer through a combination of special levy proceeds and recovery of state aid and credit payments due to the district.
- The forthcoming report from the Cash Flow Advisory Committee will also offer recommendations on strategies that can help districts address cash flow difficulties.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends the following modifications in property tax revenue recognition:

1. Beginning in F.Y. 1996, increase the levy recognition percentage to 48%.
2. Reduce state aids to school districts by the amount of the additional referendum levy recognized by the district in F.Y. 1996 as a result of the change in the levy recognition percentage.
3. Increase or decrease state aids to school districts in future years by the amount of the change in referendum levy recognition resulting from future changes in the levy recognition percentage within the range of 31% levy recognition to 48% levy recognition.

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0102 PROPERTY TAX REVENUE RECOGNITION
(Continuation)

TABLE 1-3
PROPERTY TAX REVENUE RECOGNITION CHANGE AND STATE AID ADJUSTMENT ($ in 000s)

| | F.Y. 1983 | F.Y. 1984 | F.Y. 1985 | F.Y. 1986 | F.Y. 1987 | F.Y. 1988 | F.Y. 1989 | F.Y. 1990 | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | ESTIMATE F.Y. 1994 | ESTIMATE F.Y. 1995 | ESTIMATE F.Y. 1996 | ESTIMATE F.Y. 1997 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. Revenue recognition percent | 32% | 32% | 24% | 24% | 24% | 27% | 27% | 31% | 31% | 37% | 50% | 37.4% | 37.4% | 48% | 48% |
| 2. Gross revenue recognition change | $ 260,957 | $ 295,295 | $ 220,808 | $ 230,887 | $ 264,385 | $ 295,624 | $ 339,382 | $ 378,082 | $ 425,602 | $ 546,092 | $ 801,230 | $ 629,562 | $ 672,160 | $ 886,854 | $ 902,827 |
| 3. Less adjustment for certain districts[a] | | | | | | | | | | | | | | | |
| Number of districts | 6 | 5 | 3 | 4 | 1 | 1 | 6 | 14[b] | 14 | 11 | 14[d] | 2 | 3 | 5 | 5 |
| Amount | (4,402) | (3,624) | (540) | (1,082) | (137) | (450) | (6,950) | (12,100) | (9,958) | (22,645) | (24,432) | (2,261) | (5,000) | (8,000) | (6,000) |
| 4. Adjusted gross revenue recognition change | $ 256,555 | $ 291,671 | $ 220,268 | $ 229,805 | $ 246,248 | $ 295,174 | $ 332,432 | $ 365,982 | $ 415,644 | $ 523,447 | $ 776,798 | $ 627,301 | $ 667,160 | $ 878,854 | $ 896,827 |
| 5. Less referendum levy recognition change | (15,897) | (16,633) | (14,262) | (16,769) | (20,258) | (27,726) | (34,824) | (60,155) | (66,693) | (78,011) | (109,432) | (70,013) | (61,883) | (101,908) | (113,053) |
| 6. Less levy recognition change for shiftable levies with no aid subtraction | -- | -- | (459) | (1,002) | (1,093) | (442) | (1,644) | (3,302) | (3,755) | (4,294) | (20,615)[f] | (28,368) | (21,657) | (11,526) | (11,654) |
| 7. Net recognition change amount for aid adjustment calculation | $ 240,658 | $ 275,038 | $ 205,547 | $ 212,034 | $ 224,897 | $ 267,006 | $ 295,966 | $ 302,525 | $ 345,196 | $ 441,142 | $ 646,751 | $ 528,920 | $ 583,620 | $ 765,420 | $ 772,120 |
| 8. Aid adjustment calculation: | | | | | | | | | | | | | | | |
| a. Prior year recognition change (out) | -- | 240,658 | 275,038 | 205,547 | 212,034 | 224,897 | 267,006 | 295,966 | 302,525 | 345,196 | 441,142 | 646,751 | 528,920 | 583,620 | 765,420 |
| b. Current year recognition change (in) | 240,658 | 275,038 | 205,547 | 212,034 | 224,897 | 267,006 | 295,966 | 302,525 | 345,196 | 441,142 | 646,751 | 528,920 | 583,620 | 765,420 | 772,120 |
| 9. Adjustment to state aids (8a-8b) | $(240,658) | $ (34,380) | $ 69,491 | $ (6,487) | $ (12,863) | $ (42,109) | $ (28,960) | $ (6,559) | $ (42,671) | $ (95,946) | $(205,609) | $ 117,831 | $ (54,700) | $(181,800) | $ (6,700) |

**PROGRAM:** 01 General Education Program
**AGENCY:** Education Aids

0102 PROPERTY TAX REVENUE RECOGNITION
(Continuation)

TABLE 1-3
PROPERTY TAX REVENUE RECOGNITION CHANGE AND STATE AID ADJUSTMENT ($ in 000s)

| | F.Y. 1983 | F.Y. 1984 | F.Y. 1985 | F.Y. 1986 | F.Y. 1987 | F.Y. 1988 | F.Y. 1989 | F.Y. 1990 | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | ESTIMATE F.Y. 1994 | ESTIMATE F.Y. 1995 | ESTIMATE F.Y. 1996[f] | ESTIMATE F.Y. 1997[f] |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10: Referendum levy recognition amount based on: | | | | | | | | | | | | | | | |
| a. Prior year recognition percent | | | | | | | | | | 65,361 | 80,980 | 97,590 | | | |
| b. Current year recognition percent | | | | | | | | | | 78,011 | 109,432 | 70,013 | | | |
| c. Difference = Adjustment to aids to aids[c] | | | | | | | | | | (12,650) | (28,452) | 27,577 | | | |
| 11. Total adjustment to state aids (9 + 10[c]) | $(240,658) | $(34,380) | $ 69,491 | $(6,487) | $(12,863) | $(42,109) | $(28,960) | $(6,559) | $(42,671) | $(108,596) | $(234,061) | $ 145,408 | $(54,700) | $(181,800) | $(6,700) |

[a] These adjustments occur when a district's gross revenue recognition change amount is greater than its state aids and property tax credits (which are for the fiscal year payable in that fiscal year) plus any referendum levy recognition change. In this case, the district's levy recognition change amount is limited to the lesser amount.

[b] The increase in districts for which these adjustments are made is due to Education District and Secondary Vocational Cooperative levies being subject to the levy recognition change provisions for the first time.

[c] The referendum levy recognition amount is normally not included for the aid adjustment calculation. This additional adjustment to state aids is provided in law as a one-time adjustment attributable to the increase in the revenue recognition percent that occurred in F.Y. 1992, F.Y. 1993, and F.Y. 1994. Refer to Laws 1991, Chap. 265, Art. 1, Sec. 31 and Laws 1992, Chap. 499, Art. 1, Sec. 22 and Laws 1994, Chap. 647, Art. 1, Sec. 3.

[d] Beginning in 1993, this adjustment is for districts whose total adjustment to state aids and credits is calculated at the statutory revenue recognition percentage is greater than state aid limits as defined in M.S. 124.155. In this case the early revenue recognition is limited to the early revenue recognition of the prior year plus the aids limit as defined in M.S. 124.155.

[e] Beginning in 1993, the Legislature identified several additional levy categories that are included in the early revenue recognition, but do not have a corresponding aid reduction. Prior to 1993, the only levy in this category was the desegregation levy.

[f] If current law provisions are not modified, any available balance exceeding the $350 cashflow account will be used to decrease the tax shift percentage.

# PUPIL TRANSPORTATION PROGRAM (02)

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| | | |
|---|---|---|
| PROGRAM: | 02 | Pupil Transportation Program |
| AGENCY: | | Education Aids |
| | 0201 | TRANSPORTATION PROGRAM |
| CITATION: | | M.S. 124.223; 124.225; 124.226, Subd. 1-7 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

To ensure that all Minnesota children have access to education programs and opportunities, and that they are transported safely and economically. School districts are provided with aid and/or levy revenue to finance the transportation of eligible pupils to and from school, and in other authorized categories of transportation. More specifically, the categories authorized for transportation funding are as follows:

- Regular;
- Disabled;
- Between Schools, Disabled;
- Learning Year Summer;
- Board and Lodging;
- To and From Board and Lodging Facility;
- Between Schools, Public;
- Between Schools, Nonpublic;
- Noon Kindergarten;
- Desegregation;
- Mobility Zone; and
- Isolated Schools.

Transportation by school bus is recognized by various state and federal transportation and safety organizations as being the safest form of transportation in the United States. Also, by using multi-passenger vehicles, resulting in fewer vehicles on the road, the expected results include reduced fuel consumption, fewer accidents and less air pollution.

Most education aid programs contribute to more than one education goal. By providing access to educational opportunities for attaining basic academic skills, the Pupil Transportation Program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 140 and 160.

**DESCRIPTION:**

I. TRANSPORTATION CATEGORIES

State aid is provided for 12 categories of pupil transportation service. The 12 categories are grouped into two classes, regular and nonregular. Levy authority is provided for the excess, late activity and postsecondary agreements transportation categories. 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) non-disabled elementary pupils residing 1 mile or more from the assigned school and, b) nondisabled secondary pupils residing 2 miles or more from the assigned school. School districts may transport resident pupils to and from language immersion programs. Pupils who are custodial parents may be transported to and from the site of child care services for the pupil's child if that site is within the attendance area of the school the pupil attends.

B. **Nonregular**

1. **Disabled** - One round trip per day between home and the public or nonpublic school for disabled 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. **Learning Year Summer** - One round trip per day between home and the public or nonpublic school during the summer months of a year-round school program 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.

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 disabled pupils.

4. **To and From Board and Lodging Facility** - Transportation between home and the State Academies for the Deaf and Blind in Faribault.

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 of Education approved secondary vocational centers for vocational classes, and c) between schools located in 2 or more districts for cooperative academic and vocational classes.

6. **Shared Time** - Transportation of nonpublic pupils between the nonpublic school and a public school for shared-time classes.

7. **Nonpublic Support Services** - Transportation of nonpublic pupils between the nonpublic school and a public school or a neutral site for health and/or guidance/counseling services.

8. **Noon Kindergarten** - Noon transportation to and from school for Kindergarten pupils attending 1/2 day sessions.

9. **Desegregation** - Transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the State Board of Education or under court order.

10. **Mobility Zone** - Transportation of elementary pupils who move during the year to and from a school in an area designated as a mobility zone.

11. **Isolated Schools** - Transportation of an open enrollment pupil from home to the school in the nonresident district provided a) the school the pupil was attending prior to enrolling in the nonresident district under this section was closed, b) the distance from the closed school to the next nearest school in the district that the pupil could attend is at least 20 miles, c) the pupil's residence is at least 20 miles from any school that the pupil could attend in the resident district, and d) the pupil's residence is closer to the school of attendance in the nonresident district than to any school the pupil could attend in the resident district.

C. **Excess Transportation**

School districts are also permitted to make an excess transportation levy for the cost of transporting secondary pupils residing between 1 and 2 miles from school, and for the cost of transportation or related services necessary for transporting pupils residing less than 1 mile from school because of extraordinary traffic, drug or crime hazards. Also included are the costs related to providing crossing guards.

II. FUNDING FORMULA

Separate formulas are used to compute a district's funding for regular and nonregular transportation. A district's regular transportation funding equals the district's regular transportation allowance times the number of pupils transported in the regular and desegregation categories. Nonregular transportation funding is based on actual nonregular cost for the current year.

A. **Regular Financing**

Since F.Y. 1980, regular transportation funding has been calculated through an average cost formula. From F.Y. 1980 until F.Y. 1990, a statistical procedure called multiple regression analysis was used to predict a base year cost per regular category pupil transported. Since F.Y. 1991, a statutory formula has been used to compute the predicted base cost. The base year is always the second preceding year. (The base year for F.Y. 1995 was F.Y. 1993.) The predicted base 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 F.Y. 1980, the factors used in the regular transportation funding formula have been revised periodically to provide more comparable funding for similar districts and to strengthen transportation program incentives for cost control.

Beginning in F.Y. 1991, a district's predicted base cost equals the product of the following:

1. the transportation formula allowance, times
2. the district's sparsity index raised to the 1/4 power, times
3. the district's density index raised to the 35/100 power, times
4. the district's contract transportation index raised to the 1/20 power.

The transportation formula allowance is $447 for the F.Y. 1992 base year and $463 for the F.Y. 1993 base year. A district's sparsity index equals the greater of 0.005 or the ratio of the square mile area of the school district to the number of weighted pupils transported in the regular and excess transportation categories. A district's density index equals the greater of one or [2 - (district's sparsity index x 20)].

A district's contract transportation index equals the greater of one or the product of:

1. the district's percentage of regular students transported on vehicles not owned by the district, times
2. the lesser of one or the product of the district's sparsity index times 20.

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.

Beginning in F.Y. 1991, the adjusted predicted base cost equals 50% of the actual base year cost per pupil plus 50% of the predicted base cost. However, a district's adjusted predicted base cost may not be less than 80% of the actual base year cost, or more than 105% of actual base year cost.

The adjusted predicted base cost is then increased by an inflation factor to determine the district's regular transportation allowance. For F.Y. 1994, the adjusted predicted base cost (computed using data from F.Y. 1992) was increased by 2.35%. For F.Y. 1995, the adjusted base cost (computed using data from F.Y. 1993) was increased by 3.425%. The district's regular pupil transportation funding equals the regular transportation allowance times the number of pupils transported in the regular and desegregation categories in the current year.

PROGRAM: 02 Pupil Transportation Program
AGENCY: Education Aids

0201 TRANSPORTATION PROGRAM
(Continuation)

B. **Nonregular Transportation Financing**

Initial nonregular transportation revenue is based on the lesser of actual current year nonregular transportation costs or a two-year prior base cost which has been adjusted for inflation and enrollment change.

Beginning in F.Y. 1992, additional revenue was made available to districts which experienced sizeable increases in total nonregular expenditures between the base and current years. Excess nonregular transportation revenue for the 1994-95 school year equals 80 percent of the difference between:

1. The 1994-95 actual nonregular costs as defined for the 1994-95 school year, and:
2. the products of the 1992-93 nonregular costs as defined for the 1994-95 school year; times the ratio of the 1994-95 ADM to the 1992-93 ADM.

Total nonregular revenue equals the initial nonregular revenue plus the excess nonregular revenue minus the amount of regular funding received for desegregation and disabled transportation.

A district's nonregular transportation levy is computed as follows:

1. multiplying the district's nonregular revenue that exceeds the product of $60 times the current year average daily membership by 50%;
2. then subtracting the result from the total nonregular revenue, and
3. multiplying the remaining amount times the lesser of one or the district's ANTC per ADM to $8,000.

To calculate total formula funding, regular revenue is added to the nonregular revenue. Next, the nonregular, basic and contract levies are subtracted from the total formula funding to determine initial state aid. Gross state aid is the product of the initial state aid times the percentage of basic and nonregular levy certified.

**PROGRAM STATUS:**

All Minnesota school districts provide for transportation of students. A district's transportation funding is a combination of state aid and local levy. A district's total transportation aid equals its total formula funding minus the basic, contracted and nonregular transportation levy limits. Eleven districts were off-the-formula in F.Y. 1994. The same number of districts are estimated to be off-the-formula in F.Y. 1995.

| (000s; $ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **TABLE 2-1** PUPILS TRANSPORTED TO AND FROM SCHOOL | | | | | |
| Regular | 547.4 | 562.2 | 577.9 | 593.7 | 608.3 |
| Desegregation | 43.1 | 44.5 | 46.2 | 47.5 | 48.7 |
| Disabled | 22.4 | 23.1 | 23.9 | 24.6 | 25.3 |
| Excess Transportation | 120.6 | 125.9 | 131.4 | 137.0 | 142.4 |
| Total Pupils Transported | 733.5 | 755.7 | 779.4 | 802.8 | 824.7 |
| Total Gross Enrollment (Public and Nonpublic) | 919.6 | 936.6 | 955.0 | 972.3 | 987.7 |
| Percentage of Pupils Transported | 79.8% | 80.7% | 81.6% | 82.6% | 83.5% |
| **TABLE 2-2** TRANSPORTATION EXPENDITURE SUMMARY BY OBJECT | | | | | |
| I. Nonfuel Operating | 217,219.0 | 231,440.2 | 246,942.2 | 261,886.3 | 277,138.9 |
| II. Fuel | | | | | |
| A. Number of Gallons (Gallons in 000s) | 17,809.6 | 18,127.7 | 18,490.0 | 18,820.6 | 19,117.8 |
| B. Pump Price per Gallon | 1.127 | 1.196 | 1.250 | 1.281 | 1.312 |
| C. Less Federal Tax | (0.140) | (0.196) | (0.221) | (0.221) | (0.221) |
| D. Less Average Quantity Discount | (0.02) | (0.02) | (0.02) | (0.02) | (0.02) |
| E. Average Cost per Gallon | 0.967 | 0.980 | 1.009 | 1.040 | 1.071 |
| F. Total Fuel Expenditures | 17,221.9 | 17,765.1 | 18,663.8 | 19,567.4 | 20,472.7 |
| III. Bus Depreciation | | | | | |
| A. Regular School Buses | 13,605.5 | 14,528.1 | 15,167.6 | 16,553.0 | 17,981.1 |
| B. Mobile Units | 1.2 | 1.2 | 1.2 | 1.2 | 1.2 |
| C. Type 3 Vehicles | 1,356.9 | 1,693.8 | 2,030.8 | 2,326.7 | 2,701.4 |
| D. Reconditioned Buses | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| E. Total Bus Depreciation | 14,965.2 | 16,224.7 | 17,201.2 | 18,882.5 | 20,685.3 |
| IV. Total Expenditures | 249,406.1 | 265,430.0 | 282,807.2 | 300,336.2 | 318,296.9 |

**PROGRAM:** 02 Pupil Transportation Program
**AGENCY:** Education Aids

0201 TRANSPORTATION PROGRAM
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **TABLE 2-3** | | | | | |
| **TRANSPORTATION EXPENDITURE SUMMARY BY CATEGORY** | | | | | |
| I. Regular and Excess Transportation (includes excess walker cost) | 154,402.8 | 163,428.2 | 173,279.1 | 183,631.2 | 194,068.6 |
| II. Nonregular Transportation | | | | | |
| A. Desegregation | 15,319.4 | 17,263.5 | 19,397.3 | 20,498.1 | 21,661.5 |
| B. Disabled | 44,619.9 | 47,406.7 | 50,704.9 | 53,952.6 | 57,361.7 |
| C. Noon Kindergarten | 8,873.2 | 9,391.5 | 9,965.6 | 10,560.0 | 11,161.0 |
| D. Summer School | 144.5 | 149.7 | 155.5 | 161.4 | 167.0 |
| E. Mobility Zone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| F. Other Nonregular | 7,411.7 | 7,681.0 | 7,979.2 | 8,277.4 | 8,566.6 |
| Total Nonregular Transportation | 76,368.7 | 81,892.4 | 88,202.5 | 93,449.5 | 98,917.8 |
| III. Bus Depreciation | 14,965.2 | 16,224.7 | 17,201.2 | 18,882.5 | 20,685.3 |
| IV. Total Expenditures | 245,736.7 | 261,545.3 | 278,682.8 | 295,963.2 | 313,671.7 |
| **TABLE 2-4** | | | | | |
| **FORMULA FUNDING OF AUTHORIZED TRANSPORTATION** | | | | | |
| I. Regular Transportation Funding | | | | | |
| A. Base Year | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 |
| B. Formula Allowance | 434 | 447 | 463 | 477 | 491 |
| C. Inflation Factor | 1.0200 | 1.0235 | 1.03425 | 1.0170 | 1.0000 |
| D. Average Funding Per Pupil Transported | 256.83 | 259.86 | 267.21 | 269.51 | 269.92 |
| E. Number of Pupils Transported | 612,874 | 629,800 | 648,100 | 665,800 | 682,300 |
| F. Regular Funding (000s) | 145,031.3 | 149,723.0 | 158,492.1 | 164,277.7 | 168,534.2 |
| G. Regular Desegregation Funding | 7,134.7 | 8,477.8 | 8,870.4 | 9,131.6 | 9,402.1 |
| H. Regular Disabled Funding | 5,235.9 | 5,458.5 | 5,814.7 | 6,032.3 | 6,228.8 |
| I. Total Regular Transportation Funding | 157,401.9 | 163,659.3 | 173,177.2 | 179,441.6 | 184,165.1 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **TABLE 2-4** | | | | | |
| **FORMULA FUNDING OF AUTHORIZED TRANSPORTATION - continued** | | | | | |
| II. Nonregular Transportation Funding | | | | | |
| a. Gross Nonregular Funding | 71,831.1 | 81,039.9 | 87,094.1 | 92,230.8 | 97,551.1 |
| b. Less Regular Desegregation Funding | 7,934.7 | 8,477.8 | 8,870.4 | 9,131.6 | 9,402.1 |
| c. Less Regular Disabled Funding | 5,235.9 | 5,458.5 | 5,814.7 | 6,032.3 | 6,228.8 |
| d. Net Nonregular Funding | 58,660.5 | 67,103.5 | 72,409.1 | 77,066.9 | 81,920.2 |
| III. Nonregular Excess Funding | 727.5 | 900.0 | incl. above | incl. above | incl. above |
| IV. Excess Transportation Funding | 22,466.3 | 24,366.4 | 26,523.0 | 28,180.5 | 29,667.3 |
| V. Additional Desegregation Aid | 1,000.0 | | | | |
| VI. Staples Motley | -- | 77.0 | 0.0 | 0.0 | 0.0 |
| VII. Language Immersion | -- | 0.0 | 46.0 | 46.0 | 46.0 |
| VIII. Isolated Schools | -- | 23.0 | 23.0 | 23.0 | 23.0 |
| IX. Total Gross Transportation Funding | 240,256.2 | 256,129.2 | 272,178.3 | 284,758.0 | 295,821.6 |
| X. Levy Subtractions | | | | | |
| A. Basic Transportation Levy | | | | | |
| 1. Tax Rate - % of Tax Capacity | 1.94 | 2.13 | 2.26 | 2.19 | 2.19 |
| 2. Amount | 64,359.4 | 67,959.6 | 68,091.1 | 67,943.9 | 68,000.0 |
| B. Contract Transportation Levy Authority | 7,673.5 | 8,201.6 | 8,528.5 | 8,845.9 | 9,040.3 |
| C. Nonregular Transportation Levy Authority | 28,141.0 | 29,664.4 | 28,731.5 | 30,161.1 | 32,477.2 |
| D. Excess Transportation Levy Authority | 22,463.1 | 24,366.4 | 26,523.0 | 28,180.5 | 29,667.3 |
| E. Levy Reduction for Districts Off Formula | | | | | |
| 1. Number of Districts | 10 | 11 | 11 | 11 | 11 |
| 2. Amount | (2,253.2) | (2,115.2) | (1,530.2) | (1,197.5) | (1,149.8) |
| F. Total Levy Reduction | 120,383.8 | 128,076.8 | 130,343.9 | 133,933.9 | 138,035.0 |

PROGRAM: 02 Pupil Transportation Program
AGENCY: Education Aids

0201 TRANSPORTATION PROGRAM
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **TABLE 2-4** | | | | | |
| FORMULA FUNDING OF AUTHORIZED TRANSPORTATION - continued | | | | | |
| VIII. State Aid Entitlement | | | | | |
| A. Gross State Aid Entitlement | 119,872.4 | 128,052.5 | 141,834.3 | 150,824.2 | 157,786.7 |
| B. Gross Aid as Percent of Funding | 50.0% | 50.0% | 52.1% | 53.0% | 53.3% |
| C. Proration per ADM | 0.00 | 0.00 | 0.00 | 40.60 | 32.56 |
| D. Prorated State Aid Entitlement | 119,872.4 | 128,052.5 | 141,834.3 | 119,052.0 | 132,240.0 |
| IX. Reconciliation of Expenditures and Funding | | | | | |
| A. Total Prorated Transportation Funding | 240,652.2 | 256,129.2 | 272,178.3 | 251,134.0 | 269,038.0 |
| B. Total Authorized Expenditures | 245,736.7 | 261,545.3 | 278,682.8 | 295,963.2 | 313,671.7 |
| C. Prorated Funding as Percent of Expenditures | 97.8% | 97.9% | 97.7% | 84.9% | 85.8% |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | $ 240,256 | $ 256,130 | $ 272,178 | $ 284,768 | $ 295,822 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | 33,624 | 26,784 |
| Current Law Revenue | 240,256 | 256,130 | 272,178 | 251,134 | 269,038 |
| B. Statutory Formula LEVY: | 120,384 | 128,077 | 130,344 | 133,934 | 138,035 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | ( 1,852) | ( 1,237) |
| Current Law Levy (Line 8 on Fiscal Page) | 120,384 | 128,077 | 130,344 | 132,082 | 136,798 |
| C. Statutory Formula AID: | 119,872 | 128,053 | 141,834 | 150,824 | 157,787 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | 31,772 | 25,547 |
| Current Law Aid Entitlement | 119,872 | 128,053 | 141,834 | 119,052 | 132,240 |
| Proration per ADM | 0 | 0 | 0 | 40.60 | 32.56 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 128,973 | 145,954 | 145,954* | 145,954* |
| Entitlement Changes Per Law: | | | | | |
| ■ Revenue Increases/(Decreases): | | | | | |
| Regular Pupils Transported | | ( 1,668) | ( 2,061) | 2,741 | 7,185 |
| Allowance/Regular Pupils | | ( 509) | ( 2,027) | ( 561) | ( 281) |
| Nonregular Transportation Funding | | 2,497 | 1,113 | 5,770 | 10,624 |
| ■ Levy Decreases/(Increases): | | | | | |
| Basic Levy | | 44 | ( 91) | 56 | 0 |
| Contract Levy | | ( 230) | ( 36) | ( 356) | ( 551) |
| Nonregular Levy | | ( 1,197) | ( 1,408) | ( 2,838) | ( 5,154) |
| Off-formula Amount | | 143 | 390 | 58 | 10 |
| Statutory Formula Aid (Unprorated) | | 128,053 | 141,834 | 150,824 | 157,787 |
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | 128,053 | 141,834 | 119,052 | 132,240 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | 920 | 3,502 | | |
| ■ Portion of 15% Final Not Requested | | — | 618 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 128,973 | $ 145,954 | $ 119,052 | $ 132,240 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 02 Pupil Transportation Program
AGENCY: Education Aids

0201 TRANSPORTATION PROGRAM
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Federally mandated licensing and drug testing requirements, state mandated school bus driver training requirements, low wages, and low unemployment all have contributed to the shortage of school bus drivers. The long-range outlook does not see this shortage disappearing. The unavailability of school bus drivers may force school districts to cut basic service.
- Enrollments are projected to grow, increasing the demand for transportation services.
- A metropolitan-wide desegregation plan has been proposed to be implemented beginning in F.Y. 1996. This plan will require additional buses and drivers. Although school districts participating in this plan may experience some decrease in transportation services within their district, this decrease will not be significant enough to offset the increase in services needed for the metropolitan desegregation plan.
- As more districts consolidate, the distances buses must travel to transport pupils to and from school or activities will increase. School buses may have to be replaced earlier because of this increased mileage.
- The proliferation of program choices has contributed to the complexity and cost of pupil transportation.
- School districts are encountering increasing difficulty in providing transportation for pupils with disabilities because of federal laws mandating related services, including transportation.

**B. STRATEGIES:**

- In order for school districts to provide the same level of service, they may have to stagger starting times at a greater level than they are now, cooperate more on low incidence transportation services, contract with parents, or utilize city transit systems where available.
- If the unavailability of drivers continues, school districts may have to receive authority to charge a fee for pupils using the service no matter how far they live from school, in order to increase the pay for drivers. Alternatively, the two-mile distance set for mandated transportation service may have to be increased.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $144,219 for F.Y. 1996 and $152,204 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $143,862 in F.Y. 1996 ($21,275 for F.Y. 1995 and $122,587 for F.Y. 1996), and $151,004 in F.Y. 1997 ($21,632 for F.Y. 1996 and $129,372 for F.Y. 1997).

The Governor recommends the following modifications in the pupil transportation program:

1. Set the regular transportation formula allowance at $450 for F.Y. 1996 and F.Y. 1997.
2. Set the inflation factors used in computing regular and nonregular transportation revenue at 0% for F.Y. 1996 and F.Y. 1997.
3. Beginning in F.Y. 1996, set the threshold used in computing the nonregular transportation levy at $65 per pupil.
4. Beginning in F.Y. 1996, set the excess nonregular transportation revenue percentage at 60%.
5. Beginning in F.Y. 1996, provide nonregular transportation funding for interdistrict desegregation transportation.
6. Beginning in F.Y. 1996, pay transportation aid directly to charter schools for transportation within the district, based on the rates computed for the school district in which the charter school is located.
7. Beginning in F.Y. 1997, repeal the excess transportation levy for secondary one to two mile transportation and extraordinary traffic hazards transportation. The levy for adult crossing guards and other related services necessary because of extraordinary traffic, drug, or crime hazards would be continued. In addition, school districts would be authorized to levy an amount equal to the amount of excess transportation fees waived for students eligible for free or reduced price lunches.
8. Beginning in F.Y. 1997, set the target for the basic transportation levy at 4.87% of the statewide uniform education levy (see Program 0101, General Education Program).
9. Beginning in F.Y. 1997, accelerate the off-formula adjustment by computing an estimated adjustment with the current levy.
10. Beginning in F.Y. 1996, repeal the requirement that the parent of a student attending another district under open enrollment request approval from the resident district for the nonresident district to transport the student within the boundaries of the resident district.
11. Beginning in F.Y. 1996, clarify that transportation of disabled students to and from any board and lodging facility is eligible for nonregular transportation funding.
12. Beginning in F.Y. 1996, repeal the requirement for Commissioner of Education approval for the purchase of type 3 vehicles.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0201: TRANSPORTATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 128,973 | $ 145,954 | $ 145,954 | $ 145,954 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <26,902> | <13,714> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 128,973 | 145,954 | 119,052 | 132,240 |
| 5. Statutory Formula Aid (Detail in Narrative) | 128,053 | 141,834 | | |
| 6. Funding Excess/Deficiency | 920 | 3,502* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 128,077 | 130,344 | 132,082 | 136,798 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 257,050 | 276,298 | 251,134 | 269,038 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Levy Decrease in FY 96; Levy Increase in FY 97 | | | <545> | 28,952 |
| 2. Reduce Regular Funding | | | <5,852> | <5,562> |
| 3. Reduce Non-Regular Funding | | | <1,580> | <1,195> |
| 4. Fund Interdistrict Desegregation Transportation | | | 400 | 630 |
| 5. Fund Charter School Transportation | | | 18 | 21 |
| 6. Eliminate Revenue Reduction | | | 31,772 | 26,784 |
| 7. Reduction in Excess Revenue | | | 954 | <29,666> |
| Current Law Aid Funding Level (Line 4) | | | 119,052 | 132,240 |
| **RECOMMENDED AID ENTITLEMENT** | | | **144,219** | **152,204** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Levy Increase in FY 1996; Levy Decrease in FY 1997 | | | 545 | <28,952> |
| Current Law Levy (Line 8) | | | 132,082 | 136,798 |
| RECOMMENDED LEVY | | | 132,627 | 107,846 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **276,846** | **260,050** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 18,327 | 19,345 | 21,275 | 21,632 |
| Current Year 85 Percent | 109,628 | 124,061 | 122,587 | 129,372 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **127,955** | **143,406** | **143,862** | **151,004** |

*Estimated excess of $4,120 less $618 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $3,502 excess in the FY 1995 current entitlement

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| | | |
|---|---|---|
| PROGRAM: | 02 | Pupil Transportation Program |
| AGENCY: | | Education Aids |
| | 0202 | MISCELLANEOUS TRANSPORTATION LEVIES |
| CITATION: | | M.S. 124.226, Subds. 2 and 6 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

## PURPOSE:

To provide school districts with funds for the purchase of pupil transportation vehicles and equipment, and for added transportation costs resulting from leasing a school building in another school district, late activity transportation, and postsecondary agreements.

Most education aid programs contribute to more than one education goal. The Miscellaneous Transportation Levies program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 140, 141, and 170.

## DESCRIPTION:

**Bus Purchase Levy**
A school district may levy the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases as of June 30 of the school year beginning in the calendar year following the calendar year the levy is certified. Levy amounts are based on school district estimates.

**Leased Facility Levy**
When the transportation patterns of a district change as a result of leasing a school building in another district, the district may, upon approval of the Commissioner of Education, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The amount provided by this levy is deducted from the district's cost data used in computing transportation aid.

**Late Activity Transportation**
School districts may levy for late transportation home from school, between schools within a district or between schools in different cooperating districts. In addition, districts that levy for this service must provide late transportation to students participating in any academic-related activity provided by the district if transportation is provided for students participating in athletic activities.

**PostSecondary Agreements**
School districts may levy for the transportation of secondary pupils enrolled in courses provided under an agreement between a school board and a postsecondary institution.

Authorized expenditures for pupil transportation include fuel and nonfuel operating expenditures and bus depreciation. Table 2-1 shows the number of pupils transported to and from school in each transportation category. Table 2-2 provides a summary of pupil transportation expenditures by object. Expenditures by category of transportation services are shown in Table 2-3. Table 2-4 reviews the formula financing of authorized transportation.

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Bus Purchase Levy | | | | | |
| Amount | $ 7,958.1 | $ 5,808.1 | $ 6,477.2 | $ 6,668.3 | $ 6,868.3 |
| Number of Districts | 168 | 143 | 146 | 145 | 150 |
| 2. Leased Facility Levy | | | | | |
| Amount | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 |
| Number of Districts | 0 | 0 | 0 | 0 | 0 |
| 3. Late Activity Levy | | | | | |
| Amount | $ 0.0 | $ 1,953.0 | $ 1,985.3 | $ 3,069.0 | $ 3,200.0 |
| Number of Districts | 0 | 215 | 223 | 220 | 220 |
| 4. Postsecondary Levy | | | | | |
| Amount | $ 173.5 | $ 163.6 | $ 182.1 | $ 124.5 | $ 182.1 |
| Number of Districts | 28 | 27 | 31 | 12 | 31 |

## BUDGET ISSUES:

### A. CHALLENGES:

- Increases in demand for transportation services and increased vehicle prices will induce districts to continue to use the bus purchase levy.

**PROGRAM:** 02 Pupil Transportation Program
**AGENCY:** Education Aids

0202 MISCELLANEOUS TRANSPORTATION LEVIES
(Continuation)

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**B. STRATEGIES:**

- Minnesota school districts will generate revenue to the extent needed for certain transportation obligations.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing the late activity and leased facility levies and continuing the bus purchase and postsecondary levies.

| | | |
|---|---|---|
| PROGRAM: | 02 | Pupil Transportation Program |
| AGENCY: | | Education Aids |
| | 0203 | POSTSECONDARY ENROLLMENT OPTIONS TRANSPORTATION |
| CITATION: | | M.S. 123.3514 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

## PURPOSE:

To provide state aid to school districts which reimburse eligible students for transportation expenses incurred while enrolled in the Postsecondary Enrollment Options (PSEO) program. More specifically, the reimbursement is for expenses incurred in travel between the secondary school and the postsecondary institution attended, and eligibility is based on financial need as established under State Board of Education guidelines.

Most education aid programs contribute to more than one education goal. By assuring that students from low income families have an opportunity to obtain higher education courses or begin a higher education program, no matter how far they live from a postsecondary institution, and ensuring that this additional transportation need will not cause any additional financial hardships for the families involved, this program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 142.

## DESCRIPTION:

Upon application to the resident school district, eligible students, their parents or guardians are reimbursed for the expense incurred in travel between the secondary school and the postsecondary institution attended under PSEO.

Eligibility is based on financial need and reimbursement rates established under Minnesota Statute 123.3514, subdivision 8. For F.Y. 1993 and beyond, reimbursement may not exceed the actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement also 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 the latter case, the weekly 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).

Any excess appropriations are available for transfer to School District Enrollment Options Transportation (see Program Budget 0204), however MDE anticipates the base appropriations for the 1995-96 biennium will be inadequate to meet current funding requirements.

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Districts Submitting Claims | 39 | 39 | 41 | 43 | 45 |
| Reimbursement Rate Per Mile (cents) | $.15 | $.15 | $.15 | $.15 | $.15 |
| Students Receiving Reimbursement | 55 | 63 | 68 | 73 | 76 |
| Average Claim Per Student | $ 856 | $ 948 | $ 956 | $ 988 | $ 1,046 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | $ 47 | $ 60 | $ 65 | $ 72 | $ 80 |
| Aid Reduction Due To Insufficient Appropriation | (2) | (8) | (5) | (25) | (27) |
| Current Law Aid Entitlement | 45 | 52 | 60 | 47 | 53 |
| Proration Factor | 0.957 | 0.867 | 0.923 | 0.653 | 0.663 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 52 | $ 58 | $ 58* | $ 58* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase in Student Participation | | $ 8 | $ 7 | $ 14 | $ 22 |
| Statutory Formula Aid (Unprorated) | | $ 60 | $ 65 | $ 72 | $ 80 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 02 Pupil Transportation Program
**AGENCY:** Education Aids

0203 POSTSECONDARY ENROLLMENT OPTIONS TRANSPORTATION
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- In F.Y. 1991, F.Y. 1993, and F.Y. 1994, the claims from low income pupils have exceeded the appropriation, making participation in the program difficult for some low income pupils.
- Pupils with disabilities participating in this program must provide their own transportation. However, if a pupil's disability prevented him/her from participating in this program, school districts, under Federal Law Sec. 504, must provide this transportation. School districts would not receive any additional federal or state dollars to help pay for the potentially high cost of this service.

**B. STRATEGIES:**

- Continue permitted transfer of monies between the enrollment options transportation program and the postsecondary enrollment option transportation program. This will not, however, guarantee sufficient funding in both programs.
- The number of pupils with disabilities that would require transportation services may be minimal. School districts are likely to be able to pay for this transportation service with the current level of funding.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $72 for F.Y. 1996 and $80 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $72 in F.Y. 1996 and $80 in F.Y. 1997.

The Governor recommends continuation of the transfer authority between this program and the School District Enrollment Options Transportation program (Program Budget 0204) to better ensure the availability of funding for these two activities.

The Governor also recommends that travel between the students' home and the postsecondary institution be authorized for reimbursement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0203: POST SECONDARY ENROLLMENT OPTIONS (PSEO) TRANSPORTATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 52 | $ 58 | $ 58 | $ 58 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <11> | <5> |
| 3. Other Adjustments | | | | |
| Transfer from District Enr. Options Program | | 2 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 52 | 60 | 47 | 53 |
| 5. Statutory Formula Aid (Detail in Narrative) | 60 | 65 | | |
| 6. Funding Excess/Deficiency | <8> | <7> | | |
| 7. Funding Excess/Deficiency after Adjustments | | <5> | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 52 | 60 | 47 | 53 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds From Other Education Programs | | | 25 | 27 |
| Current Law Aid Funding Level (Line 4) | | | 47 | 53 |
| **RECOMMENDED AID ENTITLEMENT** | | | 72 | 80 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 72 | 80 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 52 | 60 | 72 | 80 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 52 | 60 | 72 | 80 |

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| | | |
|---|---|---|
| PROGRAM: | 02 | Pupil Transportation Program |
| AGENCY: | | Education Aids |
| | 0204 | SCHOOL DISTRICT ENROLLMENT OPTIONS TRANSPORTATION |
| CITATION: | | M.S. 120.062 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

To provide state aid to school districts which reimburse eligible students for transportation expenses incurred while enrolled in the School District Enrollment Options (SDEO) program. More specifically, the reimbursement is for expenses incurred in travel to and from the boundary of the attendance area within the nonresident district attended. Eligibility is based on financial need as established under State Board of Education guidelines.

Most education aid programs contribute to more than one education goal. By providing mileage reimbursement for students from low income families and assuring that their families will not suffer any financial hardships because of this additional transportation need, the School District Enrollment Options program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 142.

**DESCRIPTION:**

Upon application to the nonresident school district, eligible students, their parents or guardians, are reimbursed for the expense incurred in travel to and from the boundary of the attendance area of the school within the nonresident district attended under SDEO.

Eligibility is based on financial need and reimbursement rates established under Minnesota Statute, section 120.062, subdivision 9. For F.Y. 1993 and beyond, reimbursement may not exceed the actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement also may not exceed an amount equal to 250 miles of travel per week (5 round trips).

**PROGRAM STATUS:**

Participation in SDEO has increased to approximately 15,000 students since its enactment in 1987. Beginning in 1992, the reimbursement rate per mile decreased from 25.5 cents per mile to 15 cents per mile. In addition, the Department was given approval to transfer funds between this activity and the PSEO Transportation activity (Program Budget 0203) to ensure the availability of sufficient funding for those two activities.

In 1994, 50 students applied to their districts for SDEO transportation aid. Claims to the Minnesota Department of Education (MDE) totaled $14,747 and the average reimbursement was $295 per student.

Any excess appropriations are available for transfer to Postsecondary Enrollment Options Transportation (see Program Budget 0203), however MDE anticipates the base appropriations for the 1996-97 biennium will be inadequate to meet current funding requirements.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Districts Submitting Claims | 13 | 20 | 21 | 22 | 23 |
| Reimbursement Rate Per Mile (cents) | $.15 | $.15 | $.15 | $.15 | $.15 |
| Students Receiving Reimbursement | 29 | 50 | 53 | 56 | 59 |
| Average Claim Per Student | $ 590 | $ 300 | $ 321 | $ 350 | $ 378 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID | $ 17 | $ 15 | $ 17 | $ 20 | $ 22 |
| Aid Reduction Due To Insufficient Appropriation | ( 2) | ( 0) | ( 0) | ( 5) | ( 5) |
| Current Law Aid Entitlement | 15 | 15 | 17 | 15 | 17 |
| Proration Factor | 0.882 | 1.000 | 1.000 | 0.750 | 0.773 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 15 | $ 19 | $ 19* | $ 19* |
| Entitlement Changes Per Law: | | | | | |
| ■ Change in Student Participation | | $ 0 | ( 2) | $ 1 | $ 3 |
| Statutory Formula Aid (Unprorated) | | $ 15 | $ 17 | $ 20 | $ 22 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 02 Pupil Transportation Program
AGENCY: Education Aids

0204 SCHOOL DISTRICT ENROLLMENT OPTIONS TRANSPORTATION

(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- In F.Y. 1993, the claims from low income pupils exceeded the appropriation, making participation in the program financially difficult for some low income families.
- Families with children with disabilities participating in this program must provide their own transportation from their home to the attendance area boundary. However, if a pupil's disability prevented him/her from participating in this program, school districts, under Federal Law Sec. 504, must provide this transportation. School districts would not receive any additional federal or state dollars to help pay for this potentially high cost service.

**B. STRATEGIES:**

- Continue permitted transfer of monies between the enrollment options transportation program and the postsecondary enrollment options transportation program. This will not, however, guarantee sufficient funding in both programs.
- The number of pupils with disabilities that would require transportation services may be minimal. School districts are likely to be able to pay for this transportation service with the current level of funding.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $20 for F.Y. 1996 and $22 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $20 in F.Y. 1996 and $22 in F.Y. 1997.

The Governor recommends continuation of the transfer authority between this program and the Postsecondary Enrollment Options Transportation program (Program Budget 0203) to better ensure the availability of funding for these two programs.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0204: SCHOOL DISTRICT ENROLLMENT OPTIONS TRANSPORTATION PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 15 | $ 19 | $ 19 | $ 19 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <4> | <2> |
| 3. Other Adjustments | | | | |
| Transfer to PSEO Transportation Program | | <2> | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 15 | 17 | 15 | 17 |
| 5. Statutory Formula Aid (Detail in Narrative) | 15 | 17 | | |
| 6. Funding Excess/Deficiency | | 2 | | |
| 7. Funding Excess/Deficiency after Adjustments | | 0 | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 15 | 17 | 15 | 17 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds From Other Education Programs | | | 5 | 5 |
| Current Law Aid Funding Level (Line 4) | | | 15 | 17 |
| **RECOMMENDED AID ENTITLEMENT** | | | 20 | 22 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 20 | 22 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 15 | 17 | 20 | 22 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 15 | 17 | 20 | 22 |

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| | | |
|---|---|---|
| PROGRAM: | 02 | Pupil Transportation Program |
| AGENCY: | | Education Aids |
| | 0205 | TRANSPORTATION SAFETY - PUPIL TRANSPORTATION |
| CITATION: | | M.S. 124.225, Subds. 7f and 8m |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

## PURPOSE:

To provide state aid to school districts for the maintenance and improvement of school bus safety.

Most education aid programs contribute to more than one education goal. The Transportation Safety program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 140, 141 and 170.

## DESCRIPTION:

School districts are given an additional 1% of their regular and nonregular pupil transportation revenue to provide student transportation safety programs. These funds are placed in a reserved revenue account. They can be expended only: 1) to provide paid adult bus monitors, including training and salary costs; 2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator; 3) to purchase or lease optional external public address systems or video recording cameras for use on buses; or 4) to purchase or implement other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety. As of January, 1995, the safety advisory committee and the Commissioner of Public Safety have approved the following additional activities or equipment: 1) expenditures directly related to school bus safety training for students; 2) expenditures directly related to the cost of reporting incidents of student misconduct; 3) expenditures directly related to the annual cost of training and evaluating school bus drivers; and 4) the purchase of crossing gates/arms.

## PROGRAM STATUS:

Instruction in school bus safety and demonstration of competencies is required for all students who are transported by school bus. Since districts do not know, at the beginning of the school year, whether any particular student will ride a school bus for a field trip or activity trip sometime during the school year, most districts are providing the training and testing the competencies for all students enrolled in the district. MDE is currently collecting data on district participation, number of students completing training, and student competency.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | -- | -- | $ 2,471 | $ 2,579 | $ 2,675 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | (0) | (0) | (0) |
| Current Law Aid Entitlement | -- | -- | $ 2,471 | $ 2,579 | $ 2,675 |
| Proration Factor | -- | -- | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 3,512 | $ 3,512* | $ 3,512* |
| Entitlement Changes Per Law: | | | | | |
| ■ Lower Estimated Regular and Nonregular Transportation Funding | | -- | (1,041) | (933) | (837) |
| Statutory Formula Aid (Unprorated) | | -- | $ 2,471 | $ 2,579 | $ 2,675 |
| C. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | -- | $ 2,471 | $ 2,579 | $ 2,675 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | -- | $ 885 | $ 286 | $ 507 |
| ■ Portion of 15% Final Not Requested | | | | $ 156 | |
| Current Aid Funding Level | | -- | $ 3,512 | $ 2,865 | $ 3,182 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 02 Pupil Transportation Program
AGENCY: Education Aids

0205 TRANSPORTATION SAFETY - PUPIL TRANSPORTATION
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The number of approved types of expenditures is expected to increase as the state school bus safety advisory committee reviews requests from members, school districts and school bus contractors.
- Federally mandated licensing and drug testing requirements, state mandated school bus driver training requirements, low wages, and low unemployment all have contributed to a shortage of school bus drivers. The unavailability of school bus drivers may force school districts to cut basic service.
- Beginning with the 1994-95 school year, school districts were required to adopt additional school bus safety regulations in their district. These regulations mandate school bus driver training, pupil safety training, policy development, school bus discipline policies, etc.
- The National School Bus Standards Conference is scheduled to meet in 1995 and adopt new national standards. Because Minnesota has adopted the national standards as the basis for their school bus construction standards, these new standards will impact the design, cost, etc. of buses purchased for use in Minnesota.

**B. STRATEGIES:**

- In order for school districts to provide the same level of service, they may have to stagger starting times at a greater level than they are now, cooperate more on low incidence transportation services, contract with parents, or utilize city transit systems where available.
- If the unavailability of drivers continues, school districts may have to be given authority to charge a fee for pupils using the service no matter how far they live from school, in order to increase the pay for drivers. Alternatively, the two-mile distance set for mandated transportation service may have to be increased.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $2,500 for F.Y. 1996 and $2,601 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $2,496 in F.Y. 1996 ($371 for F.Y. 1995 and $2,125 for F.Y. 1996), and $2,586 in F.Y. 1997 ($375 for F.Y. 1996 and $2,211 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0205: TRANSPORTATION SAFETY**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 3,512 | $ 3,512 | $ 3,512 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <647> | <330> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 3,512 | 2,865 | 3,182 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 2,471 | | |
| 6. Funding Excess/Deficiency | | 885* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 3,356 | 2,865 | 3,182 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | <365> | <581> |
| Current Law Aid Funding Level (Line 4) | | | 2,865 | 3,182 |
| **RECOMMENDED AID ENTITLEMENT** | | | 2,500 | 2,601 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY | | | 2,500 | 2,601 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 371 | 375 |
| Current Year 85 Percent | | 2,985 | 2,125 | 2,211 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| Total-State General Funds | | 2,985 | 2,496 | 2,586 |

*Estimated excess of $1,041 less $156 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $885 excess in the FY 1995 current appropriation.

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# SPECIAL PROGRAMS (03)

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |
| | 0301 | SPECIAL EDUCATION - REGULAR |
| **CITATION:** | | M.S. 120.03; 120.17; 124.32; 275.125, Subd. 8c |
| **MDE ADMIN:** | 1203 | Special Education |
| **FEDERAL:** | 0320 | Preschool Incentive |

**PURPOSE:**

To provide specially designed instruction and services to individuals, aged 22 and under, with any of the following disabilities:

Autistic
Early Childhood Special Education
Emotional Behavior Disorder (EBD)
Hearing Impaired (HI)
Mild-Moderate Mentally Handicapped (MMH)
Moderate-Severe Mentally Handicapped (MSMH)
Other Health Impaired (OHI)
Physically Handicapped (PH)
Severely Multiple Handicapped
Specific Learning Disabilities (SLD)
Speech/Language Impaired
Traumatic Brain Injury
Visually Impaired (VI)

The specific objectives of the special education program are to assure:

- curriculum, instruction and related services are prescriptively tailored to address the unique learning characteristics stemming from the individual's specific disability;
- availability of special instructional materials, equipment and adaptive technology which will allow the individual to benefit from the instructional program;
- availability in each district or cooperative of a full continuum of placements and services to meet the unique needs of individuals with disabilities;
- availability of specialized and appropriately licensed staff, according to the disability areas and needs of the students served, within each district or through cooperative arrangements; and
- compliance with M.S. 120.17 and P.L. 101-476 (formerly P.L. 94-142) which guarantee due process in the areas of child identification, assessment, individual education development and appropriate instructional placement.

Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to meet graduation standards, to the full array of postsecondary education programs available.

Most education programs contribute to more than one education goal. By providing education programs that are appropriate to the unique education needs of individuals with disabilities and by preparing individuals to be independent and responsible adults, the Special Education - Regular program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 53, 68, 70, 72, 75, 151 and 215.

**DESCRIPTION:**

Specialized instruction is provided to individuals who are determined to have a disability and are in need of special education services as determined by the local district child study team. To qualify for special education services individuals must meet standards of the uniform entrance criteria, which have been developed by the State Department of Education with assistance from local special education practitioners, for each disability area. These criteria are defined in State Board of Education Rules, effective January, 1992.

The costs of providing special education services to individuals with disabilities vary depending on the type and severity of the disability, the amount of time specialized services are required within the school day and the number of specialized services needed.

Beginning in F.Y. 1991, the Legislature authorized an alternative method for special education funding that is not based on salaries, contracts, supplies and equipment expenditures. A district may apply to receive 103% of the state aid earned in the prior year for special education regular, summer and residential programs. The alternative funding method also provides districts with more program discretion based on the approved application.

State Special Education Aid:

All program and financial data used for program approval and calculation of special education aid is collected through an electronic on-line telecommunications system. The system provides immediate editing of data for the school districts, allows each district and or/special education cooperative to manage its own data, allows the reporting of budget and program changes as they occur, and significantly reduces paperwork.

State special education aids pay for a portion of the additional costs districts incur providing special education services. Special education aids support three broad categories of service to learners with disabilities:

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, related services and support services personnel such as social workers, psychologists, pupil and program support assistants, interpreters and braillists. Minnesota Department of Education (MDE) approval of programs, personnel, and budgets is required (M.S. 124.32, Subd. 7).

   F.Y. 1993 -- 55.2% of salary expenditures of regular school district employees, not to exceed $15,320 in aid. Full-time employees with salaries in excess of $27,753 are subject to the $15,320 aid limitation. Part-time salaries and aid are prorated accordingly.

   F.Y. 1994 -- 55.2% of salary expenditures of regular school district employees, not to exceed $15,320 in aid. Full-time employees with salaries in excess of $27,753 are subject to the $15,320 aid limitation. Part-time salaries and aid are prorated accordingly.

   F.Y. 1995 -- 55.2% of salary expenditures of regular school district employees, not to exceed $15,320 in aid. Full-time employees with salaries in excess of $27,753 are subject to the $15,320 aid limitation. Part-time salaries and aid are prorated accordingly.

Districts are authorized to levy an amount equal to the difference between 68% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For special education cooperatives and intermediate districts, the levy is made by member districts in an amount equal to their allocated portion of this difference. If the appropriation is insufficient to fully fund the aid formula, districts may levy for the difference in the second year following the deficiency.

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 individuals with disabilities. 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 $47 allocated per student with a disability served.

3. Aid for Contracted Services (M.S. 124.32, Subd. 1d): School districts are authorized to purchase services for individuals with disabilities from public and private agencies. When districts choose this option, state aid is paid on the basis of 52% of the difference between the contracted cost and the General Education revenue for the pupil.

The following indicators show Minnesota's progress in achieving stated goals:

- From December 1, 1988 to December 1, 1993, the number of individuals with disabilities identified as having a disability and in need of special education services remained at approximately 10% of the school-aged population. The total child count has increased from approximately 82,000 to 90,000 with the majority of the growth in the areas of early childhood special education programs for individuals from birth through five years of age and in the area of Emotional Behavioral Disorders for all ages.
- Less than 1% of individuals with disabilities receive the majority of their education program in separate classes.
- Only 11% of individuals with disabilities receive the majority of their education program in separate classes.
- More than 80% of students with disabilities receive their education programs within the regular classroom with their non-disabled peers.
- Greater numbers of individuals with disabilities are learning employment skills and are working in mainstream businesses, are attending postsecondary education programs and are living independently as adults.
- There is an increase in cooperation and collaboration among local, county and state agencies in addressing the mental health needs of individuals with disabilities and their families and in the provision of early childhood special education programs and in transition planning and services from school to work.
- There is an increase in requests from local school districts to the State Board of Education for experimental programs and waivers from Board Rules resulting in more creative programming.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0301 SPECIAL EDUCATION - REGULAR
(Continuation)

## PROGRAM STATUS:

The following child count statistics show the changing configuration of special education services being provided by the Minnesota public schools:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Date of Count | 12/1/91 | 12/1/92 | 12/1/93 | 12/1/94 | 12/1/95 |
| Disability | | | | | |
| Speech/Language Impaired | 16,219 | 16,436 | 16,904 | 16,940 | 17,000 |
| Mild-Moderate Mentally Disabled | 7,087 | 7,208 | 7,271 | 7,271 | 7,280 |
| Moderate-Severe Mentally Disabled | 2,923 | 2,741 | 2,613 | 2,613 | 2,630 |
| Physically Impaired | 1,341 | 1,281 | 1,358 | 1,358 | 1,358 |
| Hearing Impaired | 1,440 | 1,510 | 1,606 | 1,606 | 1,606 |
| Visually Impaired | 341 | 339 | 351 | 351 | 351 |
| Specific Learning Disabilities | 31,889 | 32,789 | 34,186 | 34,186 | 34,386 |
| Emotional Behavior Disorder | 12,961 | 13,938 | 15,259 | 15,959 | 16,300 |
| Autistic | 251 | 331 | 434 | 434 | 434 |
| Deaf and Blind | 17 | 18 | 22 | 22 | 24 |
| Other Health Impaired | 840 | 1,293 | 1,964 | 2,214 | 2,270 |
| Brain Injured | -- | 48 | 86 | 106 | 200 |
| Early Childhood Special Education | 7,322 | 7,993 | 8,491 | 8,940 | 9,161 |
| Totals | 82,638 | 85,930 | 90,551 | 92,000 | 93,000 |

Additional program statistics are shown in Tables 3-1 through 3-6.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula REVENUE: | $ 264,312 | $ 292,015 | $ 315,435 | $ 339,537 | $ 365,540 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 986) | ( 341) | ( 2,823) | ( 4,311) |
| Current Law Revenue | 264,312 | 291,029 | 315,094 | 336,714 | 361,229 |
| B. Statutory Formula LEVY[a] | 80,650 | 95,801 | 106,117 | 115,991 | 126,068 |
| Levy Change Due To Insufficient Appropriation | 0 | 17,381 | 5,685 | 44,561 | 64,643 |
| Current Law Levy | 80,650 | 113,182 | 111,802 | 160,552 | 190,711 |
| C. Statutory Formula AID | 183,662 | 196,214 | 209,318 | 223,546 | 239,472 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 18,367) | ( 6,026) | ( 47,384) | ( 68,954) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | 183,662 | 177,847 | 203,292 | 176,162 | 170,518 |
| Proration Factor | 1.000 | 0.906 | 0.971 | 0.788 | 0.712 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 177,847 | 188,202 | 188,202* | 188,202* |
| Entitlement Changes Per Law: | | | | | |
| ■ Appropriation Shortfall | | 12,532 | 13,425 | 13,425 | 13,425 |
| ■ Revenue Increases (Decreases): | | | | | |
| Change in Number of Staff | | 5,397 | 5,390 | 23,878 | 44,106 |
| Average Salary per Staff FTE | | 908 | 5,084 | 7,949 | 11,157 |
| Contracted Services Aid | | 2,392 | 2,573 | 3,490 | 4,510 |
| Supplies and Equipment Aid | | ( 57) | 236 | 797 | 1,436 |
| Alternative Program Revenue | | 4,240 | 6,078 | 7,348 | 8,256 |
| ■ Levy (Increases): | | | | | |
| Change in Number of Staff | | ( 1,788) | ( 1,793) | ( 7,944) | ( 14,675) |
| Average Salary per Staff FTE | | ( 1,510) | ( 4,202) | ( 7,130) | ( 10,466) |
| Alternative Program Levy | | ( 3,747) | ( 5,675) | ( 6,469) | ( 6,479) |
| Statutory Formula Aid (Unprorated) | | $ 196,214 | $ 209,318 | $ 223,546 | $ 239,472 |

[a] Levy authority *before* reduction for Special Education Equalization Aid.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0301 SPECIAL EDUCATION - REGULAR
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Special education services continue to evolve at the local school district level. Districts are discovering, with the emphasis on inclusive programs, that all students can benefit from individuals with disabilities included and educated within the mainstream classroom. Districts continue to learn how special education services and programs can be delivered most effectively within the inclusive school. The numbers of students with disabilities continue to grow and are expected to grow, particularly in ages birth through five years of age and in the area of emotional and behavior disorders for all ages.
- The range and scope of disabilities experienced by individuals are greater than in the past. Medical science has made dramatic advances. Children who previously did not survive the birth process or infancy are now surviving well into their school years and beyond. Many such children are medically fragile and require expensive special education services. Students who are born with fetal alcohol syndrome or who were born drug addicted are demonstrating significant needs for specially designed instruction. New disabilities such as Attention Deficit Disorder (ADD) are being identified and many students with these disabilities require special education. These changes and others are forcing schools to address learning problems never before faced.
- Because of successful special education programs, there is an increasing proportion of students with disabilities who graduate and fewer number of students who drop out. Increased regular class participation, reduced special education enrollments and improved post-secondary outcomes (i.e., employment and postsecondary education participation) are occurring.
- Assure an inclusive education system that considers the needs of students with disabilities in all major educational reform efforts in Minnesota.
- The number of students with emotional/behavioral disabilities are increasing and are exhibiting many needs that schools have not had to address in the past. The population in the school reflect the similar problems observed in the general population at large.

**B. STRATEGIES:**

- 85% of students with disabilities will receive their special instruction and services in Federal Settings I & II (more than 60% of their time spent in the regular classroom) during F.Y. 1996-97.
- More than 1,500 para-professional staff will receive training to learn and promote learning with the classroom teachers to better meet the instructional needs of individuals with disabilities in inclusive programs.
- Regular education and special education teachers will receive training in developing and building collaborative classrooms to more effectively meet the academic, social and cultural needs of students with disabilities.
- Reduce the number of students with disabilities who drop out of school from 1,060 in 1992-1993 to under 800 in F.Y. 1997.
- Address training needs of regular and special education staff through the development and implementation of a statewide comprehensive system of personnel development which includes preservice and in-service opportunities. This will improve skills for working in regular and special education settings with individuals with disabilities with more complex needs. Specific training will include:
  - Multilingual issues in special education, due process rights and procedures;
  - Special education requirements for school board members;
  - Training bus drivers on requirements for transporting students with disabilities;
  - Assure teachers of students who are deaf have American Sign Language skills;
  - Work with new directors of special education on administrative issues and procedures;
  - Work with teams of regular and special educators in collaborating to meet the needs of students with disabilities and particularly those with emotional behavioral disorders.
- Assure that all learning environments for students with disabilities afford these learners and their families efficient access to programs and services from state agencies and their local counterparts.
- Increase collaboration with other agencies to reduce and/or eliminate the potential for duplication of services and to assure the agency best equipped to provide the needed service and support the child and the family is involved.
- The Governor will request the President and the Minnesota congressional delegation to amend federal law so that states like Minnesota which are providing excellent programs and services for learners with disabilities can obtain waivers from burdensome mandates which prevent efficient service delivery.
- The MDE has identified instructional systems which districts could utilize which provide greater flexibility. Some districts have not taken advantage of this opportunity. The MDE will actively encourage all districts not availing themselves of such options to do so.
- Prevention of problems is a cost effective approach. Districts will be encouraged to consider the "St. Paul model" which provides grant flexibility in terms of how special education state revenue is to be used.
- Because some students have needs which require significantly higher expenditures the fiscal safety net for excess cost aid should be increased.
- The state must continue to provide aid to address the needs of learners with disabilities in a manner which is fair and equitable. Certain districts have higher special education costs because families with children having complex special education needs frequently move to these districts to gain access to those programs and services. Aid formulas need to be adjusted to improve equity in funding.
- The state recognizes that the special education needs of children must be addressed effectively and efficiently. The state also recognizes that it must provide revenue to assure appropriate services. In a time when available revenue is increasing at a slower rate than in previous years, mechanisms need to be put into place which also control the growth of spending for programs. Such a strategy does not mean that services to students are negatively impacted. It does mean that ways must be found for districts to address students' needs differently.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0301 SPECIAL EDUCATION - REGULAR
(Continuation)

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $193,103 for F.Y. 1996 and $196,560 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $192,368 in F.Y. 1996 ($28,230 for F.Y. 1995 and $164,138 for F.Y. 1996), and $196,041 in F.Y. 1997 ($28,965 for F.Y. 1996 and $167,076 for F.Y. 1997).

The Governor recommends the following modifications in the special education - regular program, beginning in F.Y. 1996:

1. Increase special education aid and levy revenue from the F.Y. 1995 level of $315,094 to $321,838 for F.Y. 1996 and $327,599 for F.Y. 1997.

2. Replace the current special education formula with a statewide revenue target based on F.Y. 1995 revenue plus an adjustment for growth in actual pupil units. The statewide revenue targets would be $321,838 for F.Y. 1996 and $327,599 for F.Y. 1997.

3. Allocate special education revenue among school districts based on F.Y. 1995 special education revenue, adjusted for growth in actual pupil units.

4. Beginning in F.Y. 1998, expenditure data from the second prior year would be used in computing special education revenue.

5. Compute special education aid equal to 60% of the district's special education revenue, and the special education levy equalization revenue equal to 40% of the district's special education revenue.

6. Modify the formula for alternative delivery revenue so that it is consistent with the new special education formula. Continue to authorize the program flexibility included in the alternative delivery model.

7. Increase special education excess cost aid from the F.Y. 1995 level of $6,535 to $9,823 in F.Y. 1996 and $14,644 in F.Y. 1997 to provide an enhanced safety net for school districts with rapid increases in special education costs between F.Y. 1995 and F.Y. 1997 (see program 0305).

The $17,500 special education deficiency appropriation provided in Laws 1994, Chapter 587 is allocated to five special education programs in F.Y. 1995 based on estimated deficiencies as of the November 1994 forecast. In the event the entire $17,500 is not needed to fully fund the deficiencies in F.Y. 1995, the Governor recommends that the excess be used to reduce the deficiencies in special education programs in F.Y. 1994.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-1
UNDUPLICATED CHILD COUNT
STUDENTS WITH DISABILITIES BY AGE AND DISABILITY

| DISABILITY | AGE | ACTUAL F.Y. 1987 | ACTUAL F.Y. 1988 | ACTUAL F.Y. 1989 | ACTUAL F.Y. 1990 | ACTUAL F.Y. 1991 | ACTUAL F.Y. 1992 | ACTUAL F.Y. 1993 | ACTUAL F.Y. 1994 | ACTUAL F.Y. 1995 | ESTIMATED F.Y. 1996 | ESTIMATED F.Y. 1997 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Child Count Date | | 12/85 | 12/86 | 12/87 | 12/88 | 12/89 | 12/90 | 12/91 | 12/92 | 12/93 | 12/94 | 12/95 |
| 1. Speech Language Impaired | 0-2 | 106 | 188 | 79 | 150 | 156 | 140 | 183 | 187 | 167 | 197 | 207 |
| | 3-5 | 5,259 | 5,658 | 3,916 | 3,235 | 2,942 | 2,785 | 2,894 | 3,032 | 3,246 | 3,252 | 3,277 |
| | 6-11 | 11,861 | 12,038 | 12,204 | 12,234 | 12,018 | 11,425 | 11,581 | 11,579 | 11,792 | 11,792 | 11,817 |
| | 12-+21 | 1,637 | 1,481 | 1,557 | 1,495 | 1,490 | 1,400 | 1,561 | 1,638 | 1,699 | 1,699 | 1,699 |
| Total | | 18,863 | 19,365 | 17,756 | 17,114 | 16,606 | 15,750 | 16,219 | 16,436 | 16,904 | 16,940 | 17,000 |
| 2. Mild-Moderate Mentally Impaired | 0-2 | 76 | 192 | 55 | 31 | 1 | 0 | 2 | 6 | 2 | 2 | 2 |
| | 3-5 | 690 | 849 | 256 | 144 | 104 | 78 | 90 | 84 | 104 | 104 | 108 |
| | 6-11 | 3,040 | 3,178 | 3,021 | 3,015 | 3,103 | 3,038 | 3,157 | 3,209 | 3,206 | 3,206 | 3,211 |
| | 12-+21 | 4,859 | 4,614 | 4,460 | 4,235 | 4,010 | 3,794 | 3,839 | 3,909 | 3,959 | 3,959 | 3,959 |
| Total | | 8,665 | 8,833 | 7,792 | 7,425 | 7,218 | 6,910 | 7,088 | 7,208 | 7,271 | 7,271 | 7,280 |
| 3. Moderate-Severe Mentally Impaired | 0-2 | 46 | 62 | 22 | 11 | 16 | 10 | 6 | 2 | 1 | 1 | 3 |
| | 3-5 | 353 | 397 | 180 | 159 | 108 | 101 | 99 | 74 | 59 | 59 | 66 |
| | 6-11 | 1,141 | 1,124 | 1,110 | 1,062 | 1,035 | 997 | 1,025 | 961 | 903 | 903 | 911 |
| | 12-+21 | 2,240 | 2,248 | 2,092 | 1,973 | 1,961 | 1,868 | 1,795 | 1,704 | 1,650 | 1,650 | 1,650 |
| Total | | 3,780 | 3,831 | 3,404 | 3,205 | 3,120 | 2,976 | 2,925 | 2,741 | 2,613 | 2,613 | 2,630 |
| 4. Physically Impaired | 0-2 | 107 | 130 | 46 | 41 | 42 | 46 | 18 | 10 | 20 | 20 | 20 |
| | 3-5 | 272 | 324 | 197 | 155 | 104 | 111 | 98 | 83 | 94 | 94 | 94 |
| | 6-11 | 624 | 647 | 666 | 700 | 665 | 706 | 702 | 697 | 714 | 714 | 714 |
| | 12-+21 | 475 | 455 | 416 | 459 | 520 | 470 | 523 | 491 | 530 | 530 | 530 |
| Total | | 1,478 | 1,556 | 1,325 | 1,355 | 1,331 | 1,333 | 1,341 | 1,281 | 1,358 | 1,358 | 1,358 |
| 5. Hearing Impaired | 0-2 | 45 | 54 | 58 | 57 | 60 | 40 | 42 | 40 | 33 | 33 | 33 |
| | 3-5 | 200 | 195 | 153 | 149 | 177 | 158 | 167 | 175 | 170 | 170 | 170 |
| | 6-11 | 624 | 572 | 603 | 666 | 691 | 675 | 678 | 696 | 783 | 783 | 783 |
| | 12-+21 | 527 | 521 | 506 | 510 | 518 | 544 | 553 | 599 | 620 | 620 | 620 |
| Total | | 1,396 | 1,342 | 1,320 | 1,382 | 1,446 | 1,417 | 1,440 | 1,510 | 1,606 | 1,606 | 1,606 |

TABLE 3-1 (continued)
UNDUPLICATED CHILD COUNT
STUDENTS WITH DISABILITIES BY AGE AND DISABILITY

| DISABILITY | AGE | ACTUAL F.Y. 1987 | ACTUAL F.Y. 1988 | ACTUAL F.Y. 1989 | ACTUAL F.Y. 1990 | ACTUAL F.Y. 1991 | ACTUAL F.Y. 1992 | ACTUAL F.Y. 1993 | ACTUAL F.Y. 1994 | ACTUAL F.Y. 1995 | ESTIMATED F.Y. 1996 | ESTIMATED F.Y. 1997 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Child Count Date | | 12/85 | 12/86 | 12/87 | 12/88 | 12/89 | 12/90 | 12/91 | 12/92 | 12/93 | 12/94 | 12/95 |
| 6. Visually Impaired | 0-2 | 42 | 38 | 17 | 13 | 15 | 23 | 16 | 16 | 17 | 17 | 17 |
| | 3-5 | 74 | 60 | 45 | 40 | 34 | 26 | 29 | 31 | 36 | 36 | 36 |
| | 6-11 | 148 | 148 | 141 | 152 | 161 | 166 | 164 | 150 | 142 | 142 | 142 |
| | 12-+21 | 154 | 157 | 137 | 161 | 127 | 128 | 132 | 142 | 156 | 156 | 156 |
| Total | | 418 | 403 | 340 | 366 | 337 | 343 | 344 | 339 | 351 | 351 | 351 |
| 7. Specific Learning Disabilities | 0-2 | 49 | 30 | 5 | 2 | 4 | 4 | 6 | 3 | 3 | 3 | 3 |
| | 3-5 | 34 | 35 | 15 | 3 | 2 | 74 | 86 | 75 | 59 | 59 | 59 |
| | 6-11 | | | | | | 14,314 | 14,342 | 14,614 | 15,414 | 15,414 | 15,414 |
| | 12-+21 | | | | | | 17,510 | 17,457 | 18,097 | 18,710 | 18,710 | 18,810 |
| Total | | 83 | 65 | 20 | 5 | 6 | 31,902 | 31,891 | 32,789 | 34,186 | 34,186 | 34,386 |
| 8. Emotional Behavior Disorder | 0-2 | 3 | 1 | 1 | 2 | 1 | 3 | 2 | 1 | 3 | 10 | 11 |
| | 3-5 | 264 | 263 | 116 | 88 | 70 | 73 | 67 | 83 | 99 | 109 | 149 |
| | 6-11 | 2,257 | 2,492 | 2,837 | 3,151 | 3,585 | 3,985 | 4,369 | 4,725 | 5,102 | 5,442 | 5,592 |
| | 12-+21 | 6,333 | 6,816 | 7,200 | 7,442 | 7,660 | 8,185 | 8,525 | 9,129 | 10,055 | 10,398 | 10,548 |
| Total | | 8,857 | 9,572 | 10,154 | 10,683 | 11,316 | 12,246 | 12,963 | 13,938 | 15,259 | 15,959 | 16,300 |
| 9. Autistic | 0-2 | 1 | 3 | 1 | 3 | 0 | 5 | 0 | 1 | 4 | 4 | 4 |
| | 3-5 | 28 | 34 | 27 | 20 | 20 | 15 | 20 | 34 | 29 | 29 | 29 |
| | 6-11 | 72 | 75 | 70 | 82 | 82 | 82 | 133 | 193 | 262 | 262 | 262 |
| | 12-+21 | 51 | 61 | 65 | 67 | 74 | 87 | 98 | 103 | 139 | 139 | 139 |
| Total | | 152 | 173 | 163 | 172 | 176 | 189 | 251 | 331 | 434 | 434 | 434 |
| 10. Deaf and Blind | 0-2 | 4 | 5 | 4 | 1 | 1 | 0 | 0 | 1 | 1 | 1 | 2 |
| | 3-5 | 4 | 6 | 2 | 7 | 5 | 5 | 2 | 3 | 0 | 0 | 1 |
| | 6-11 | 3 | 6 | 10 | 12 | 9 | 5 | 11 | 10 | 12 | 12 | 12 |
| | 12-+21 | 10 | 5 | 7 | 9 | 6 | 4 | 4 | 4 | 9 | 9 | 9 |
| Total | | 21 | 22 | 23 | 29 | 21 | 14 | 17 | 18 | 22 | 22 | 24 |

TABLE 3-1 (continued)
UNDUPLICATED CHILD COUNT
STUDENTS WITH DISABILITIES BY AGE AND DISABILITY

| DISABILITY | AGE | ACTUAL F.Y. 1987 | ACTUAL F.Y. 1988 | ACTUAL F.Y. 1989 | ACTUAL F.Y. 1990 | ACTUAL F.Y. 1991 | ACTUAL F.Y. 1992 | ACTUAL F.Y. 1993 | ACTUAL F.Y. 1994 | ACTUAL F.Y. 1995 | ESTIMATED F.Y. 1996 | ESTIMATED F.Y. 1997 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Child Count Date | | 12/85 | 12/86 | 12/87 | 12/88 | 12/89 | 12/90 | 12/91 | 12/92 | 12/93 | 12/94 | 12/95 |
| 11. Other Health Impaired | 0-2 | 35 | 54 | 17 | 18 | 10 | 8 | 2 | 5 | 5 | 10 | 13 |
| | 3-5 | 173 | 193 | 58 | 36 | 32 | 25 | 42 | 47 | 65 | 85 | 88 |
| | 6-11 | 325 | 254 | 215 | 207 | 270 | 357 | 463 | 690 | 1,028 | 1,153 | 1,178 |
| | 12-22 | 319 | 196 | 185 | 171 | 195 | 251 | 333 | 551 | 866 | 966 | 991 |
| Total | | 852 | 697 | 475 | 432 | 507 | 641 | 840 | 1,293 | 1,964 | 2,214 | 2,270 |
| 12. Brain Injuried | 0-2 | | | | | | | | 0 | 0 | 2 | 6 |
| | 3-5 | | | | | | | | 0 | 10 | 18 | 28 |
| | 6-11 | | | | | | | | 21 | 27 | 32 | 72 |
| | 12-21 | | | | | | | | 27 | 49 | 54 | 94 |
| Total | | | | | | | | | 48 | 86 | 106 | 200 |
| 13. Early Childhood Special Education* | 0-2 | | | 539 | 1,195 | 1,465 | 1,603 | 1,922 | 2,081 | 2,180 | 2,327 | 2,437 |
| | 3-5 | | | 3,684 | 4,289 | 4,800 | 5,186 | 5,400 | 5,912 | 2,313 | 6,613 | 6,724 |
| | 6-11 | | | 368 | 195 | 119 | --- | --- | | | | |
| | 12-+21 | | | | | | | | | | | |
| Total | | | | 4,591 | 5,679 | 6,384 | 6,789 | 7,322 | 7,993 | 8,493 | 8,940 | 9,161 |
| Totals of All | 0-2 | 514 | 757 | 844 | 1,524 | 1,771 | 1,882 | 2,199 | 2,353 | 2,436 | 2,627 | 2,758 |
| | 3-5 | 8,146 | 8,731 | 8,934 | 8,443 | 8,495 | 8,637 | 8,994 | 9,633 | 10,284 | 10,628 | 10,829 |
| | 6-11 | 36,591 | 37,236 | 37,648 | 37,509 | 36,595 | 35,750 | 36,625 | 37,545 | 39,385 | 39,855 | 40,208 |
| | 12-+21 | 36,014 | 35,999 | 35,898 | 35,171 | 34,595 | 34,241 | 34,820 | 36,399 | 38,446 | 38,890 | 39,205 |
| Total | | 81,265 | 82,723 | 83,324 | 82,647 | 81,456 | 80,510 | 82,638 | 85,930 | 90,551 | 92,000 | 93,000 |

* F.Y. 1988 was the first year for this category.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-2
UNDUPLICATED CHILD COUNT BY AGE AND DISABILITY
DECEMBER 1, 1993

| AGE AS OF SEPT 1 | SPEECH/ LANG IMPAIRED | MILD MODER HDCPD | MODER SEVERE MEN HDCPD | PHYS-ICALLY HDCPD | HEARING IMPAIRED | VISUALLY IMPAIRED | SPECIFIC LEARN DISABIL | EMOTION BEHAVIOR DISORDER | DEAF BLIND | OTHER HEALTH IMPAIRED | AUTISTIC | BRAIN INJURED | EARLY CHILD SPEC ED | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 5 | 2 | 0 | 4 | 1 | 3 | 1 | 2 | 0 | 2 | 0 | 0 | 289 | 309 |
| 1 | 12 | 0 | 0 | 6 | 8 | 8 | 1 | 0 | 0 | 1 | 0 | 0 | 681 | 717 |
| 2 | 150 | 0 | 1 | 10 | 24 | 6 | 1 | 1 | 1 | 2 | 4 | 0 | 1,210 | 1,410 |
| 3 | 499 | 0 | 3 | 11 | 42 | 6 | 1 | 1 | 0 | 10 | 0 | 2 | 1,734 | 2,309 |
| 4 | 1,071 | 7 | 10 | 18 | 52 | 11 | 1 | 12 | 0 | 12 | 10 | 4 | 2,572 | 3,780 |
| 5 | 1,676 | 97 | 46 | 65 | 76 | 19 | 57 | 86 | 0 | 43 | 19 | 4 | 2,007 | 4,195 |
| 6 | 2,379 | 352 | 112 | 99 | 108 | 23 | 763 | 309 | 1 | 128 | 49 | 0 | 0 | 4,323 |
| 7 | 2,179 | 504 | 142 | 129 | 136 | 20 | 1,667 | 602 | 3 | 178 | 43 | 9 | 0 | 5,612 |
| 8 | 2,234 | 605 | 168 | 123 | 132 | 21 | 2,681 | 868 | 4 | 188 | 48 | 4 | 0 | 7,076 |
| 9 | 2,205 | 594 | 158 | 115 | 144 | 25 | 3,223 | 968 | 2 | 177 | 45 | 5 | 0 | 7,661 |
| 10 | 1,735 | 571 | 155 | 121 | 133 | 27 | 3,437 | 1,122 | 1 | 170 | 43 | 6 | 0 | 7,521 |
| 11 | 1,060 | 580 | 168 | 127 | 130 | 26 | 3,643 | 1,233 | 1 | 187 | 34 | 3 | 0 | 7,192 |
| 12 | 616 | 612 | 156 | 97 | 114 | 29 | 3,440 | 1,442 | 3 | 156 | 20 | 8 | 0 | 6,693 |
| 13 | 404 | 576 | 183 | 100 | 99 | 30 | 3,351 | 1,627 | 2 | 161 | 21 | 6 | 0 | 6,560 |
| 14 | 275 | 532 | 181 | 100 | 90 | 31 | 3,131 | 1,774 | 1 | 141 | 20 | 8 | 0 | 6,284 |
| 15 | 164 | 530 | 191 | 76 | 114 | 20 | 3,000 | 1,871 | 1 | 139 | 21 | 8 | 0 | 6,135 |
| 16 | 118 | 518 | 205 | 54 | 69 | 20 | 2,513 | 1,586 | 0 | 135 | 15 | 5 | 0 | 5,238 |
| 17 | 78 | 475 | 183 | 42 | 65 | 20 | 2,053 | 1,119 | 0 | 75 | 14 | 2 | 0 | 4,126 |
| 18 | 34 | 399 | 183 | 30 | 43 | 3 | 1,036 | 480 | 2 | 38 | 10 | 7 | 0 | 2,265 |
| 19 | 6 | 183 | 202 | 22 | 15 | 2 | 148 | 114 | 0 | 13 | 13 | 4 | 0 | 722 |
| 20 | 3 | 128 | 158 | 8 | 7 | 0 | 32 | 38 | 0 | 7 | 5 | 1 | 0 | 387 |
| 21 | 1 | 6 | 8 | 1 | 4 | 1 | 6 | 4 | 0 | 1 | 0 | 0 | 0 | 32 |
| +21 | 0 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |
| Totals | | | | | | | | | | | | | | |
| 0-2 | 167 | 2 | 1 | 20 | 33 | 17 | 3 | 3 | 1 | 5 | 4 | 0 | 2,180 | 2,436 |
| 3-5 | 3,246 | 104 | 59 | 94 | 170 | 36 | 59 | 99 | 0 | 65 | 29 | 10 | 6,313 | 10,284 |
| 6-11 | 11,792 | 3,206 | 903 | 714 | 783 | 142 | 15,414 | 5,102 | 12 | 1,028 | 262 | 27 | 0 | 39,385 |
| 12-17 | 1,655 | 3,243 | 1,099 | 469 | 551 | 150 | 17,488 | 9,419 | 7 | 807 | 111 | 37 | 0 | 35,036 |
| 18-21 | 44 | 716 | 551 | 61 | 69 | 6 | 1,222 | 636 | 2 | 59 | 28 | 12 | 0 | 3,406 |
| 0-21 | 16,904 | 7,271 | 2,613 | 1,358 | 1,606 | 351 | 34,186 | 15,259 | 22 | 1,964 | 434 | 86 | 8,493 | 90,547 |
| +21 | 0 | 2 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 |

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-3
UNDUPLICATED CHILD COUNT PERCENT OF STUDENTS
WITH HANDICAPS BY DISABILITY
DECEMBER 1, 1993

| AGE AS OF SEPT 1 | SPEECH/ LANG IMPAIRED | MILD MODER HDCPD | MODER SEVERE MEN HDCPD | PHYS-ICALLY HDCPD | HEARING IMPAIRED | VISUALLY IMPAIRED | SPECIFIC LEARN DISABIL | EMOTION BEHAVIOR DISORDER | DEAF BLIND | OTHER HEALTH IMPAIRED | AUTISTIC | BRAIN INJURED | EARLY CHILD SPEC ED | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0.006 | 0.002 | 0.000 | 0.004 | 0.001 | 0.003 | 0.001 | 0.002 | 0.000 | 0.002 | 0.000 | 0.000 | 0.319 | 0.341 |
| 1 | 0.013 | 0.000 | 0.000 | 0.007 | 0.009 | 0.009 | 0.001 | 0.000 | 0.000 | 0.001 | 0.000 | 0.000 | 0.752 | 0.792 |
| 2 | 0.166 | 0.000 | 0.001 | 0.011 | 0.027 | 0.007 | 0.001 | 0.001 | 0.001 | 0.002 | 0.004 | 0.000 | 1.336 | 1.557 |
| 3 | 0.551 | 0.000 | 0.003 | 0.012 | 0.046 | 0.007 | 0.001 | 0.001 | 0.000 | 0.011 | 0.000 | 0.002 | 1.915 | 2.500 |
| 4 | 1.183 | 0.008 | 0.011 | 0.020 | 0.057 | 0.012 | 0.001 | 0.013 | 0.000 | 0.013 | 0.011 | 0.004 | 2.840 | 4.174 |
| 5 | 1.851 | 0.107 | 0.051 | 0.072 | 0.084 | 0.021 | 0.063 | 0.095 | 0.000 | 0.047 | 0.021 | 0.004 | 2.216 | 4.633 |
| 6 | 2.627 | 0.389 | 0.124 | 0.109 | 0.119 | 0.025 | 0.843 | 0.341 | 0.001 | 0.141 | 0.054 | 0.000 | 0.000 | 4.774 |
| 7 | 2.406 | 0.557 | 0.157 | 0.142 | 0.150 | 0.022 | 1.841 | 0.665 | 0.003 | 0.197 | 0.047 | 0.010 | 0.000 | 6.198 |
| 8 | 2.467 | 0.668 | 0.186 | 0.136 | 0.146 | 0.023 | 2.961 | 0.959 | 0.004 | 0.208 | 0.053 | 0.004 | 0.000 | 7.814 |
| 9 | 2.435 | 0.656 | 0.174 | 0.127 | 0.159 | 0.028 | 3.559 | 1.069 | 0.002 | 0.195 | 0.050 | 0.006 | 0.000 | 8.460 |
| 10 | 1.916 | 0.631 | 0.171 | 0.134 | 0.147 | 0.030 | 3.796 | 1.239 | 0.001 | 0.188 | 0.047 | 0.007 | 0.000 | 8.306 |
| 11 | 1.171 | 0.641 | 0.186 | 0.140 | 0.144 | 0.029 | 4.023 | 1.362 | 0.001 | 0.207 | 0.038 | 0.003 | 0.000 | 7.942 |
| 12 | 0.680 | 0.676 | 0.172 | 0.107 | 0.126 | 0.032 | 3.799 | 1.592 | 0.003 | 0.172 | 0.022 | 0.009 | 0.000 | 7.391 |
| 13 | 0.446 | 0.636 | 0.202 | 0.110 | 0.109 | 0.033 | 3.701 | 1.797 | 0.002 | 0.178 | 0.023 | 0.007 | 0.000 | 7.245 |
| 14 | 0.304 | 0.588 | 0.200 | 0.110 | 0.099 | 0.034 | 3.458 | 1.959 | 0.001 | 0.156 | 0.022 | 0.009 | 0.000 | 6.940 |
| 15 | 0.181 | 0.585 | 0.211 | 0.084 | 0.126 | 0.022 | 3.313 | 2.066 | 0.001 | 0.154 | 0.023 | 0.009 | 0.000 | 6.775 |
| 16 | 0.130 | 0.572 | 0.226 | 0.060 | 0.076 | 0.022 | 2.775 | 1.751 | 0.000 | 0.149 | 0.017 | 0.006 | 0.000 | 5.785 |
| 17 | 0.086 | 0.525 | 0.202 | 0.046 | 0.072 | 0.022 | 2.267 | 1.236 | 0.000 | 0.083 | 0.015 | 0.002 | 0.000 | 4.557 |
| 18 | 0.038 | 0.441 | 0.202 | 0.033 | 0.047 | 0.003 | 1.144 | 0.530 | 0.002 | 0.042 | 0.011 | 0.008 | 0.000 | 2.501 |
| 19 | 0.007 | 0.202 | 0.223 | 0.024 | 0.017 | 0.002 | 0.163 | 0.126 | 0.000 | 0.014 | 0.014 | 0.004 | 0.000 | 0.797 |
| 20 | 0.003 | 0.141 | 0.174 | 0.009 | 0.008 | 0.000 | 0.035 | 0.042 | 0.000 | 0.008 | 0.006 | 0.001 | 0.000 | 0.427 |
| 21 | 0.001 | 0.007 | 0.009 | 0.001 | 0.004 | 0.001 | 0.007 | 0.004 | 0.000 | 0.001 | 0.000 | 0.000 | 0.000 | 0.035 |
| +21 | 0.000 | 0.002 | 0.001 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.004 |
| Totals | | | | | | | | | | | | | | |
| 0-2 | 0.184 | 0.002 | 0.001 | 0.022 | 0.036 | 0.019 | 0.003 | 0.003 | 0.001 | 0.006 | 0.004 | 0.000 | 2.407 | 2.690 |
| 3-5 | 3.585 | 0.115 | 0.065 | 0.104 | 0.188 | 0.040 | 0.065 | 0.109 | 0.000 | 0.072 | 0.032 | 0.011 | 6.972 | 11.357 |
| 6-11 | 13.022 | 3.541 | 0.997 | 0.789 | 0.865 | 0.157 | 17.022 | 5.634 | 0.013 | 1.135 | 0.289 | 0.030 | 0.000 | 43.495 |
| 12-17 | 1.828 | 3.581 | 1.214 | 0.518 | 0.608 | 0.166 | 19.313 | 10.402 | 0.008 | 0.891 | 0.123 | 0.041 | 0.000 | 38.692 |
| 0-21 | 18.668 | 8.030 | 2.886 | 1.500 | 1.774 | 0.388 | 37.753 | 16.851 | 0.024 | 2.169 | 0.479 | 0.095 | 9.379 | 99.996 |
| +21 | 0.000 | 0.002 | 0.001 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.004 |

TABLE 3-4
UNDUPLICATED CHILD COUNT PERCENT OF SCHOOL AGE CHILDREN
WITH DISABILITIES TO TOTAL SCHOOL POPULATION
DECEMBER 1, 1993

| AGE AS OF SEPT 1 | SPEECH/ LANG IMPAIRED | MILD MODER HDCPD | MODER SEVERE MEN HDCPD | PHYS-ICALLY HDCPD | HEARING IMPAIRED | VISUALLY IMPAIRED | SPECIFIC LEARN DISABIL | EMOTION BEHAVIOR DISORDER | DEAF BLIND | OTHER HEALTH IMPAIRED | AUTISTIC | BRAIN INJURED | EARLY CHILD SPEC ED | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.033 | 0.035 |
| 1 | 0.001 | 0.000 | 0.000 | 0.001 | 0.001 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.078 | 0.082 |
| 2 | 0.017 | 0.000 | 0.000 | 0.001 | 0.003 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.139 | 0.161 |
| 3 | 0.057 | 0.000 | 0.000 | 0.001 | 0.005 | 0.001 | 0.000 | 0.000 | 0.000 | 0.001 | 0.000 | 0.000 | 0.198 | 0.264 |
| 4 | 0.123 | 0.001 | 0.001 | 0.002 | 0.006 | 0.001 | 0.000 | 0.001 | 0.000 | 0.001 | 0.001 | 0.000 | 0.294 | 0.433 |
| 5 | 0.192 | 0.011 | 0.005 | 0.007 | 0.009 | 0.002 | 0.007 | 0.010 | 0.000 | 0.005 | 0.002 | 0.000 | 0.230 | 0.480 |
| 6 | 0.272 | 0.040 | 0.013 | 0.011 | 0.012 | 0.003 | 0.087 | 0.035 | 0.000 | 0.015 | 0.006 | 0.000 | 0.000 | 0.495 |
| 7 | 0.249 | 0.058 | 0.016 | 0.015 | 0.016 | 0.002 | 0.191 | 0.069 | 0.000 | 0.020 | 0.005 | 0.001 | 0.000 | 0.642 |
| 8 | 0.256 | 0.069 | 0.019 | 0.014 | 0.015 | 0.002 | 0.307 | 0.099 | 0.000 | 0.022 | 0.005 | 0.000 | 0.000 | 0.810 |
| 9 | 0.252 | 0.068 | 0.018 | 0.013 | 0.016 | 0.003 | 0.369 | 0.111 | 0.000 | 0.020 | 0.005 | 0.001 | 0.000 | 0.877 |
| 10 | 0.199 | 0.065 | 0.018 | 0.014 | 0.015 | 0.003 | 0.393 | 0.128 | 0.000 | 0.019 | 0.005 | 0.001 | 0.000 | 0.861 |
| 11 | 0.121 | 0.066 | 0.019 | 0.015 | 0.015 | 0.003 | 0.417 | 0.141 | 0.000 | 0.021 | 0.004 | 0.000 | 0.000 | 0.823 |
| 12 | 0.071 | 0.070 | 0.018 | 0.011 | 0.013 | 0.003 | 0.394 | 0.165 | 0.000 | 0.018 | 0.002 | 0.001 | 0.000 | 0.766 |
| 13 | 0.046 | 0.066 | 0.021 | 0.011 | 0.011 | 0.003 | 0.384 | 0.186 | 0.000 | 0.018 | 0.002 | 0.001 | 0.000 | 0.751 |
| 14 | 0.031 | 0.061 | 0.021 | 0.011 | 0.010 | 0.004 | 0.358 | 0.203 | 0.000 | 0.016 | 0.002 | 0.001 | 0.000 | 0.719 |
| 15 | 0.019 | 0.061 | 0.022 | 0.009 | 0.013 | 0.002 | 0.343 | 0.214 | 0.000 | 0.016 | 0.002 | 0.001 | 0.000 | 0.702 |
| 16 | 0.014 | 0.059 | 0.023 | 0.006 | 0.008 | 0.002 | 0.288 | 0.182 | 0.000 | 0.015 | 0.002 | 0.001 | 0.000 | 0.600 |
| 17 | 0.009 | 0.054 | 0.021 | 0.005 | 0.007 | 0.002 | 0.235 | 0.128 | 0.000 | 0.009 | 0.002 | 0.000 | 0.000 | 0.472 |
| 18 | 0.004 | 0.046 | 0.021 | 0.003 | 0.005 | 0.000 | 0.119 | 0.055 | 0.000 | 0.004 | 0.001 | 0.001 | 0.000 | 0.259 |
| 19 | 0.001 | 0.021 | 0.023 | 0.003 | 0.002 | 0.000 | 0.017 | 0.013 | 0.000 | 0.001 | 0.001 | 0.000 | 0.000 | 0.083 |
| 20 | 0.000 | 0.015 | 0.018 | 0.001 | 0.001 | 0.000 | 0.004 | 0.004 | 0.000 | 0.001 | 0.001 | 0.000 | 0.000 | 0.044 |
| 21 | 0.000 | 0.001 | 0.001 | 0.000 | 0.000 | 0.000 | 0.001 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.004 |
| Totals | | | | | | | | | | | | | | |
| 0-2 | 0.019 | 0.000 | 0.000 | 0.002 | 0.004 | 0.002 | 0.000 | 0.000 | 0.000 | 0.001 | 0.000 | 0.000 | 0.250 | 0.279 |
| 3-5 | 0.372 | 0.012 | 0.007 | 0.011 | 0.019 | 0.004 | 0.007 | 0.011 | 0.000 | 0.007 | 0.003 | 0.001 | 0.723 | 1.177 |
| 6-11 | 1.350 | 0.367 | 0.103 | 0.082 | 0.090 | 0.016 | 1.765 | 0.584 | 0.001 | 0.118 | 0.030 | 0.003 | 0.000 | 4.509 |
| 12-17 | 0.189 | 0.371 | 0.126 | 0.054 | 0.063 | 0.017 | 2.002 | 1.078 | 0.001 | 0.092 | 0.013 | 0.004 | 0.000 | 4.011 |
| 0-21 | 1.935 | 0.832 | 0.299 | 0.155 | 0.184 | 0.040 | 3.913 | 1.747 | 0.003 | 0.225 | 0.050 | 0.010 | 0.972 | 10,365 |
| +21 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Percent of students with disabilities receiving Special Education compared to total school population

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-5
UNDUPLICATED CHILD COUNT BY EDUCATIONAL SETTINGS
DECEMBER 1, 1993

| AGE AS OF SEPT 1 | SPEECH/ LANG IMPAIRED | MILD MODER HDCPD | MODER SEVERE MEN HDCPD | PHYS-ICALLY HDCPD | HEARING IMPAIRED | VISUALLY IMPAIRED | SPECIFIC LEARN DISABIL | EMOTION BEHAVIOR DISORDER | DEAF BLIND | OTHER HEALTH IMPAIRED | AUTISTIC | BRAIN INJURED | EARLY CHILD SPEC ED | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Setting: Regular Class | | | | | | | | | | | | | | |
| 0-5 | 2,158 | 50 | 9 | 48 | 62 | 20 | 42 | 62 | 0 | 32 | 8 | 0 | 1,446 | 3,937 |
| 6-11 | 10,784 | 1,096 | 150 | 481 | 502 | 114 | 11,146 | 3,129 | 5 | 741 | 100 | 14 | 0 | 28,262 |
| 12-+21 | 1,427 | 683 | 60 | 318 | 399 | 111 | 11,933 | 3,900 | 2 | 565 | 15 | 18 | 0 | 19,431 |
| Totals | 14,369 | 1,829 | 219 | 847 | 963 | 245 | 23,121 | 7,091 | 7 | 1,338 | 123 | 32 | 1,446 | 51,630 |
| Setting: Resource Room, Half-Time or More | | | | | | | | | | | | | | |
| 0-5 | 171 | 29 | 8 | 12 | 30 | 5 | 12 | 13 | 0 | 10 | 5 | 2 | 902 | 1,199 |
| 6-11 | 872 | 1,670 | 224 | 201 | 148 | 19 | 3,981 | 922 | 0 | 242 | 63 | 7 | 0 | 8,349 |
| 12-+21 | 247 | 1,892 | 199 | 152 | 113 | 34 | 6,008 | 2,823 | 4 | 224 | 28 | 14 | 0 | 11,738 |
| Totals | 1,290 | 3,591 | 431 | 365 | 291 | 58 | 10,001 | 3,758 | 4 | 476 | 96 | 23 | 902 | 21,286 |
| Setting: Separate Class | | | | | | | | | | | | | | |
| 0-5 | 740 | 25 | 35 | 31 | 56 | 10 | 6 | 25 | 0 | 15 | 12 | 8 | 2,826 | 3,789 |
| 6-11 | 101 | 403 | 431 | 21 | 90 | 7 | 249 | 660 | 3 | 28 | 79 | 5 | 0 | 2,077 |
| 12-+21 | 20 | 1,170 | 948 | 33 | 46 | 2 | 538 | 1,071 | 1 | 42 | 73 | 11 | 0 | 3,955 |
| Totals | 861 | 1,598 | 1,414 | 85 | 192 | 19 | 793 | 1,756 | 4 | 85 | 164 | 24 | 2,826 | 9,821 |
| Setting: Public Separate Day School | | | | | | | | | | | | | | |
| 0-5 | 98 | 2 | 4 | 8 | 38 | 1 | 2 | 2 | 0 | 4 | 8 | 0 | 1,406 | 1,573 |
| 6-11 | 9 | 30 | 79 | 8 | 27 | 0 | 25 | 272 | 2 | 7 | 15 | 0 | 0 | 474 |
| 12-+21 | 3 | 179 | 355 | 17 | 25 | 1 | 140 | 1,406 | 1 | 11 | 19 | 3 | 0 | 2,160 |
| Totals | 110 | 211 | 438 | 33 | 90 | 2 | 167 | 1,680 | 3 | 22 | 42 | 3 | 1,406 | 4,207 |

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-5 (CONT.)
UNDUPLICATED CHILD COUNT BY EDUCATIONAL SETTINGS
DECEMBER 1, 1993

| AGE AS OF SEPT 1 | SPEECH/ LANG IMPAIRED | MILD MODER HDCPD | MODER SEVERE MEN HDCPD | PHYS-ICALLY HDCPD | HEARING IMPAIRED | VISUALLY IMPAIRED | SPECIFIC LEARN DISABIL | EMOTION BEHAVIOR DISORDER | DEAF BLIND | OTHER HEALTH IMPAIRED | AUTISTIC | BRAIN INJURED | EARLY CHILD SPEC ED | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Setting: Private Separate Day School | | | | | | | | | | | | | | |
| 0-5 | 6 | 0 | 0 | 1 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24 | 36 |
| 6-11 | 0 | 3 | 4 | 0 | 7 | 0 | 8 | 47 | 0 | 0 | 2 | 1 | 0 | 72 |
| 12-+21 | 0 | 10 | 40 | 2 | 4 | 0 | 16 | 190 | 0 | 2 | 1 | 0 | 0 | 265 |
| Totals | 6 | 13 | 44 | 3 | 16 | 0 | 24 | 237 | 0 | 2 | 3 | 1 | 24 | 373 |
| Setting: Public Residential School Facility | | | | | | | | | | | | | | |
| 0-5 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8 | 11 |
| 6-11 | 1 | 0 | 2 | 0 | 9 | 2 | 2 | 43 | 2 | 1 | 1 | 0 | 0 | 63 |
| 12-+21 | 0 | 12 | 31 | 2 | 31 | 6 | 40 | 450 | 1 | 2 | 3 | 0 | 0 | 578 |
| Totals | 4 | 12 | 33 | 2 | 40 | 8 | 42 | 493 | 3 | 3 | 4 | 0 | 8 | 652 |
| Setting: Private Residential School Facility | | | | | | | | | | | | | | |
| 0-5 | 7 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 12 | 23 |
| 6-11 | 23 | 2 | 2 | 0 | 0 | 0 | 1 | 17 | 0 | 3 | 2 | 0 | 0 | 50 |
| 12-+21 | 0 | 7 | 8 | 4 | 1 | 1 | 13 | 130 | 0 | 4 | 0 | 1 | 0 | 169 |
| Totals | 30 | 9 | 10 | 6 | 1 | 1 | 14 | 147 | 0 | 9 | 2 | 1 | 12 | 242 |
| Setting: Hospital or Homebound | | | | | | | | | | | | | | |
| 0-5 | 230 | 0 | 4 | 12 | 12 | 17 | 0 | 0 | 1 | 7 | 0 | 0 | 1,869 | 2,152 |
| 6-11 | 2 | 2 | 11 | 3 | 0 | 0 | 2 | 12 | 0 | 6 | 0 | 0 | 0 | 38 |
| 12-+21 | 2 | 8 | 10 | 3 | 1 | 1 | 22 | 85 | 0 | 16 | 0 | 2 | 0 | 150 |
| Totals | 234 | 10 | 25 | 18 | 13 | 18 | 24 | 97 | 1 | 29 | 0 | 2 | 1,869 | 2,340 |
| Total Students Served | | | | | | | | | | | | | | |
| 0-5 | 3,413 | 106 | 60 | 114 | 203 | 53 | 62 | 102 | 1 | 70 | 33 | 10 | 8,493 | 12,720 |
| 6-11 | 11,792 | 3,206 | 903 | 714 | 783 | 142 | 15,414 | 5,102 | 12 | 1,028 | 262 | 27 | 0 | 39,385 |
| 12-+21 | 1,699 | 3,961 | 1,651 | 531 | 620 | 156 | 18,710 | 10,055 | 9 | 866 | 139 | 49 | 0 | 38,446 |
| Totals | 16,904 | 7,273 | 2,614 | 1,359 | 1,606 | 351 | 34,186 | 15,259 | 22 | 1,964 | 434 | 86 | 8,493 | 90,547 |

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-6
FULL-TIME EQUIVALENT (FTE STAFF)
BY DISABILITY, BY FUNDING SOURCE
(INCLUDES EMPLOYED AND CONTRACTED STAFF)

| | Actual F.Y. 1991 | Actual F.Y. 1992 | Actual F.Y. 1993 | Actual F.Y. 1994 | Estimated F.Y. 1995 | Estimated F.Y. 1996 | Estimated F.Y. 1997 |
|---|---|---|---|---|---|---|---|
| DISABILITY | | | | | | | |
| 1. Speech Language Impaired | | | | | | | |
| State | 1,083 | 1,127 | 1,170 | 1,224 | 1,424 | 1,674 | 1,974 |
| Federal | 39 | 43 | 36 | 21 | 21 | 21 | 21 |
| Total | 1,122 | 1,170 | 1,206 | 1,245 | 1,445 | 1,695 | 1,995 |
| 2. Mild-Moderate Mentally Impaired | | | | | | | |
| State | 1,518 | 1,655 | 1,699 | 1,863 | 1,863 | 1,885 | 1,905 |
| Federal | 38 | 34 | 32 | 24 | 24 | 24 | 24 |
| Total | 1,556 | 1,689 | 1,731 | 1,887 | 1,887 | 1,909 | 1,929 |
| 3. Moderate-Severe Mentally Impaired | | | | | | | |
| State | 1,649 | 1,722 | 1,852 | 1,953 | 1,953 | 1,953 | 1,973 |
| Federal | 20 | 24 | 22 | 16 | 16 | 16 | |
| Total | 1,669 | 1,746 | 1,874 | 1,969 | 1,969 | 1,969 | 1,989 |
| 4. Physically Impaired | | | | | | | |
| State | 411 | 478 | 533 | 551 | 551 | 571 | 581 |
| Federal | 21 | 18 | 17 | 12 | 12 | 12 | 12 |
| Total | 432 | 496 | 550 | 563 | 563 | 583 | 593 |
| 5. Hearing Impaired | | | | | | | |
| State | 405 | 409 | 420 | 492 | 492 | 502 | 512 |
| Federal | 20 | 17 | 22 | 20 | 20 | 20 | 20 |
| Total | 425 | 426 | 442 | 512 | 512 | 522 | 532 |
| 6. Visually Impaired | | | | | | | |
| State | 99 | 97 | 92 | 114 | 114 | 124 | 134 |
| Federal | 4 | 5 | 3 | 3 | 3 | 3 | 3 |
| Total | 103 | 102 | 95 | 117 | 117 | 127 | 137 |
| 7. Specific Learning Disability | | | | | | | |
| State | 2,759 | 2,853 | 2,916 | 2,968 | 3,167 | 3,445 | 3,693 |
| Federal | 35 | 34 | 32 | 30 | 29 | 29 | 29 |
| Total | 2,794 | 2,887 | 2,948 | 2,998 | 3,196 | 3,474 | 3,722 |

TABLE 3-6
FULL-TIME EQUIVALENT (FTE STAFF)
BY DISABILITY, BY FUNDING SOURCE
(INCLUDES EMPLOYED AND CONTRACTED STAFF)

| | Actual F.Y. 1991 | Actual F.Y. 1992 | Actual F.Y. 1993 | Actual F.Y. 1994 | Estimated F.Y. 1995 | Estimated F.Y. 1996 | Estimated F.Y. 1997 |
|---|---|---|---|---|---|---|---|
| 8. Autistic | | | | | | | |
| State | 67 | 72 | 119 | 117 | 137 | 147 | 157 |
| Federal | 17 | 19 | 19 | 30 | 30 | 30 | 30 |
| Total | 84 | 91 | 138 | 147 | 167 | 177 | 187 |
| 9. Emotional Behavior Disorder | | | | | | | |
| State | 2,176 | 2,466 | 2,809 | 3,316 | 3,616 | 3,916 | 4,216 |
| Federal | 64 | 57 | 56 | 70 | 70 | 70 | 70 |
| Total | 2,240 | 2,523 | 2,865 | 3,386 | 3,686 | 3,986 | 4,286 |
| 10. Other Health Impaired | | | | | | | |
| State | 21 | 34 | 62 | 72 | 92 | 112 | 133 |
| Federal | 1 | 1 | 2 | 2 | 2 | 2 | 2 |
| Total | 22 | 35 | 64 | 74 | 94 | 114 | 135 |
| 11. Early Childhood Special Education | | | | | | | |
| State | 986 | 1,005 | 1,073 | 1,140 | 1,362 | 1,462 | 1,612 |
| Federal | 107 | 126 | 113 | 123 | 123 | 123 | 123 |
| Total | 1,093 | 1,131 | 1,186 | 1,263 | 1,485 | 1,585 | 1,735 |
| 12. Brain Injured | | | | | | | |
| State | 0 | 0 | 0 | 7 | 8 | 10 | 12 |
| Federal | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Total | 0 | 0 | 0 | 7 | 9 | 11 | 13 |
| 13. Other Essential Personnel | | | | | | | |
| a. Directors/Assistants | | | | | | | |
| Directors/Supervisors | | | | | | | |
| State | 191 | 171 | 167 | 46 | 46 | 66 | 66 |
| Federal | 16 | 15 | 23 | 83 | 83 | 83 | 83 |
| Total | 207 | 186 | 190 | 129 | 129 | 149 | 149 |
| b. Social Workers/Aides | | | | | | | |
| State | 508 | 531 | 541 | 588 | 588 | 598 | 598 |
| Federal | 16 | 15 | 14 | 12 | 12 | 12 | 12 |
| Total | 524 | 546 | 555 | 600 | 600 | 610 | 610 |
| c. Psychologists | | | | | | | |
| State | 375 | 376 | 392 | 432 | 432 | 432 | 442 |
| Federal | 47 | 49 | 49 | 34 | 34 | 34 | 34 |
| Total | 422 | 425 | 441 | 466 | 466 | 466 | 476 |

TABLE 3-6
FULL-TIME EQUIVALENT (FTE STAFF)
BY DISABILITY, BY FUNDING SOURCE
(INCLUDES EMPLOYED AND CONTRACTED STAFF)

| | Actual F.Y. 1991 | Actual F.Y. 1992 | Actual F.Y. 1993 | Actual F.Y. 1994 | Estimated F.Y. 1995 | Estimated F.Y. 1996 | Estimated F.Y. 1997 |
|---|---|---|---|---|---|---|---|
| d. Adapt. Phy. Ed. | | | | | | | |
| State | 246 | 278 | 281 | 298 | 298 | 298 | 308 |
| Federal | 18 | 18 | 19 | 11 | 11 | 11 | 11 |
| Total | 264 | 296 | 300 | 309 | 309 | 309 | 319 |
| e. Occupational Therapy | | | | | | | |
| State | 421 | 242 | 259 | 292 | 292 | 292 | 302 |
| Federal | 38 | 52 | 52 | 34 | 34 | 34 | 34 |
| Total | 459 | 294 | 311 | 326 | 326 | 326 | 326 |
| f. Physical Therapy | | | | | | | |
| State | 87 | 85 | 92 | 100 | 100 | 100 | 105 |
| Federal | 10 | 17 | 16 | 11 | 11 | 11 | 11 |
| Total | 97 | 102 | 108 | 111 | 111 | 111 | 116 |
| g. Other | | | | | | | |
| State | 57 | 293 | 338 | 351 | 351 | 351 | 386 |
| Federal | 284 | 282 | 299 | 335 | 335 | 335 | 335 |
| Total | 341 | 575 | 637 | 686 | 686 | 686 | 721 |
| Other Essential Personnel Subtotal | | | | | | | |
| State | 1,885 | 1,976 | 2,070 | 2,107 | 2,107 | 2,137 | 2,209 |
| Federal | 429 | 448 | 472 | 520 | 520 | 520 | 520 |
| Total | 2,314 | 2,424 | 2,542 | 2,627 | 2,627 | 2,657 | 2,729 |
| State Totals(*) | | | | | | | |
| State | 13,059 | 13,894 | 14,815 | 15,924 | 16,886 | 17,958 | 19,109 |
| Federal | 795 | 826 | 826 | 871 | 871 | 871 | 871 |
| Total | 13,854 | 14,720 | 15,641 | 16,795 | 17,757 | 18,829 | 19,980 |

(*) FTE staff are not included in Table 3-7 for programs participating in alternative funding which accounts for differences in Tables 3-6 and 3-7.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

(Continuation) 0301 SPECIAL EDUCATION, REGULAR

TABLE 3-7
DISTRICT EXPENDITURES AND FORMULA FUNDING

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| FTE | | | | | |
| Above Cap | | | | | |
| Teacher | $ 5,321.20 | $ 5,633.65 | $ 6,176.00 | $ 6,690.10 | $ 7,213.67 |
| Paraprofessional | 17.25 | 20.38 | 22.91 | 25.52 | 29.21 |
| Other | 1,091.02 | 1,060.10 | 1,120.29 | 1,178.93 | 1,223.20 |
| Total | 6,439.47 | 6,714.13 | 7,319.20 | 7,894.55 | 8,476.08 |
| Below Cap | | | | | |
| Teacher | 1,772.57 | 1,856.42 | 1,591.22 | 1,364.61 | 1,139.01 |
| Paraprofessional | 4,847.65 | 5,445.60 | 6,098.91 | 6,830.85 | 7,649.93 |
| Other | 413.17 | 400.14 | 369.14 | 340.28 | 316.33 |
| Total | 7,033.39 | 7,702.16 | 8,059.27 | 8,535.74 | 9,105.27 |
| Total FTE Staff | 13,472.86 | 14,416.29 | 15,378.47 | 16,430.29 | 17,581.35 |
| Salaries | | | | | |
| Above Cap | | | | | |
| Teacher | 199,315.8 | 212,888.0 | 234,700.5 | 256,643.6 | 279,796.6 |
| Paraprofessional | 628.3 | 749.0 | 842.9 | 942.4 | 1,074.8 |
| Other | 43,813.3 | 41,197.4 | 44,218.6 | 47,313.0 | 50,411.7 |
| Total | 243,757.4 | 254,834.3 | 279,762.0 | 304,899.0 | 331,283.0 |
| Below Cap | | | | | |
| Teacher | 43,014.5 | 44,679.4 | 38,548.2 | 33,320.4 | 27,973.9 |
| Paraprofessional | 60,102.3 | 68,894.7 | 79,350.4 | 91,434.7 | 105,347.0 |
| Other | 8,288.3 | 7,916.7 | 7,279.5 | 6,685.0 | 6,212.0 |
| Total | 111,405.0 | 121,490.7 | 125,178.0 | 131,440.0 | 139,522.8 |
| Total Staff Salaries | 355,162.3 | 376,325.0 | 404,940.0 | 436,339.0 | 470,805.9 |
| Gross Aid | | | | | |
| Above Cap | | | | | |
| Teacher | 81,674.0 | 86,307.5 | 94,616.3 | 102,492.3 | 110,513.4 |
| Paraprofessional | 264.3 | 312.2 | 351.0 | 391.0 | 447.5 |
| Other | 16,714.4 | 16,240.7 | 17,162.8 | 18,061.2 | 18,892.6 |
| Total | 98,652.7 | 102,860.4 | 112,130.1 | 120,944.5 | 129,853.5 |
| Below Cap | | | | | |
| Teacher | 23,744.0 | 24,663.0 | 21,278.5 | 18,392.8 | 15,436.0 |
| Paraprofessional | 33,176.4 | 38,029.8 | 43,801.4 | 50,471.9 | 58,151.5 |
| Other | 4,575.1 | 4,370.0 | 4,018.3 | 3,690.1 | 3,429.0 |
| Total | 61,495.6 | 67,062.9 | 69,098.3 | 72,555.0 | 77,016.6 |
| Total Gross Aid | 160,148.2 | 169,923.4 | 181,228.4 | 193,499.4 | 206,870.1 |
| Contracted Services | | | | | |
| Contracted Staff | | | | | |
| FTE | 284.97 | 305.48 | 329.68 | 356.04 | 384.81 |
| Expenditure | 11,463.0 | 13,385.2 | 14,917.2 | 16,624.7 | 18,527.6 |
| Gross Aid | 5,960.8 | 6,960.3 | 7,757.0 | 8,644.8 | 9,634.3 |
| Contracted Student | | | | | |
| Expenditure | 1,990.4 | 1,970.0 | 2,029.1 | 2,090.0 | 2,152.7 |
| WADM | 273.76 | 249.73 | 250.25 | 250.25 | 250.25 |
| Basic Revenue Deduct | 835.0 | 761.67 | 788.3 | 788.3 | 788.3 |
| Difference | 1,379.8 | 1,403.0 | 1,442.4 | 1,498.6 | 1,556.7 |
| Gross Aid | 717.5 | 729.6 | 750.0 | 779.3 | 809.5 |
| Total Contracted Gross Aid | 6,678.3 | 7,689.9 | 8,507.0 | 9,424.1 | 10,443.8 |
| Supplies and Equipment | | | | | |
| Expenditure | 5,654.2 | 6,157.6 | 7,230.3 | 8,489.8 | 9,968.7 |
| Child Count | 214,816 | 246,309.0 | 270,948.0 | 298,065.0 | 327,891.0 |
| Gross Aid | 2,636.7 | 2,842.6 | 3,326.4 | 3,887.3 | 4,526.8 |
| State Totals | | | | | |
| District Expenditures | 374,270.0 | 397,838.0 | 429,116.8 | 463,543.6 | 501,454.9 |
| Gross State Aid | 169,463.2 | 180,455.8 | 193,061.8 | 206,810.9 | 221,840.7 |
| Gross Alternative Aid | 14,199.0 | 15,758.5 | 16,256.5 | 16,733.6 | 17,630.8 |
| Grand Total Gross State Aid | 183,662.2 | 196,214.3 | 209,318.3 | 223,544.5 | 239,471.5 |
| Resources | 183,662.3 | 177,847.0 | 203,292.0 | 176,162.0 | 170,518.0 |
| Proration Factor | 1.0000 | 0.9063 | 0.9712 | 0.7880 | 0.7120 |
| Prorated Regular State Aid | 169,463.2 | 163,563.6 | 187,503.6 | 162,975.3 | 157,963.8 |
| Regular Levy Authority | 74,258.9 | 101,883.9 | 99,348.3 | 144,225.2 | 172,844.1 |
| Regular Total Revenue | 243,722.1 | 265,447.6 | 286,851.9 | 307,200.5 | 330,807.9 |
| Prorated Alternative Aid | 14,199.0 | 14,283.4 | 15,788.4 | 13,186.7 | 12,554.2 |
| Alternative Levy Authority | 6,390.9 | 11,298.5 | 12,454.0 | 16,326.3 | 17,866.5 |
| Alternative Total Revenue | 20,590.0 | 25,581.8 | 28,242.4 | 29,513.0 | 30,420.7 |
| Grand Total Prorated Aid | 183,662.2 | 177,847.0 | 203,292.0 | 176,162.0 | 170,518.0 |
| Grand Total Levy Authority | 80,649.8 | 113,182.4 | 111,802.4 | 160,551.5 | 190,710.6 |
| Grand Total Revenue | 264,312.1 | 291,029.4 | 315,094.4 | 336,713.5 | 361,228.6 |

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0301: SPECIAL EDUCATION AID - REGULAR**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 177,847 | $ 188,202 | $ 188,202 | $ 188,202 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <12,040> | <17,684> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from '94 Tax Bill | | 15,090 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 177,847 | 203,292 | 176,162 | 170,518 |
| 5. Statutory Formula Aid (Detail in Narrative) | 196,214 | 209,318 | | |
| 6. Funding Excess/Deficiency | <18,367> | <21,116>[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | <6,026>[b] | | |
| 8. CURRENT LAW LEVY | * | * | * | * |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 177,847 | 203,292 | 176,162 | 170,518 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Formula Change | | | 16,941 | 26,042 |
| Current Law Aid Funding Level (Line 4) | | | 176,162 | 170,518 |
| **RECOMMENDED AID ENTITLEMENT** | | | 193,103 | 196,560 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | * | * |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 193,103 | 196,560 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 25,087 | 26,677 | 28,230 | 28,965 |
| Current Year 85 Percent | 151,170 | 175,062 | 164,138 | 167,076 |
| Transfers Per M.S. 124.14, Subd. 7 | 16,415 | | | |
| **Total-State General Funds** | 192,672 | 201,739 | 192,368 | 196,041 |

* See Special Education Levy Summary and Equalization Aid (Program 0308)

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[a] Line 1 - Line 5

[b] Line 4 - Line 5

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Education - Special Pupil |
| AGENCY: | | Education Aids |
| | 0302 | SPECIAL EDUCATION - SPECIAL PUPIL |
| CITATION: | | M.S. 124.32, Subd. 6 |
| MDE ADMIN: | 1203 | Special Education |
| FEDERAL: | | None |

**PURPOSE:**

To assure all individuals with disabilities, who are placed in residential facilities, a free and appropriate education regardless of economic and/or family status. Special pupils are those for whom no school district of residence can be determined because parental rights have been terminated by court order, parents cannot be located, and/or no other district of residence can be established.

The specific program objectives are the same as stated for Special Education-Regular (Program Budget 0301). Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

Most education aid programs contribute to more than one education goal. By providing education programs that are appropriate to the unique education needs of individuals with disabilities and by preparing individuals to be independent and responsible adults, the Special Education - Special Pupil program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 53, 68, 70, 72, 75, 151 and 215.

**DESCRIPTION:**

Special Pupil Aid ensures school districts will recover the full education costs for individuals with disabilities residing in a public or private residential facility within the district's boundaries. This aid covers the remaining costs of educating these individuals after all other state aids have been deducted, including the general education basic revenue, special education aid, and any other aid earned on behalf of the pupil. The aid is paid as a reimbursement in the year following the year services are provided.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Program Year | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 |
| Pupils Served (weighted average daily membership) | 116.0 | 123.0 | 108.0 | 115.0 | 120.0 |
| District Expenditures | $ 597 | $ 632 | $ 728 | $ 775 | $ 809 |
| Less State Aid Deductions | 279 | 314 | 264 | 362 | 378 |
| Special Pupil Aid | $ 317 | $ 318 | $ 465 | $ 413 | $ 431 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 318 | $ 227 | $ 233 | $ 213 | $ 222 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (0) | (0) |
| Current Law Aid Entitlement | 318 | 227 | 233 | 213 | 222 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

**PROGRAM:** 03 Special Education - Special Pupil
**AGENCY:** Education Aids

0302 SPECIAL EDUCATION - SPECIAL PUPIL
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | 318 | 337 | 337* | 337* | |
| Entitlement Changes Per Law: | | | | | |
| ■ Participation/Expenditure Change | ( 121) | ( 91) | ( 90) | ( 60) | |
| ■ State Aid Deduct | 30 | ( 13) | ( 34) | ( 55) | |
| Statutory Formula Aid (Unprorated) | 227 | 233 | 213 | 222 | |
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | 227 | 233 | 213 | 222 | |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds | ___ | 195 | 62 | 83 | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | $ 227 | $ 428 | $ 275 | $ 305 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The number of learners with unstable homes is on the increase. The number of learners for whom parents cannot be located and no district of residence can be established is increasing. Many of these learners are users of drugs and alcohol and are potential candidates for residential care and treatment facilities, placing a strain on school district resources.

**B. STRATEGIES:**

- Assure that all learning environments for students with disabilities afford these learners and their families efficient access to programs and services from state agencies and their local counterparts.
- Increase collaboration with other agencies to reduce and/or eliminate the potential for duplication of services and to assure the agency best equipped to provide needed services and support for the learner and family is involved.
- Increase the "safety net" for schools so that increased funding will be provided for students needing high cost programs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $213 for F.Y. 1996 and $222 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $213 in F.Y. 1996, and $222 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0302: SPECIAL EDUCATION - SPECIAL PUPIL AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 318 | $ 337 | $ 337 | $ 337 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <62> | <32> |
| 3. Other Adjustments | | | | |
| Balance Forward | <91> | 91 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 227 | 428 | 275 | 305 |
| 5. Statutory Formula Aid (Detail in Narrative) | 227 | 233 | | |
| 6. Funding Excess/Deficiency | | 195[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 227 | 428 | 275 | 305 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | <62> | <83> |
| Current Law Aid Funding Level (Line 4) | | | 275 | 305 |
| **RECOMMENDED AID ENTITLEMENT** | | | 213 | 222 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 213 | 222 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 227 | 428 | 213 | 222 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 227 | 428 | 213 | 222 |

[a]Includes $91 balance forward from FY 1994 plus $104 attributable to FY 1995.

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0303 | SPECIAL EDUCATION SUMMER SCHOOL |
| CITATION: | | M.S. 124.32, Subd. 10; M.S. 275.125, Subd. 8c |
| MDE ADMIN: | 1203 | Special Education |
| FEDERAL: | 0319 | Individuals with Disabilities (EHA P.L.101.476) |

**PURPOSE:**

To assure individuals with disabilities,who can be expected to show a significant regression in skill levels during extended periods when school is not in session, will be provided specialized instruction to maintain those skill levels.

P.L. 101-476 and Section 504 of the Vocational Rehabilitation Act of 1973 require extended year programs for individuals with disabilities when it is anticipated that significant regression of educational gains made during the regular school term will occur during the summer. Summer school programs are permissive for other students with disabilities. Under Section 504, participation in special education programs cannot be limited to students with the most severe disabilities. The decision to provide extended year special education programs must be determined based on individual needs regardless of the severity of the disability.

The specific objectives for summer school programs are the same as those listed under Special Education-Regular (Program Budget 0301). Special education programs and services are designed for individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to preparation for the full array of postsecondary education programs available.

Most education aid programs contribute to more than one education goal. By providing educational programs that are appropriate to the unique education needs of individuals with disabilities and by preparing individuals to be independent and responsible adults, this program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 53, 68, 70, 72, 75, 151, and 215.

**DESCRIPTION:**

The types of special education services eligible for special education summer school aid are similar, but not limited to, those services provided during the regular school term. The aid is proportionate to the reduced school term. The formulas for calculation of aid are the same as those in effect during the school term following the summer school program and reimbursement is made in the school year following the summer school term. Under M.S.124.32, the following state aids are provided:

- 55.2% of salaries of essential special education personnel, not to exceed $15,320 in aid for each full-time equivalent (FTE) employee; and
- 52% of the difference between the amount of the contract and the general education basic revenue allowance of the district for pupils provided services by contract with an agency other than a school district.

State aid is provided based on applications of programs and budgets submitted for approval by the districts to the Minnesota Department of Education (MDE). If the appropriation is insufficient to fully fund the aid formulas, districts may levy for the difference in the second year following the deficiency.

A district may levy an amount equal to the difference between 68% of salaries paid to essential personnel and the state aid paid for salaries of these personnel. For special education cooperatives and intermediate districts, the levy is made by member districts in an amount equal to their allocated portion of this difference.

Beginning in F.Y. 1991, the Legislature authorized an alternative method for special education funding that is not based on salaries, contracts, supplies and equipment expenditures. A district may apply to receive 103% of the state aid earned in the prior year for special education regular, summer and residential programs. The alternative funding method also provides districts with more program discretion based on the approved application.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0303 SPECIAL EDUCATION SUMMER SCHOOL
(Continuation)

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| FTE | | | | | |
| Above Cap | | | | | |
| Teacher | 64.02 | 70.79 | 77.81 | 86.34 | 94.72 |
| Paraprofessional | 0.59 | 1.20 | 1.32 | 1.46 | 1.60 |
| Other | 59.13 | 42.04 | 33.51 | 34.33 | 34.95 |
| Total | 123.74 | 114.03 | 112.64 | 122.13 | 131.27 |
| Below Cap | | | | | |
| Teacher | 86.64 | 82.47 | 70.36 | 64.73 | 59.29 |
| Paraprofessional | 158.62 | 176.13 | 184.97 | 203.59 | 224.04 |
| Other | 18.62 | 18.91 | 15.45 | 14.63 | 14.01 |
| Total | 263.88 | 277.51 | 270.78 | 282.95 | 297.34 |
| Total FTE Staff | 387.62 | 391.54 | 383.42 | 405.09 | 428.61 |
| Salaries | | | | | |
| Above Cap | | | | | |
| Teacher | 2,291.8 | 2,589.7 | 2,815.7 | 3,141.0 | 3,475.9 |
| Paraprofessional | 20.5 | 36.1 | 47.5 | 53.0 | 58.5 |
| Other | 2,465.8 | 1,734.2 | 1,382.1 | 1,446.8 | 1,507.7 |
| Total | 4,778.1 | 4,360.0 | 4,245.3 | 4,640.9 | 5,042.2 |
| Below Cap | | | | | |
| Teacher | 1,921.8 | 1,873.1 | 1,586.5 | 1,474.0 | 1,364.8 |
| Paraprofessional | 2,013.0 | 2,278.0 | 2,481.7 | 2,794.0 | 3,148.0 |
| Other | 386.8 | 394.9 | 309.7 | 295.5 | 286.9 |
| Total | 4,321.5 | 4,546.0 | 4,377.9 | 4,563.5 | 4,800.0 |
| Total Staff Salaries | 9,099.6 | 8,906.0 | 8,623.1 | 9,204.3 | 9,841.7 |
| Gross Aid | | | | | |
| Above Cap | | | | | |
| Teacher | 980.8 | 1,084.5 | 1,192.0 | 1,322.7 | 1,451.1 |
| Paraprofessional | 9.0 | 18.4 | 20.2 | 22.4 | 24.5 |
| Other | 905.9 | 644.0 | 513.4 | 526.0 | 535.4 |
| Total | 1,895.7 | 1,747.0 | 1,725.6 | 1,871.0 | 2,011.0 |
| Below Cap | | | | | |
| Teacher | 1,060.8 | 1,034.0 | 875.7 | 813.7 | 753.4 |
| Paraprofessional | 1,111.1 | 1,257.4 | 1,369.9 | 1,542.3 | 1,737.6 |
| Other | 213.5 | 218.0 | 171.0 | 163.1 | 158.4 |
| Total | 2,385.5 | 2,509.4 | 2,416.6 | 2,519.0 | 2,649.4 |
| Total Gross Aid | 4,281.2 | 4,256.3 | 4,142.2 | 4,390.0 | 4,660.4 |
| Contracted Services | | | | | |
| Contracted Staff | | | | | |
| FTE | 9.74 | 11.83 | 8.77 | 8.77 | 8.77 |
| Expenditure | 307.9 | 364.2 | 408.3 | 420.5 | 433.2 |
| Gross Aid | 160.1 | 189.4 | 212.3 | 218.7 | 225.2 |
| Contracted Student | | | | | |
| Expenditure | 246.8 | 319.3 | 250.9 | 258.4 | 266.1 |
| WADM | 1.94 | 3.08 | 0.86 | 0.86 | 0.86 |
| Basic Revenue Deduct | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Difference | 246.8 | 319.3 | 250.9 | 258.4 | 266.1 |
| Gross Aid | 128.3 | 166.0 | 130.4 | 134.4 | 138.4 |
| Total Contracted Gross Aid | 288.5 | 355.4 | 342.8 | 353.0 | 363.6 |
| Supplies and Equipment | | | | | |
| Expenditure | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Child Count | 34.3 | 35.6 | 37.5 | 37.4 | 37.4 |
| Gross Aid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0303 SPECIAL EDUCATION SUMMER SCHOOL
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| State Totals | | | | | |
| District Summer Expenditures | 9,654.4 | 9,589.6 | 9,282.3 | 9,883.3 | 10,541.0 |
| Gross Summer State Aid | 4,569.6 | 4,611.7 | 4,485.0 | 4,743.1 | 5,024.0 |
| Gross Alternative Aid | 411.0 | 413.3 | 435.3 | 372.8 | 374.0 |
| Grand Total Gross State Aid | 4,980.6 | 5,025.0 | 4,920.3 | 5,115.9 | 5,398.0 |
| Resources | 4,981.0 | 4,472.0 | 4,809.0 | 4,240.0 | 4,104.0 |
| Proration Factor | 1.0000 | 0.8899 | 0.9774 | 0.8279 | 0.7602 |
| Prorated Summer State Aid | 4,569.6 | 4,104.2 | 4,383.5 | 3,931.0 | 3,819.7 |
| Summer Levy Authority | 1,724.6 | 2,268.2 | 1,815.2 | 2,620.5 | 3,149.2 |
| Summer Total Revenue | 6,294.2 | 6,372.4 | 6,198.7 | 6,551.6 | 6,968.8 |
| Prorated Alternative Aid | 411.0 | 367.8 | 425.5 | 308.9 | 284.3 |
| Alternative Levy Authority | 162.3 | 243.4 | 268.3 | 289.0 | 289.7 |
| Alternative Total Revenue | 573.2 | 611.2 | 693.8 | 598.0 | 574.0 |
| Grand Total Prorated Aid | 4,980.6 | 4,472.0 | 4,809.0 | 4,240.0 | 4,104.0 |
| Grand Total Levy Authority | 1,886.9 | 2,511.6 | 2,083.5 | 2,909.6 | 3,438.8 |
| Grand Total Revenue | 6,867.5 | 6,983.6 | 6,892.5 | 7,149.6 | 7,542.8 |
| Prorated Salary Aid | 4,281.2 | 3,787.9 | 4,046.5 | 3,638.5 | 3,543.2 |
| Salary Levy | 1,724.6 | 2,268.2 | 1,815.2 | 2,620.5 | 3,149.1 |
| Salary Revenue | 6,005.8 | 6,056.1 | 5,863.7 | 6,259.0 | 6,692.4 |

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE: | $ 6,868 | $ 7,023 | $ 6,900 | $ 7,210 | $ 7,656 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 39) | ( 7) | ( 60) | ( 113) |
| Current Law Revenue | $ 6,868 | $ 6,984 | $ 6,893 | $ 7,150 | $ 7,543 |
| B. Statutory Formula LEVY:[a] | $ 1,887 | $ 1,998 | $ 1,980 | $ 2,094 | $ 2,258 |
| Levy Change Due To Insufficient Appropriation | $ 0 | $ 514 | $ 104 | $ 816 | $ 1,181 |
| Current Law Levy | 1,887 | 2,512 | 2,084 | 2,910 | 3,439 |
| C. Statutory Formula AID: | $ 4,981 | $ 5,025 | $ 4,920 | $ 5,116 | $ 5,398 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 553) | ( 111) | ( 876) | ( 1,294) |
| Current Law Aid Entitlement | $ 4,981 | $ 4,472 | $ 4,809 | $ 4,240 | $ 4,104 |
| Proration Factor | 1.000 | $ 0.890 | 0.977 | 0.829 | 0.760 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 4,472 | $ 4,530 | $ 4,530* | $ 4,530* |
| Entitlement Changes Per Law: | | | | | |
| ■ Revenue Increases (Decreases): | | | | | |
| Change in Number of Staff | | 672 | 560 | 891 | 1,251 |
| Average Salary per Staff FTE | | 164 | ( 4) | 60 | 133 |
| Contracted Services Aid | | 59 | 41 | 51 | 62 |
| Alternative Program Revenue | | 21 | 82 | ( 14) | ( 13) |
| ■ Levy (Increases): | | | | | |
| Change in Number of Staff | | ( 189) | ( 160) | ( 255) | ( 358) |
| Average Salary per Staff FTE | | ( 143) | ( 44) | ( 95) | ( 155) |
| Alternative Program Levy | | ( 31) | ( 85) | ( 52) | ( 52) |
| Statutory Formula Aid (Unprorated) | | $ 5,025 | $ 4,920 | $ 5,116 | $ 5,398 |
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | $ 4,472 | $ 4,809 | $ 4,240 | $ 4,104 |
| ■ Prior Year Payments (M.S. 124.14, Subd. 2) | | — | 1 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 4,472 | $ 4,810 | $ 4,240 | $ 4,104 |

[a] Levy authority *before* reduction for Special Education Equalization Aid.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0303 SPECIAL EDUCATION SUMMER SCHOOL
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Extended year programs must be provided to learners with disabilities when it is determined by the child study team that significant regression will occur over a period when no instruction is offered such as during the summer.
- Because it is more difficult to provide an inclusive program during an extended year program, many districts like to provide alternative experiences such as camping for some students, coupled with academic programs, but are finding this more difficult with limited resources.
- Districts often find it more difficult to find appropriate special education staff willing to accept assignments during the summer months.

**B. STRATEGIES:**

- Continue funding summer school programs for individuals with disabilities.
- Encourage districts to provide alternative experiences for individuals with disabilities by allowing 100% non-regular transportation aid reimbursement for board and lodging for those students who can benefit from broader growth experiences. This can be done through wilderness and/or camping experiences coupled with special education instruction. This can be more cost effective for some districts than employing staff on a higher salary schedule to work in the summer time.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $4,224 for F.Y. 1996 and $4,300 for F.Y. 1997.

Basded on these entitlements, the Governor recommends an appropriation of $4,224 in F.Y. 1996, and $4,300 in F.Y. 1997.

The Governor recommends the following modifications in the special education summer school program, beginning in F.Y. 1996:

1. Increase special education summer school aid and levy revenue from the F.Y. 1995 level of $6,893 to $7,040 for F.Y. 1996 and $7,166 for F.Y. 1997.

2. Replace the current special education summer school formula with a statewide revenue target based on F.Y. 1995 revenue plus an adjustment for growth in actual pupil units. The statewide revenue targets would be $7,040 for F.Y. 1996 and $7,166 for F.Y. 1997.

3. Allocate special education summer school revenue among school districts based on F.Y. 1995 special education summer school revenue, adjusted for growth in actual pupil units.

4. Beginning in F.Y. 1998, expenditure data from the second prior year would be used in computing special education summer school revenue.

5. Compute special education summer school aid equal to 60 percent of the district's special education summer school revenue, and special education levy equalization revenue equal to 40 percent of the district's special education summer school revenue.

6. Modify the formula for alternative delivery revenue so that it is consistent with the new special education formula. Continue to authorize the program flexibility included in the alternative delivery model.

7. Increase special education excess cost aid from the F.Y. 1995 level of $6,535 to $9,823 in F.Y. 1996 and $14,644 in F.Y. 1997 to provide an enhanced safety net for school districts with rapid increases in special education costs between F.Y. 1995 and F.Y. 1997 (see Program 0305).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0303: SPECIAL EDUCATION - SUMMER SCHOOL AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 4,472 | $ 4,530 | $ 4,530 | $ 4,530 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <290> | <426> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from 1994 Tax Bill | | 280 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 4,472 | 4,810 | 4,240 | 4,104 |
| 5. Statutory Formula Aid (Detail in Narrative) | 5,025 | 4,920 | | |
| 6. Funding Excess/Deficiency | <553> | <391>[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | <111>[b] | | |
| 8. CURRENT LAW LEVY | * | * | * | * |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 4,472 | 4,809 | 4,240 | 4,104 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Formula Change | | | <16> | 196 |
| Current Law Aid Funding Level (Line 4) | | | 4,240 | 4,104 |
| **RECOMMENDED AID ENTITLEMENT** | | | 4,224 | 4,300 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | * | * |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 4,224 | 4,300 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 4,472 | 4,810 | 4,224 | 4,300 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 4,472 | 4,810 | 4,224 | 4,300 |

* See Special Education Levy Summary and Equalization Aid (Program 0308)

[a] $390 plus $1 prior year payments per M.S. 124.14, Subd. 2

[b] $110 plus $1 prior year payments per M.S. 124.14, Subd. 2.

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0304 | SPECIAL EDUCATION - HOME-BASED TRAVEL |
| CITATION: | | M.S. 124.32, Subd. 2b |
| MDE ADMIN: | 1203 | Special Education |
| FEDERAL: | 0319 | Individuals with Disabilities (EHA, P.L. 101-476) |
| | 0320 | Preschool Incentive (Sec. 619) |
| | 0421 | Infants and Toddlers (Part H) |

**PURPOSE:**

To assure that all individuals with disabilities, from birth through 4 years of age, have access to early childhood special education intervention services. Early childhood staff travel aid assures:

- early childhood special education programs include the child and the family;
- early childhood special education services are provided in the home and/or at center-based sites, whichever is appropriate, when the nature of a program serving young children requires staff travel to the child and family; and
- early intervention special education services are provided to assist individuals with disabilities and their parents in learning to understand the disability, to teach skills to compensate for the disability, to help discover and focus on the individual's abilities and to support the child and the family so the child can become as independent as possible.

Most education aid programs contribute to more than one education goal. By providing education programs that are appropriate to the unique education needs of individuals with disabilities and by preparing individuals to be independent and responsible adults, the Special Education - Home-Based Travel program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 59, 79, 108 and 151.

**DESCRIPTION:**

Because Special Education services to individuals with disabilities are mandated by M.S. 120.17 to begin at birth, the unique special instructional needs of preschool learners with disabilities require that services be available in a variety of settings, including the home and center-based sites. Home-Based Services Travel assures that direct special education service and/or parent training and consultation can take place in the home if that is the setting most appropriate for meeting the child's needs. The state aid provides school districts with 1/2 of actual expenditures for necessary travel of essential personnel providing home-based services to children under age 5 and their families.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of districts | 411 | 395 | 376 | 366 | 355 |
| Unduplicated child count (age 0-5) | 11,193 | 11,986 | 12,720 | 13,255 | 13,587 |
| Full-time equivalent staff providing services (state and federal) | 1,186 | 1,263 | 1,485 | 1,462 | 1,735 |
| District expenditures | | $ 194.9 | $ 145.0 | $ 153.0 | $ 161.0 |
| Aid earned at 50% | | $ 97.4 | $ 72.5 | $ 76.5 | $ 80.5 |

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0304 SPECIAL EDUCATION - HOME-BASED TRAVEL
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 87 | $ 98 | $ 73 | $ 77 | $ 81 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | 87 | 98 | 73 | 77 | 81 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 133 | 164 | 164* | 164* |
| Entitlement Changes Per Law: | | | | | |
| ■ Participation/Expenditure Change | | ( 35) | ( 91) | ( 87) | ( 83) |
| Statutory Formula Aid (Unprorated) | | 98 | 73 | 77 | 81 |
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | 98 | 73 | 77 | 81 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | 35 | 78 | 57 | 68 |
| ■ Portion of 15% Final Not Requested | | — | 13 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 133 | $ 164 | $ 134 | $ 149 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

BUDGET ISSUES:

A. CHALLENGES:

- Continue to provide appropriate special education and related services in the students' home environment by providing licensed special education staff to work with the parents and the child in that setting.

B. STRATEGIES:

- Continue to provide aid to districts which will permit the professional-parent partnership in the child's natural setting. This partnership will provide parent training and support as well as direct services to the child.
- Utilize federal funds for travel when needed.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $77 for F.Y. 1996 and $81 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $77 in F.Y. 1996 ($11 for F.Y. 1995 and $66 for F.Y. 1996), and $80 in F.Y. 1997 ($11 for F.Y. 1996 and $69 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0304: SPECIAL EDUCATION - HOME-BASED TRAVEL**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 133 | $ 164 | $ 164 | $ 164 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <30> | <15> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 133 | 164 | 134 | 149 |
| 5. Statutory Formula Aid (Detail in Narrative) | 98 | 73 | | |
| 6. Funding Excess/Deficiency | 35 | 78* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 133 | 151 | 134 | 149 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | <57> | <68> |
| Current Law Aid Funding Level (Line 4) | | | 134 | 149 |
| **RECOMMENDED AID ENTITLEMENT** | | | 77 | 81 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 77 | 81 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 10 | 19 | 11 | 11 |
| Current Year 85 Percent | 114 | 140 | 66 | 69 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 124 | 159 | 77 | 80 |

*Estimated excess of $91 less $13 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement equal to $78 in the FY 1995 current appropriation

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0305 | SPECIAL EDUCATION - EXCESS COST |
| CITATION: | | M.S. 124.323 |
| MDE ADMIN: | 1203 | Special Education |
| FEDERAL: | | None |

**PURPOSE:**

To provide supplemental special education funding to ensure that school districts with high unreimbursed special education costs are not required to subsidize special education costs excessively from general operating funds.

In small school districts, the unreimbursed costs of serving a few high cost students can have a severe impact on the district's general fund budget. High concentrations of special education students can create similar problems in larger school districts. The special education excess cost aid provides a safety net to mitigate the impact of unreimbursed special education costs on school district general fund budgets.

Most education aids programs contribute to more than one education goal. Special Education - Excess Cost contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the *current priorities* of the Minnesota Department of Education (MDE) with a special emphasis on the following priorities:

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

Most goals, priorities, outcomes and effectiveness indicators help meet more than one education goal. For additional information on the goals and priorities of the Department of Education, refer to the Annual Agency Performance Report, September 1994, pages 53, 68, 70, 72, 75, 77, 108, 151 and 215.

**DESCRIPTION:**

The Excess Cost aid replaces the residential aid as more and more students with disabilities are attending public school settings. Excess Cost aid assists school districts to bear the cost of students who have multiple needs for special education and related services. These funds are available to pay for the excess special education costs for students with disabilities who are in and out of the district. A district's excess costs allowance equals 70% of the difference between the district's unreimbursed special education cost per actual pupil unit and 6% of the district's general revenue per actual pupil unit. The excess cost aid equals the excess cost allowance multiplied by the actual pupil units of the district.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 6,535 | $ 9,412 | $ 12,008 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 4,081) | ( 6,087) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | -- | 6,535 | 5,331 | 5,921 |
| Proration Factor | -- | -- | 1.000 | 0.566 | 0.493 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | 6,535 | 6,535* | 6,535* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase in District Expenditure Estimates | | | | 2,877 | 5,473 |
| Statutory Formula Aid (Unprorated) | | -- | 6,535 | 9,412 | 12,008 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0305 SPECIAL EDUCATION - EXCESS COST
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The number of students with disabilities who attend residential facilities are decreasing and those students are now being served by their own school districts. The districts are experiencing additional costs for special education services because of these students' participation in district operated programs.
- The number of services for each student with disabilities is ever increasing as more and more children with severe and profound needs enter the public school. The costs for providing special education services have increased for these students.
- Students with severe emotional and behavioral needs are being placed in local day treatment programs which have an education component operated by the school district. These additional costs for educating students with disabilities puts more pressure on the limited resources of the districts.

**B. STRATEGIES:**

- Continue to encourage local districts to provide appropriate special education services in the district to children with severe and profound needs by providing aid for the excess costs for students with disabilities.
- Continue to provide aids to maintain the students with special education needs as close to his/her home school as possible and to participate with peers and family in the community.
- Increase excess cost funding to ensure that limitations on regular special education revenue and the transition to base year funding do not severely impact general fund budgets in school districts with rapidly growing special education costs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends increasing special education excess cost aid entitlements from the F.Y. 1995 level of $6,535 to $9,823 for F.Y. 1996 and $14,644 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $9,330 in F.Y. 1996 ($980 for F.Y. 1995 and $8,350 for F.Y. 1996), and $13,921 in F.Y. 1997 ($1,473 for F.Y. 1996 and $12,448 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0305: SPECIAL EDUCATION - EXCESS COST**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 6,535 | $ 6,535 | $ 6,535 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,204> | <614> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 6,535 | 5,331 | 5,921 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 6,535 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 6,535 | 5,331 | 5,921 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Formula Change | | | 4,492 | 8,723 |
| Current Law Aid Funding Level (Line 4) | | | 5,331 | 5,921 |
| **RECOMMENDED AID ENTITLEMENT** | | | 9,823 | 14,644 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 9,823 | 14,644 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 980 | 1,473 |
| Current Year 85 Percent | | 5,555 | 8,350 | 12,448 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 5,555 | 9,330 | 13,921 |

| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0306 | LIMITED ENGLISH PROFICIENCY |
| CITATION: | | M.S. 124.273; 126.261-.269; 275.125, Subd. 8 |
| MDE ADMIN: | 1202 | State & Federal Programs (Targeted Populations) |
| FEDERAL: | | None |

**PURPOSE:**

The Limited English Proficiency Education Program provides funding support, technical assistance, and in-service training to school districts serving Limited English Proficient (LEP) students. LEP students remain in the program, learning to speak, read, write in English, until they are able to participate successfully in the mainstream curriculum. The length of time a student spends in the program depends on the student's age, the level of reading and writing proficiency in the native language, and the amount of education the student had in the native language.

Most education aid programs contribute to more than one education goal. By providing students the English language skills needed for school readiness, increasing achievement test scores and by increasing student graduation rates thereby enabling them to pursue advanced education and training, the Limited English Proficiency program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 55.

**DESCRIPTION:**

The following program delivery designs are used to serve LEP students in Minnesota:

1. **English as a Second Language (ESL)** is a program that instructs students of limited English proficiency in the four language skill areas of listening, speaking, reading, and writing. Districts using this model must also address the need to provide access to content area instruction.

2. **Bilingual** is a program of instruction that includes an ESL component and provides instruction through a student's native language in content areas such as math, science, and social studies.

For F.Y. 1993, the greatest number of districts serviced LEP students (92% elementary; 50% secondary) using an ESL teacher in a pull-out model. At the elementary level the following models were also used (many districts use a combination of models): Team Teaching 19%; In-class w/ESL teacher 35%; Bilingual Classes 3%; Self-contained ESL classes 21%; peer tutoring 28%. At the Secondary level the following models were also used (many district use a combination of models): Team Teaching 11%; In-class 2/ESL teacher 18%; ESL Courses 75%; Bilingual Courses 2%; peer tutoring 48%.

A district's state aid equals the lesser of 55.2% of salary or $15,320 for each eligible full-time equivalent (FTE) teacher. A district is eligible to receive funding for 1 FTE teacher for each 40 LEP pupils or a pro-rata portion of an FTE teacher for fewer than 40 pupils. Districts with 20 or few LEP pupils are eligible to receive funding for 1/2 FTE teacher. A district may levy an amount equal to the difference between 68% of salaries paid to eligible personnel and the state aid paid for salaries of these personnel.

Districts also receive partial reimbursement for instructional supplies and equipment used for the instruction of LEP students. The reimbursement is for 47% of the amount spent or forty-seven dollars per student, whichever is less.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| LEP Students Served (ADM) | 15,761 | 17,300 | 18,920 | 20,760 | 22,800 |
| # of Districts | 147 | 150 | 152 | 154 | 156 |
| ESL Students | 15,561 | 17,100 | 18,720 | 20,560 | 22,600 |
| Bilingual Students | 350 | 400 | 500 | 540 | 600 |

Current Law

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0306 LIMITED ENGLISH PROFICIENCY
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| LEP Enrollment | 15,025.0 | 16,458.0 | 18,019.0 | 19,728.0 | 21,595.0 |
| Total LEP Staff FTE | 354.68 | 527.22 | 577.33 | 632.12 | 692.16 |
| Total LEP Salary | $ 12,437.4 | $ 16,146.7 | $ 17,954.3 | $ 19,983.9 | $ 22,279.3 |
| FTE Used in Aid Calculation | | | | | |
| Above Cap | 254.79 | 282.26 | 297.42 | 317.73 | 470.74 |
| Below Cap | 55.19 | 128.89 | 151.29 | 171.95 | 64.02 |
| Total | 309.98 | 411.15 | 448.71 | 489.68 | 534.76 |
| Salary Used in Aid Calculation | | | | | |
| Above Cap | $ 9,814.4 | $ 10,897.9 | $ 11,686.3 | $ 12,633.2 | $ 17,337.9 |
| Below Cap | 1,347.4 | 2,908.1 | 3,620.4 | 4,333.1 | 1,485.8 |
| Total | 11,161.8 | 13,806.0 | 15,306.7 | 16,966.4 | 18,823.6 |
| Salaries Per FTE | 36.0 | 33.6 | 34.1 | 34.6 | 35.2 |
| Gross Salary Aid Amount | | | | | |
| Above Cap | 3,903.4 | 4,324.2 | 4,556.5 | 4,867.6 | 7,211.7 |
| Below Cap | 743.8 | 1,605.3 | 1,998.5 | 2,391.9 | 820.1 |
| Total | 4,647.2 | 5,929.5 | 6,554.9 | 7,259.5 | 8,031.9 |
| Supplies and Equipment | | | | | |
| Expenditures | N/A | 570.9 | 625.1 | 684.5 | 749.5 |
| Gross Aid | N/A | 268.3 | 293.8 | 321.7 | 352.3 |
| Total Gross Aid | N/A | 6,197.8 | 6,848.7 | 7,581.2 | 8,384.1 |
| Resources | 4,647.2 | 5,799.0 | 6,693.0 | 5,901.0 | 5,712.0 |
| Proration Factor | 1.0000 | 0.9356 | 0.9773 | 0.7784 | 0.6813 |
| Net Aid Amount | | | | | |
| Above Cap | 3,903.4 | 4,046.0 | 4,452.9 | 3,788.8 | 4,913.3 |
| Below Cap | 743.8 | 1,502.0 | 1,953.0 | 1,861.8 | 558.7 |
| Total | 4,647.2 | 5,548.0 | 6,405.9 | 5,650.6 | 5,472.0 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | | Current Law |
| Net Supplies and Equipment Aid | N/A | 251.0 | 287.1 | 250.4 | 240.0 |
| Total Net Aid | N/A | 5,799.0 | 6,693.0 | 5,901.0 | 5,712.0 |
| Levy Amount | | | | | |
| Above Cap | 2,083.4 | 3,364.6 | 3,493.8 | 4,801.8 | 6,876.5 |
| Below Cap | 78.2 | 475.5 | 508.9 | 1,084.7 | 451.6 |
| Total | 2,161.5 | 3,840.1 | 4,002.7 | 5,886.6 | 7,328.0 |
| Total Salary Revenue | | | | | |
| Above Cap | 5,986.8 | 7,410.6 | 7,946.7 | 8,590.6 | 11,789.8 |
| Below Cap | 821.9 | 1,977.5 | 2,461.9 | 2,946.5 | 1,010.3 |
| Total | 6,808.7 | 9,388.0 | 10,408.6 | 11,537.1 | 12,800.0 |
| Grand Total Revenue | N/A | 9,639.1 | 10,695.7 | 11,787.6 | 13,040.0 |
| Number of Districts | 118 | 144 | | | |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | $ 6,809 | $ 9,657 | $ 10,703 | $ 11,859 | $ 13,152 |
| Revenue Reduction Due To Insufficient Appropriation | (0) | (18) | (7) | (71) | (112) |
| Current Law Revenue | 6,809 | 9,639 | 10,696 | 11,788 | 13,040 |
| B. Statutory Formula LEVY:[a] | 2,162 | 3,459 | 3,854 | 4,278 | 4,768 |
| Levy Change Due To Insufficient Appropriation | 0 | 381 | 149 | 1,609 | 2,560 |
| Current Law Levy | 2,162 | 3,840 | 4,003 | 5,887 | 7,328 |
| C. Statutory Formula AID: | 4,647 | 6,198 | 6,849 | 7,581 | 8,384 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (399) | (156) | (1,680) | (2,672) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | 4,647 | 5,799 | 6,693 | 5,901 | 5,712 |
| Proration Factor | 1.000 | 0.936 | 0.977 | 0.778 | 0.681 |

[a] Levy authority *before* reduction for Special Education Equalization Aid.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0306 LIMITED ENGLISH PROFICIENCY
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | 5,799 | 6,303 | 6,304* | 6,304* | |
| Entitlement Changes Per Law: | | | | | |
| ■ Appropriation Shortfall | | 1 | | | |
| ■ Revenue Increases (Decreases): | | | | | |
| Change in Number of Staff | 1,025 | 1,055 | 2,025 | 3,093 | |
| Average Salary for Staff FTE | ( 438) | ( 222) | ( 64) | 131 | |
| Supplies and Equipment Aid | 144 | 170 | 198 | 228 | |
| ■ Levy Decreases (Increases): | | | | | |
| Change in Number of Staff | ( 364) | ( 374) | ( 718) | ( 1,097) | |
| Average Salary for Staff FTE | 32 | ( 84) | ( 164) | ( 275) | |
| Statutory Formula Aid (Unprorated) | 6,198 | 6,849 | 7,581 | 8,384 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- To include LEP students in all aspects of educational reform
- To provide LEP students the opportunity to learn content standards
- To assess all LEP students' achievement in a fair and appropriate manner
- To develop systems of accountability that fully include LEP students
- To acknowledge the importance of abilities in non-English languages

**B. STRATEGIES:**

- Provide information concerning the unique needs of LEP students
- Develop tests and testing procedure that include LEP students and are fair to them
- Provide assistance to districts in creating quality programs
- Increase opportunities for teachers and future teachers to develop expertise in the education of LEP students
- Collect and use data on the education of LEP students (including achievement data)
- In order to provide districts with greater flexibility, this program will be included as a part of a block grant to districts to address the needs of students which will result in closing the learning gap. The state and federal resources included in this Block Grant are: Compensatory Aid, Assurance of Mastery (AOM), Limited English Proficiency (LEP), and Chapter/Title I (federal). Districts will be afforded maximum flexibility in terms of how the resources are to be used in exchange for increased accountability for learner results.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $7,046 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $6,935 in F.Y. 1996 ($945 for F.Y. 1995 and $5,990 for F.Y. 1996), and $1,056 in F.Y. 1997 ($1,056 for F.Y. 1996 and $0 for F.Y. 1997).

The Governor recommends the following modifications in the limited English proficiency program, beginning in F.Y. 1996:

1. Increase aid and levy revenue from the F.Y. 1995 level of $10,696 to $11,743 for F.Y. 1996.

2. For F.Y. 1996, replace the current formula with a statewide revenue target of $ 11,743. Allocate revenue among school districts based on F.Y. 1995 revenue, adjusted for growth in LEP enrollment. Compute aid equal to 60 percent of the district's revenue, and special education levy equalization revenue equal to 40 percent of the district's revenue.

3. Beginning in F.Y. 1997, combine limited English proficiency funds with compensatory and assurance of mastery funds, (together with federal Chapter/Title I funds), to form a new learning gap block grant (see Activity 0101). A portion of the new learning gap block grant would be allocated based on LEP enrollment.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0306: LIMITED ENGLISH PROFICIENCY**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 5,799 | $ 6,303 | $ 6,304 | $ 6,304 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <403> | <592> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from 1994 Tax Bill | | 390 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 5,799 | 6,693 | 5,901 | 5,712 |
| 5. Statutory Formula Aid (Detail in Narrative) | 6,198 | 6,849 | | |
| 6. Funding Excess/Deficiency | <399> | <546> | | |
| 7. Funding Excess/Deficiency after Adjustments | | <146> | | |
| 8. CURRENT LAW LEVY | * | * | * | * |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 5,799 | 6,693 | 5,901 | 5,712 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Formula Change | | | 1,145 | <5,712> |
| Current Law Aid Funding Level (Line 4) | | | 5,901 | 5,712 |
| **RECOMMENDED AID ENTITLEMENT** | | | 7,046 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | * | * |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 7,046 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 600 | 870 | 945 | 1,056 |
| Current Year 85 Percent | 4,929 | 5,748 | 5,990 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 5,529 | 6,618 | 6,935 | 1,056 |

* See Special Education Levy Summary and Equalization Aid (Program 0308)

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |
| | 0307 | SECONDARY VOCATIONAL - STUDENTS WITH DISABILITIES |
| **CITATION:** | | M.S. 124.574; 275.125, Subd. 8c |
| **MDE ADMIN:** | 1203 | State & Federal Programs (Targeted Populations) |
| **FEDERAL:** | 0327 | Secondary Vocational |

**PURPOSE:**

Provide Vocational Education programs and services to assist and support students with disabilities through the career decision-making process while developing skills, attitudes, and knowledge necessary for a successful transition into the workplace. The specific objectives are to:

- apply basic computational, comprehension, communication, scientific and problem-solving skills in relevant, realistic environments as prescribed in each student's individual education plan (IEP) goals and objectives;
- utilize results-oriented curriculum which may need to be modified to meet the needs of the student and which is relevant to the occupational choice of the student;
- gain experience in the use of technological equipment appropriate for the occupational area chosen;
- acquire entry-level and employability skills prescribed by the IEP to make a successful transition into a chosen occupation; and
- explore potential careers in different occupational areas in order to better prepare students with disabilities for a smooth transition for their postsecondary education endeavors.

The intent of Secondary Vocational Education for students with disabilities is to provide support and resources for students with disabilities to explore careers, have opportunities to gain specific job skills, and to prepare them for postsecondary education choices.

Most education aid programs contribute to more than one education goal. The Secondary Vocational - Students with Disabilities program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 68, 70, 72 and 151.

**DESCRIPTION:**

Vocational programs and services for students with disabilities are offered by school districts, cooperative centers, intermediate school districts, special education cooperatives, and Educational Cooperative Service Units (ECSUs). These programs and services are established to support student involvement in vocational education based on goals and objectives in student individualized education plans.

State Board of Education rules define the criteria that must be met in order to qualify for this vocational categorical aid. The criteria include appropriate teacher licensure and specific program and service curriculum requirements.

The state aid formula for funding these vocational education programs and services for F.Y. 1995 is as follows:

- Instructor salary - An amount not to exceed the lesser of 55.2% of the salary or $15,320. A district may levy an amount equal to the difference between 68% of salaries paid to essential personnel and the state aid paid for salaries of these personnel.
- Equipment - 47% of the costs of necessary equipment.
- Supplies - 47% of the costs of necessary supplies not to exceed an average of $47 per student.
- Travel - 47% of the costs of necessary travel between instructional sites.
- Contracted Services for Evaluation - 52% of necessary contracted services.
- Contracted Services - 52% of the difference between the amount of the contract and the basic revenue of the district for that pupil for the amount of time one pupil receives services under the contract.

These state categorical aids for vocational programs and services are used to support the assurances and initiative provisions of the federal vocational Carl D. Perkins Act.

**PROGRAM STATUS:**

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0307 SECONDARY VOCATIONAL - STUDENTS WITH DISABILITIES
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| District Expenditures and Formula Funding: | | | | | |
| Personnel | | | | | |
| FTE: | | | | | |
| Above Cap | 191.32 | 196.98 | 201.28 | 205.93 | 209.39 |
| Below Cap | 112.57 | 117.59 | 113.29 | 108.64 | 105.18 |
| Total Teachers | 303.89 | 314.57 | 314.57 | 314.57 | 314.57 |
| Salaries: | | | | | |
| Above Cap | $ 8,087.8 | $ 8,289.2 | $ 8,659.6 | $ 9,050.2 | $ 9,419.2 |
| Below Cap | 1,854.4 | 1,897.7 | 1,832.9 | 1,757.0 | 1,712.3 |
| Total Teachers' Salary | 9,942.2 | 10,186.9 | 10,492.5 | 10,807.3 | 11,131.5 |
| Salary Per Teacher | 32.7 | 32.4 | 33.4 | 34.4 | 35.4 |
| Gross Aid: | | | | | |
| Above Cap | 2,931.0 | 3,017.7 | 3,083.6 | 3,154.8 | 3,207.9 |
| Below Cap | 1,023.6 | 1,047.5 | 1,011.8 | 969.9 | 945.2 |
| Total Gross Aid | 3,954.6 | 4,065.3 | 4,095.4 | 4,124.8 | 4,153.0 |
| Contracted: | | | | | |
| Expenditure | $ 129.2 | $ 113.2 | $ 132.9 | $ 137.0 | $ 141.0 |
| WADM | 26.23 | 12.18 | 26.19 | 26.19 | 26.19 |
| Basic Revenue Deduct | 104.0 | 48.3 | 107.3 | 107.3 | 107.3 |
| Gross Aid | $ 34.10 | $ 108.5 | $ 119.7 | $ 123.8 | $ 128.0 |
| Equipment: | | | | | |
| Expenditure | $ 28.0 | $ 25.8 | $ 23.9 | $ 22.1 | $ 20.5 |
| Gross Aid | 13.10 | 12.1 | 11.2 | 10.4 | 9.6 |
| Travel: | | | | | |
| Expenditure | 148.4 | 175.5 | 184.3 | 208.9 | 236.6 |
| Gross Aid | 69.7 | 82.5 | 86.6 | 98.2 | 112.2 |
| Supplies: | | | | | |
| Expenditure | 138.8 | 222.7 | 167.5 | 186.3 | 207.2 |
| Gross Aid | 65.2 | 104.7 | 78.7 | 87.6 | 97.4 |
| State Totals: | | | | | |
| District Expenditures | 10,386.5 | 10,724.1 | 11,001.1 | 11,361.5 | 11,737.0 |
| Gross State Aid | 4,136.9 | 4,373.0 | 4,391.7 | 4,444.6 | 4,499.2 |
| Resources | 4,650.0 | 3,919.0 | 4,255.0 | 3,683.0 | 3,565.0 |
| Proration Factor | 1.0000 | 0.8961 | 0.9688 | 0.8286 | 0.7923 |
| Prorated State Aid | $ 4,136.9 | $ 3,919.0 | $ 4,255.0 | $ 3,683.0 | $ 3,565.0 |
| Levy Authority | 2,607.2 | 3,283.9 | 3,167.0 | 3,931.0 | 4,278.7 |
| Total Revenue | $ 6,744.1 | $ 7,202.9 | $ 7,422.0 | $ 7,614.0 | $ 7,843.7 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | $ 6,744 | $ 7,235 | $ 7,432 | $ 7,669 | $ 7,915 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 32) | ( 10) | ( 55) | ( 71) |
| Current Law Revenue | 6,744 | 7,203 | 7,422 | 7,614 | 7,844 |
| B. Statutory Formula LEVY:[a] | 2,607 | 2,862 | 3,040 | 3,224 | 3,416 |
| Levy Change Due To Insufficient Appropriation | 0 | 422 | 127 | 707 | 863 |
| Current Law Levy | 2,607 | 3,284 | 3,167 | 3,931 | 4,279 |
| C. Statutory Formula AID: | 4,137 | 4,373 | 4,392 | 4,445 | 4,499 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 454) | ( 137) | ( 762) | ( 934) |
| Current Law Aid Entitlement | 4,137 | 3,919 | 4,255 | 3,683 | 3,565 |
| Proration Factor | 1.000 | 0.896 | 0.969 | 0.829 | 0.792 |

[a] Levy authority *before* reduction for Special Education Equalization Aid.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0307 SECONDARY VOCATIONAL - STUDENTS WITH DISABILITIES
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | 3,919 | 3,935 | 3,935* | 3,935* | |
| Entitlement Changes Per Law: | | | | | |
| ■ Revenue Increases (Decreases): | | | | | |
| Change in Number of Staff | 781 | 798 | 798 | 798 | |
| Average Salary for Staff FTE | ( 47) | 42 | 256 | 476 | |
| Contracted Services Aid | ( 12) | ( 3) | 1 | 5 | |
| Equipment Aid | ( 40) | ( 42) | ( 43) | ( 43) | |
| Travel Aid | 37 | 40 | 52 | 65 | |
| Supplies Aid | 43 | 16 | 25 | 35 | |
| ■ Levy Decreases (Increases): | | | | | |
| Change in Number of Staff | ( 322) | ( 335) | ( 335) | ( 335) | |
| Average Salary for Staff FTE | 14 | ( 59) | ( 244) | ( 437) | |
| Statutory Formula Aid (Unprorated) | 4,373 | 4,392 | 4,445 | 4,499 | |
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | 3,919 | 4,255 | 3,683 | 3,565 | |
| Adjustments Per Law: | | | | | |
| ■ Prior Year Payments (M.S. 124.14, Subd. 2) | ___ | 23 | ___ | ___ | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | 3,919 | 4,278 | 3,683 | 3,565 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

### A. CHALLENGES:

- School districts are receiving more requests to enroll students with disabilities in vocational work experience programs. There is an increased awareness of parents and special education staff of the need for vocational training required to provide students with disabilities with an opportunity for future employment.
- More support services are needed due to serving students with more severe disabilities.
- There is an imbalance between supply and demand for teachers licensed in the area of expertise. The lack of teachers is evidenced by the number of waivers issued for staff in meeting the licensure requirements and the number of schools that can not find appropriately licensed teachers to fill positions.
- All eligible students are not being served. As educational funds have decreased, lists of eligible students waiting to enroll in these programs has increased.
- Traditional school day does not correspond with the business day and transportation for students with disabilities is an additional cost item to the school district.

### B. STRATEGIES:

- School districts are encouraged to provide technical tutors, job coaches, and paraprofessionals for support in serving the students.
- School districts are encouraged to collaborate with special education in meeting the students' needs in using all resources available.
- Vocational licensure standards need to be revised to provide more flexibility for a vocational special needs license. This will aid in the staff shortage.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $4,549 for F.Y. 1996 and $4,631 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $4,457 in F.Y. 1996 ($590 for F.Y. 1995 and $3,867 for F.Y. 1996), and $4,619 in F.Y. 1997 ($682 for F.Y. 1996 and $3,937 for F.Y. 1997).

The Governor recommends the following modifications in the secondary vocational students with disabilities program, beginning in F.Y. 1996:

1. Increase secondary vocational students with disabilities aid and levy revenue from the F.Y. 1995 level of $7,422 to $7,582 for F.Y. 1996 and $7,718 for F.Y. 1997.

2. Replace the current secondary vocational students with disabilities formula with a statewide revenue target based on F.Y. 1995 revenue plus an adjustment for growth in actual pupil units. The statewide revenue targets would be $7,582 for F.Y. 1996 and $7,718 for F.Y. 1997.

3. Allocate secondary vocational students with disabilities revenue among school districts based on F.Y. 1995 secondary vocational students with disabilities revenue, adjusted for growth in actual pupil units.

4. Beginning in F.Y. 1998, expenditure data from the second prior year would be used in computing secondary vocational students with disabilities revenue.

5. Compute secondary vocational students with disabilities aid equal to 60 percent of the district's secondary vocational students with disabilities revenue, and special education levy equalization revenue equal to 40 percent of the district's secondary vocational students with disabilities revenue.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0307: SECONDARY VOCATIONAL - STUDENTS WITH DISABILITIES**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 3,919 | $ 3,935 | $ 3,935 | $ 3,935 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <252> | <370> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from 1994 Tax Bill | | 343 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 3,919 | 4,278 | 3,683 | 3,565 |
| 5. Statutory Formula Aid (Detail in Narrative) | 4,373 | 4,392 | | |
| 6. Funding Excess/Deficiency | <454> | <480>[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | <137>[b] | | |
| 8. CURRENT LAW LEVY | * | * | * | * |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 3,919 | 4,255 | 3,683 | 3,565 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Formula Change | | | 866 | 1,066 |
| Current Law Aid Funding Level (Line 4) | | | 3,683 | 3,565 |
| **RECOMMENDED AID ENTITLEMENT** | | | 4,549 | 4,631 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | * | * |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 4,549 | 4,631 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 684 | 588 | 590 | 682 |
| Current Year 85 Percent | 3,331 | 3,688 | 3,867 | 3,937 |
| Transfers Per M.S. 124.14, Subd. 7 | <227> | | | |
| **Total-State General Funds** | 3,788 | 4,276 | 4,457 | 4,619 |

* See Special Education Levy Summary and Equalization Aid (Program 0308)

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[a] Line 1 - Line 5

[b] $114 plus $23 prior year payments per M.S. 124.14, Subd. 2

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |
| | 0308 | SPECIAL EDUCATION LEVY SUMMARY AND EQUALIZATION AID |
| **CITATION:** | | M.S. 124.321 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide levy revenue to school districts to supplement categorical aids for special education, secondary vocational students with disabilities, and limited English proficiency programs, to assure that free appropriate educational services are provided to all eligible handicapped and limited English proficient students. The difference between state aid and the formula is provided through an equalized levy and aid.

Most education aid programs contribute to more than one education goal. By reducing the high school dropout rate through education programs that are appropriate to the unique education needs of individuals with disabilities, and by preparing individuals to be independent and responsible adults, this program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities and performance indicators of the Department of Education, refer to the Annual Agency Performance Report, September 1994, pages 68, 70, 72 and 151.

**DESCRIPTION:**

**Special Education Equalization Revenue**
A district's special education equalization revenue for a school district, excluding an intermediate school district, equals the sum of the following:

1. The difference between 68% of salaries paid to essential special education personnel and the amount of special education aid paid to the district for salaries of these personnel under Program Budgets 0301 and 0303 for that fiscal year; plus
2. The difference between 68% of salaries paid to essential limited English proficiency program personnel and the amount of limited English proficiency aid paid to the district for salaries of these personnel under Program Budget 0306 for that fiscal year; plus
3. The difference between 68% of the salaries paid to essential secondary vocational disabilities program personnel and the amount of secondary vocational disabilities aid paid to the district for salaries of these personnel under Program Budget 0307 for that fiscal year; plus
4. The alternative delivery levy revenue determined according to M.S. 124.324, Subd. 4; plus
5. The amount allocated to the district by special education cooperatives or intermediate districts in which it participates according to M.S. 124.321, Subd 2.

The levy authority for staff employed by intermediate districts and cooperatives is allocated among the participating school districts and added to the school district's levy authority. School district estimates are used to compute the initial levy for each district. The levy is adjusted in the following year using revised estimates and 3 years later based on actual data.

**Special Education Levy**
To receive special education levy revenue, a district may levy an amount equal to the district's special education equalization revenue as defined above multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, by $ 3,540.

**Special Education Levy Equalization Aid**
A district's special education levy equalization aid is the difference between its special education levy

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0308 SPECIAL EDUCATION LEVY SUMMARY AND EQUALIZATION AID

(Continuation)

equalization revenue and its special education levy. If a district does not levy the entire amount permitted, special education levy equalization aid must be reduced in proportion to the actual amount levied.

In the event that the special education levy equalization aid for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995* | F.Y. 1996* (Current Law) | F.Y. 1997* (Current Law) |
|---|---|---|---|---|---|
| Levy Authority by Fiscal Year | | | | | |
| Special Education - Regular | $80,649.8 | $113,182.4 | $111,802.4 | $160,551.5 | $190,710.6 |
| Special Education - Summer | 1,886.9 | 2,511.6 | 2,083.5 | 2,909.6 | 3,438.8 |
| Limited English Proficiency | 2,161.5 | 3,840.1 | 4,002.7 | 5,886.6 | 7,328.1 |
| Secondary Voc. Disabled | 2,607.2 | 3,283.9 | 3,167.0 | 3,931.0 | 4,278.7 |
| Subtotal, Levy Equalization Revenue | 87,305.4 | 122,818.0 | 121,055.6 | 173,278.7 | 205,756.3 |
| Less Equalization Aid | ( 12,648.0) | ( 14,805.0) | ( 18,627.0) | ( 16,129.0) | ( 15,612.0) |
| Total Levy Authority | $74,657.4 | $108,013.0 | $102,428.6 | $157,149.7 | $190,144.3 |
| | Payable 1992 | Payable 1993 | Payable 1994 | Payable 1995 | Payable 1996 |
| Certified Levy by Calendar Year | | | | | |
| Initial Levy Year | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Initial Levy Amount | $69,210.6 | $77,439.0 | $84,972.0 | $135,029.1 | $171,129.8 |
| Levy Adjustment Year | F.Y. 1990 | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | F.Y. 1994 |
| Levy Adjustment Amount | 6,329.5 | 16,509.2 | 9,285.6 | 216.9 | 22,238.5 |
| Levy Adjustment Year | F.Y. 1992 | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 |
| Levy Adjustment Amount | 13,841.5 | 4,927.2 | 7,165.0 | 8,985.6 | 12,055.7 |
| Total Levy Certified | $89,381.6 | $98,875.4 | $101,422.6 | $144,231.6 | $205,424.1 |

(*) F.Y. 1995, F.Y. 1996, and F.Y. 1997 levies based on 3.0% annual inflation, and continuation of program growth trends.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula REVENUE: | $ 0 | $ 0 | $ 0 | $ 0 | $ 0 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Revenue | 0 | 0 | 0 | 0 | 0 |
| B. Statutory Formula LEVY: | ( 12,648) | ( 19,273) | ( 21,269) | ( 21,183) | ( 21,401) |
| Levy Change Due To Insufficient Appropriation | 0 | 4,468 | 2,642 | 5,054 | 5,789 |
| Current Law Levy | ( 12,648) | ( 14,805) | ( 18,627) | ( 16,129) | ( 15,612) |
| C. Statutory Formula AID: | 12,648 | 19,273 | 21,269 | 21,183 | 21,401 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 4,468) | ( 2,642) | ( 5,054) | ( 5,789) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | 12,648 | 14,805 | 18,627 | 16,129 | 15,612 |
| Proration Factor | 1.000 | 0.768 | 0.876 | 0.761 | 0.729 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 14,805 | 17,230 | 17,231* | 17,231* |
| Entitlement Changes Per Law: | | | | | |
| ■ Appropriation Shortfall | | 1,460 | 1,574 | 1,573 | 1,573 |
| ■ Revenue Change | | 14,647 | 5,886 | 10,417 | 21,340 |
| ■ Levy Change | | ( 11,639) | ( 3,421) | ( 8,038) | ( 18,743) |
| Statutory Formula Aid (Unprorated)[a] | | $ 19,273 | $ 21,269 | $ 21,183 | $ 21,401 |

[a] Amounts shown for F.Y. 1996 and F.Y. 1997 were computed assuming no proration of regular special education aid or related aids for F.Y. 1996 and F.Y. 1997.

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $18,000 for F.Y. 1996 and $17,500 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $17,884 in F.Y. 1996 ($2,584 for F.Y. 1995 and $15,300 for F.Y. 1996), and $17,575 in F.Y. 1997 ($2,700 for F.Y. 1996 and $14,875 for F.Y. 1997).

The Governor recommends the following modifications in the special education levy equalization program:

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0308 SPECIAL EDUCATION LEVY SUMMARY AND EQUALIZATION AID

(Continuation)

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1. For F.Y. 1996, special education levy equalization revenue equals 40 percent of the sum of a district's special education regular, special education summer school, limited English proficiency, and secondary vocational students with disabilities revenue.

2. Beginning in F.Y. 1997, special education levy equalization revenue equals 40 percent of the sum of a district's special education regular, special education summer school, and secondary vocational students with disabilities revenue. Funding for limited English proficiency programs will be included in the general education learning gap block grant (see Activity 0101).

3. Beginning in F.Y. 1997, permit school districts serving nonresident disabled students to allocate a portion of their levy equalization revenue to the students' resident districts.

The $17,500 special education deficiency appropriation provided in Laws 1994, Chapter 587 is allocated to five special education programs in F.Y. 1995 based on estimated deficiencies as of the November 1994 forecast. In the event the entire $17,500 is not needed to fully fund the deficiencies in F.Y. 1995, the Governor recommends that the excess be used to reduce the deficiencies in special education programs in F.Y. 1994.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0308: SPECIAL EDUCATION LEVY SUMMARY AND EQUALIZATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 14,805 | $ 17,230 | $ 17,231 | $ 17,231 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,102> | <1,619> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from 1994 Tax Bill | | 1,397 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 14,805 | 18,627 | 16,129 | 15,612 |
| 5. Statutory Formula Aid (Detail in Narrative) | 19,273 | 21,269 | | |
| 6. Funding Excess/Deficiency | <4,468> | <4,039>[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | <2,642> | | |
| 8. CURRENT LAW LEVY* | 108,013 | 102,429 | 157,150 | 190,144 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 122,818 | 121,056 | 173,279 | 205,756 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| Formula Change | | | 1,871 | 1,888 |
| Current Law Aid Funding Level (Line 4) | | | 16,129 | 15,612 |
| **RECOMMENDED AID ENTITLEMENT** | | | **18,000** | **17,500** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Levy Change Associated with Aid Rec. 1 | | | <35,868> | <70,651> |
| Current Law Levy (Line 8) | | | 157,150 | 190,144 |
| RECOMMENDED LEVY | | | 121,282 | 119,493 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **139,282** | **136,993** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,626 | 2,221 | 2,584 | 2,700 |
| Current Year 85 Percent | 12,584 | 16,043 | 15,300 | 14,875 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **14,210** | **18,264** | **17,884** | **17,575** |

*Includes levy for Special Education Regular and Summer, Limited English Proficiency and Secondary Vocational-Disabled programs, less equalization aid.

[a] Line 1 - Line 5

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|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0309 | SECONDARY VOCATIONAL |
| CITATION: | | M.S. 124.573 |
| MDE ADMIN: | 1202 | State and Federal Programs (Targeted Populations) |
| FEDERAL: | | None |

**PURPOSE:**

To increase opportunities for all students in Grades 10-12 to:

- help students make wise career choices, while developing the skills, attitudes, and knowledge necessary to succeed in the marketplace;
- acquire entry-level and work readiness skills necessary for earning while continuing to learn;
- explore potential careers in different occupational areas in order to better prepare for continuing education or employment;
- apply basic computational, comprehension, communication, scientific, and problem-solving skills in relevant, realistic environments
- gain experience in the use of technological equipment which is utilized in occupational areas;
- learn and reinforce higher order thinking skills through application; and
- utilize curriculum which is results oriented and relevant to business and industry.

The intent of these programs is to improve curriculum opportunities in a realistic manner that is relevant to the business and industrial practices in which our students either are or will be participating.

Most education aid programs contribute to more than one education goal. This program contributes to many of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18 and 53.

**DESCRIPTION:**

Local Education Agencies (LEAs), including school districts, cooperative centers, intermediate districts, and education districts may access state categorical funding through an excess cost formula for providing occupational vocational programs. To qualify for the funding, the LEAs must provide evidence of meeting or exceeding criteria defined in State Board of Education rule. The rule requires the involvement of a program advisory committee to: 1) identify the need for program improvement in the areas of integration, and basic and higher order thinking skills; 2) articulate programs between secondary and postsecondary to assure a nonduplicative sequential transition between the two levels; and 3) modernize to upgrade curriculum and instructional support and materials within the program areas.

The state aid is used to provide equitable access and treatment for all students; to redirect curriculum priorities; to assure focus on technical skills, career development, work readiness, and preparation for family roles and technological competencies; and to conduct an evaluation process to insure the relevancy of the vocational programs as they relate to the various occupational areas. The major areas of instruction are: business occupations, health occupations, agricultural occupations, technical occupations, consumer and homemaking occupations, marketing occupations, and service occupations. Special populations are actively solicited for all of these programs.

The excess cost state aid formula provides funding to qualifying districts as follows: (a) $80 times the district's average daily membership in grades 10 to 12; *or* (b) 25% of approved expenditures for: salaries for direct instructional services, contracted services, travel between instructional sites, travel for vocational student organizations, curriculum development, travel for professional development, and specialized vocational instructional supplies. A district's aid must not equal less than the lessor of 1) 95% of the district's aid in the prior year, or 2) 40% of approved expenditures in the current year.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0309 SECONDARY VOCATIONAL
(Continuation)

## PROGRAM STATUS:

The percentage of students participating in vocational programs over the past few years has remained fairly stable at approximately 10—11% of the total population of students enrolled in Grades 10-12.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Staff FTE | 1,127 | 1,344 | 1,350 | 1,350 | 1,350 |
| Student ADM | 16,669 | 17,235 | 17,580 | 17,930 | 18,290 |
| Student Hdct. | 45,840 | 47,396 | 48,345 | 49,310 | 50,300 |
| Salary Expenditures | $ 40,053.3 | $ 46,911.8 | | | |
| Non-Salary Reimbursement | $ 5,105.6 | $ 5,498.4 | | | |
| Aid Entitlement Calculations | | | | | |
| Total Grade 10-12 ADM | 160,897 | 166,043 | | | |
| Total Voc ADM as % of 10-12 ADM | 10.25% | 10.0% | | | |
| Secondary vocational ADM | 16,492 | 16,604 | | | |
| Vocational salaries | $ 47,037.4 | $ 48,924.6 | | | |
| General education revenue deduction: | | | | | |
| Reported vocational WADM | 21,440 | 21,586 | | | |
| Average deduction per WADM | 1,408 | 1,408 | | | |
| Total deduction | $ 30,186.9 | $ 30,392.5 | | | |
| Excess cost (salaries) | $ 16,850.6 | $ 18,532.1 | | | |
| Salary aid percent | 75% | 75% | | | |
| Salary aid | $ 12,637.9 | $ 13,899.1 | | | |
| Travel/other expenditures | 4,290.8 | 4,483.9 | | | |
| Other aid percent | 40% | 40% | | | |
| Other aid | $ 1,716.3 | $ 1,793.6 | | | |
| Other revenue deduct | 0 | 0 | | | |
| Total Gross State Aid Entitlement | $ 14,354.3 | $ 15,692.7 | | | |
| Estimated Proration Factor | 84.14% | 1.00% | | | |
| Prorated State Aid | $ 12,078.0 | $ 15,692.7 | | | |

## PROGRAM FUNDING

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| A. Statutory Formula AID: | $ 12,705 | $ 12,079 | $ 13,193 | $ 12,946 | $ 12,812 |
| Aid Reduction Due To Insufficient Appropriation | (627) | (0) | (0) | (1,975) | (626) |
| Current Law Aid Entitlement | 12,078 | 12,079 | 13,193 | 10,971 | 12,186 |
| Proration Factor | 0.951 | 1.000 | 1.000 | 0.847 | 0.951 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 12,079 | 13,450 | 13,450* | 13,450* |
| Entitlement Changes Per Law: | | | | | |
| ■ Decrease in Estimated Secondary Average Daily Membership | | — | (257) | (504) | (638) |
| Statutory Formula Aid (Unprorated) | | 12,079 | 13,193 | 12,946 | 12,812 |
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | 12,079 | 13,193 | 10,971 | 12,186 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | | 175 | | |
| ■ Portion of 15% Final Not Requested | | | 38 | | |
| ■ Prior Year Payments (M.S. 124.14, Subd. 2) | | — | 44 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | 12,079 | 13,450 | 10,971 | 12,186 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing specific categorical funding for this activity beginning in F.Y. 1997. School districts may use revenues from the general education program (see Activity 0101) or the new learner improvement program (see Activity 0718) for secondary vocational purposes.

The Governor recommends an aid entitlement of $11,006 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $11,335 in F.Y. 1996 ($1,979 for F.Y. 1995 and $9,356 for F.Y. 1996), and $1,650 in F.Y. 1997 ($1,650 for F.Y. 1996 and $0 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0309: SECONDARY VOCATIONAL AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 12,079 | $ 13,450 | $ 13,450 | $ 13,450 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <2,479> | <1,264> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 12,079 | 13,450 | 10,971 | 12,186 |
| 5. Statutory Formula Aid (Detail in Narrative) | 12,079 | 13,193 | | |
| 6. Funding Excess/Deficiency | | 175* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 12,079 | 13,450 | 10,971 | 12,186 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | 35 | <12,186> |
| Current Law Aid Funding Level (Line 4) | | | 10,971 | 12,186 |
| **RECOMMENDED AID ENTITLEMENT** | | | 11,006 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 11,006 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,811 | 1,811 | 1,979 | 1,650 |
| Current Year 85 Percent | 10,268 | 11,433 | 9,356 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 12,079 | 13,244 | 11,335 | 1,650 |

*Estimated excess of $257 less $38 of the FY 1996 prior year final account that does not have to be appropriated, less $44 prior year payments per M.S. 124.14, Subd. 2: = $175.

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|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aid |
| | 0310 | AMERICAN INDIAN LANGUAGE AND CULTURE |
| CITATION: | | M.S. 126.44 - 126.55 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | None |

## PURPOSE:

To improve the quality of education for all students by: making school curriculum more relevant to the needs, interests, and cultural heritage of American Indian pupils; providing positive reinforcement of the self-image of American Indian pupils; and developing intercultural awareness among pupils, parents and staff, thereby improving the educational potential of American Indian pupils and enhancing academic achievement potential of at-risk students.

The program serves pre-Kindergarten through Grade 12 American Indian students, and staff of K-12 schools and districts. It enables all students to gain a better understanding of one aspect of the cultural diversity of Minnesota by allowing for the voluntary enrollment of non-Indian students within the funded school or district.

To meet the needs of American Indian pupils, projects may include:

- instruction in American Indian language and culture;
- activities to improve the nature and quality of teaching for all students in all curriculum areas;
- provision of personal and vocational counseling for Indian students; and
- development of curriculum that is accurate and relevant to American Indian students, modification of existing curriculum, and modification of instructional methods and administrative procedures.

Eligible applicants include elementary and secondary public schools, and nonsectarian, nonpublic, community, tribal, and alternative schools enrolling American Indian students.

Most education aid programs contribute to more than one departmental goal. By providing educational programs and curriculum for all students that is more relevant to the needs and cultural heritage of American Indian students, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For more information on the goals, priorities and performance indicators of the Department of Education, refer to the Annual Agency Performance Report, September 1994, pages 14, 87 and 89.

## DESCRIPTION:

Grants are awarded on a competitive basis through the submission of proposals that have been developed with maximum involvement of parents of children enrolled in the program. Proposals are reviewed by the American Indian Education Committee whose membership is representative of significant segments of the population of American Indians, and is appointed by the State Board of Education. The Committee makes recommendations to the State Board concerning program approval, modifications, disapproval, and funding level.

The program includes a yearly request for proposal (RFP) cycle, a semi-annual progress report by each grantee, and an evaluation of each project.

The State Board of Education continues to place a $50,000 "cap" on individual grant awards so that additional projects can be funded in new areas of the State. As a result, an additional 5 sites have been funded.

In F.Y. 1995, seven projects are doing curriculum development or revision of existing curriculum. The other seven F.Y. 1995-funded projects are working in the areas of language and cultural enrichment.

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| No. of Grants | 15 | 14 | 13 | 14 | 14 |
| Participating Indian Students | 3,748 | 2,991 | 3,750 | 3,750 | 3,750 |
| Grant Award Range | $ 10-50 | $ 36.1-47.5 | $ 12-50 | $ 10-48 | $ 10-48 |
| Average Grant Award | $ 42.8 | $ 42.0 | $ 41.0 | $ 34.4 | $ 38.2 |
| Funds requested by applicants | $ 1,224.6 | $ 1,322.1 | $ 1,404.5 | $ 1,400.0 | $ 1,400.0 |
| Districts applying | 28 | 29 | 33 | 35 | 35 |
| Percent funded | 51% | 48% | 40% | 40% | 40% |
| Eligible Indian students in schools applying | 6,311 | 4,052 | 8,153 | 7,500 | 7,500 |
| Percent served | 59% | 74% | 46% | 50% | 50% |

PROGRAM: 03 Special Programs
AGENCY: Education Aid

0310 AMERICAN INDIAN LANGUAGE AND CULTURE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID | $ 643 | $ 591 | $ 591 | $ 591 | $ 591 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 109) | ( 56) |
| Current Law Aid Entitlement | $ 643 | $ 591 | $ 591 | $ 482 | $ 535 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 591 | $ 591 | $ 591* | $ 591* |
| Statutory Formula Aid (Unprorated) | | $ 591 | $ 591 | $ 591 | $ 591 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The Minnesota Department of Education (MDE) will continue the pursuit of long-range planning of Indian Education for school districts on a voluntary basis. The purpose is to provide resources for the unique and special education needs of Indian students, to evaluate the potential of district policies and procedures affecting the education of Indian learners, and to more effectively coordinate existing school district planning with a consideration of the unique needs of Indian learners.

**B. STRATEGIES:**

- Efforts will be made to maintain existing levels of programs and services given available funding.
- Since each of the projects funded under this grant program is, by law and design, grantee-unique, and specific objectives within the projects are unpredictable prior to grant proposal submission, there will be a commitment to increase the program's accountability by gathering and developing effectiveness outcome data and information from each project funded.
- An increase in project sites and numbers of students being served is not expected. However, activities to increase the success of projects will be initiated, including increased technical assistance for project application, implementation and evaluation utilizing the Indian Education Section's field office staff for more geographic-based assistance to grantees, and a proposal writing workshop for applicants of this program.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $502 for F.Y. 1996 and $502 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $515 in F.Y. 1996 ($88 for F.Y. 1995 and $427 for F.Y. 1996), and $502 in F.Y. 1997 ($75 for F.Y. 1996 and $427 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0310: AMERICAN INDIAN LANGUAGE & CULTURE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 591 | $ 591 | $ 591 | $ 591 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <109> | <56> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 591 | 591 | 482 | 535 |
| 5. Statutory Formula Aid (Detail in Narrative) | 591 | 591 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 591 | 591 | 482 | 535 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 20 | <33> |
| Current Law Aid Funding Level (Line 4) | | | 482 | 535 |
| **RECOMMENDED AID ENTITLEMENT** | | | 502 | 502 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 502 | 502 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 88 | 88 | 88 | 75 |
| Current Year 85 Percent | 503 | 503 | 427 | 427 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 591 | 591 | 515 | 502 |

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0311 | INDIAN EDUCATION |
| CITATION: | | Laws 1993, Chap. 224, Art. 3, Sec. 38, Subd. 16 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | None |

**PURPOSE:**

To provide general support funds to school districts in-lieu-of funds which are no longer available from the federal government pursuant to the Johnson-O'Malley Act, P.L. 73-167, or Code of Federal Regulations, Title 25, Sec. 273.31.

These state funds are available to 6 school districts which have traditionally maintained Indian village elementary schools on Indian reservations, and which have formerly received operational support from the federal Johnson-O'Malley program in addition to federal impact aid.

By providing general operating funds to school districts that maintain an American Indian village school, this funding allows eligible small schools to remain open in the Indian community thereby allowing greater community, parent, and student interaction in the educational process. The village schools allow for the family, in all its forms, to take an active role in the education of the students and increase the self-esteem of students attending local schools. The opportunity to participate in both community and educational processes enhances all these goals.

Most education aid programs contribute to more than one education goal. By enabling small schools to remain open in the Indian communities, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 87 and 89.

**DESCRIPTION:**

The legislature specifies grant amounts for general use which are released to the 6 school districts upon evidence of compliance with requirements identified in the appropriation. The requirements include: evidence of compliance with uniform financial accounting and reporting standards, evidence that the district has conducted a special education needs assessment, and evidence that the district has compiled accurate daily pupil attendance records. Funds can be expended only in the interest of American Indian students.

**PROGRAM STATUS:**

All 6 districts eligible for funding have demonstrated need and met the legislatively mandated criteria.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Grants | 6 | 6 | 6 | 6 | 6 |
| Grants | | | | | |
| Cook County/Grand Portage | $ 9.7 | $ 9.7 | $9.7 | | |
| Mahnomen | 14.9 | 14.9 | 14.9 | | |
| Nett Lake | 42.2 | 42.2 | 42.2 | | |
| Pine Point | 54.8 | 54.8 | 54.8 | | |
| Red Lake | 39.1 | 39.1 | 39.1 | | |
| Waubun | 14.1 | 14.1 | 14.1 | | |
| Total | $ 174.8 | $ 174.8 | $ 174.8 | $ 143.0 | $ 159.0 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | $ 175 | $ 175 | $ 175 | $ 175 | $ 175 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 32) | ( 16) |
| Current Law Aid Entitlement | 175 | 175 | 175 | 143 | 159 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 175 | $ 175 | $ 175* | $ 175* |
| Statutory Formula Aid (Unprorated) | | $ 175 | $ 175 | $ 175 | $ 175 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0311 INDIAN EDUCATION
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The Minnesota Department of Education through the Indian Education Team will continue to address the unique educational and cultural needs of American Indian students by providing grant programs and technical assistance to school districts, alternative, charter and tribal schools in the state, as requested. The schools and school districts will be provided with resources to help them develop long range plans, curriculum and to meet legislative requirements as they provide culturally appropriate educational services for American Indian students.

**B. STRATEGIES:**

- Efforts will be made to maintain existing levels of program services with available funding.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $148 for F.Y. 1996 and $148 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $152 in F.Y. 1996 ($26 for F.Y. 1995 and $126 for F.Y. 1996), and $148 in F.Y. 1997 ($22 for F.Y. 1996 and $126 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0311: INDIAN EDUCATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 175 | $ 175 | $ 175 | $ 175 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <32> | <16> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 175 | 175 | 143 | 159 |
| 5. Statutory Formula Aid (Detail in Narrative) | 175 | 175 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 175 | 175 | 143 | 159 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Betweeen Years | | | 5 | <11> |
| Current Law Aid Funding Level (Line 4) | | | 143 | 159 |
| **RECOMMENDED AID ENTITLEMENT** | | | **148** | **148** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **148** | **148** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 26 | 26 | 26 | 22 |
| Current Year 85 Percent | 149 | 149 | 126 | 126 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **175** | **175** | **152** | **148** |

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0312 | INDIAN POSTSECONDARY PREPARATION PROGRAM |
| CITATION: | | M.S. 124.481 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | None |

## PURPOSE:

To reduce dropout rates, better prepare American Indian students for enrollment and success in postsecondary education, and provide funding in response to formally identified student needs. The program serves American Indian students in Grades 7-12.

The Indian Postsecondary Preparation Program (PSPP) provides direct student services that are improving productivity and performance in the classroom, and increasing opportunities for students to improve educational achievement and attain a higher quality of life.

By increasing self-esteem of students, providing educational incentives to keep students in school, and providing students with opportunities to examine career options and be ready to pursue careers of choice after graduation from high school, these grants provide for educational programs and curriculum designed to increase student readiness, student performance and graduation rates, and individual and community economic success.

Most education aid programs contribute to more than one education goal. This program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 87 and 89.

## DESCRIPTION:

Grants are made to school districts, with distribution in proportion to the geographical distribution of the Indian population of the state, for secondary American Indian students of 1/4 or more Indian ancestry. Participants must have the capability of benefiting from higher education.

Projects may include the following:

- dropout prevention/improved retention;
- remedial or tutorial services in areas of need, emphasizing college preparation subjects;
- attendance, achievement or graduation incentives;
- high potential/low achievement programs;
- advocacy and liaison services; and
- plans or innovative procedures to reduce alienation or conflicts that may inhibit Indian students from reaching their potential.

PSPP promotes the establishment of cooperative ventures between public schools and postsecondary institutions and local businesses. Parental participation is required toward the development and implementation of these projects by district Parent Advisory Committees. PSPP grantees also promote and support direct parental involvement in classroom, tutoring and extra-curricular activities.

Students served by PSPP are identified at-risk students, who are able to benefit from postsecondary education. Activities offered through PSPP provide direction and leadership for each participant as well as the "avenue" and means to excel academically and pursue higher goals in education. Participation in PSPP increases the student's potential for greater success in postsecondary education as a recipient of the Minnesota Indian Scholarship Program. (See Program Budget 0313.)

Grants are awarded on a competitive basis for proposals developed with maximum involvement of parents of children enrolled in the program. Proposals are developed and programs are implemented in direct consultation with parent advisory committees. Proposals are reviewed by the Minnesota Indian Scholarship Committee which is appointed by the State Board of Education to be representative of significant segments of the American Indian population. The committee makes recommendations to the State Board concerning approval, modifications or disapproval of the grant.

The majority of the projects are providing activities in the area of personal counseling, academic counseling, and career exploration and counseling. Projects also include incentives for academic achievement and/or improved attendance, and advocacy and liaison services which emphasize parental involvement in their child's education and career or postsecondary planning. Cooperative ventures between public schools and postsecondary institutions and local business firms exist throughout PSPP project sites, involving career planning and role modeling activities.

## PROGRAM STATUS:

The number of project sites has decreased during the last five years from 32 to 24 sites. Only 24 of 36 applications were funded for F.Y. 1995.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0312 INDIAN POSTSECONDARY PREPARATION PROGRAM
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Grants | 27 | 27 | 24 | 25 | 25 |
| Indian Students Participating | 2,493 | 2,426 | 2,700 | 3,000 | 3,000 |
| Grant Range | $ 3-58 | $ 8-52 | $ 18-73 | $ 15-60 | $ 15-60 |
| Average Grant | $ 30.7 | $ 32.0 | $ 36.0 | $ 28.0 | $ 31.1 |
| Eligible Applicants Applying | 34 | 33 | 36 | 35 | 35 |
| Percent Eligible Funded | 79% | 82% | 66% | 71% | 71% |
| Eligible Number of Indian Students Enrolled in Applicant Agencies | 2,832 | 2,696 | 3,234 | 3,400 | 3,400 |
| Percent of Eligible Students Served | 88% | 90% | 84% | 88% | 88% |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | $ 828 | $ 857 | $ 857 | $ 857 | $ 857 |
| Aid Reduction Due To Insufficient | ( 0) | ( 0) | ( 0) | ( 158) | ( 80) |
| Current Law Aid Entitlement | 828 | 857 | 857 | 699 | 777 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 857 | $ 857 | $ 857* | $ 857* |
| Statutory Formula Aid (Unprorated) | | $ 857 | $ 857 | $ 857 | $ 857 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The Minnesota Department of Education through the Indian Education Team will continue to address the unique educational and cultural needs of American Indian students by providing grant programs and technical assistance to school districts, alternative, charter and tribal schools in the state, as requested. The schools and school districts will be provided with resources to help them develop long range plans, curriculum and to meet legislative requirements as they provide culturally appropriate educational services for American Indian students.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services with available funding.
- Since each of the projects funded under this grant program is, by law and design, grantee-unique, and specific objectives within the projects are unpredictable prior to grant proposal submission, there will be a commitment to increase the program's accountability by gathering and developing effectiveness outcome data and information from each project funded.
- An increase in project sites and numbers of students being served is not expected. However, activities to increase the success of projects will be initiated, including increased technical assistance for project application, implementation and evaluation utilizing the Indian Education Section's field office staff for more geographic-based assistance to grantees, and a proposal writing workshop for applicants of this program.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $738 for F.Y. 1996 and $738 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $738 in F.Y. 1996, and $738 in F.Y. 1997.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the secondary year of the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0312: INDIAN POSTSECONDARY PREPARATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 857 | $ 857 | $ 857 | $ 857 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <158> | <80> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 857 | 857 | 699 | 777 |
| 5. Statutory Formula Aid (Detail in Narrative) | 857 | 857 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 857 | 857 | 699 | 777 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 39 | <39> |
| Current Law Aid Funding Level (Line 4) | | | 699 | 777 |
| **RECOMMENDED AID ENTITLEMENT** | | | 738 | 738 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 738 | 738 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 857 | 857 | 738 | 738 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 857 | 857 | 738 | 738 |

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|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0313 | INDIAN SCHOLARSHIPS |
| CITATION: | | M.S. 124.48 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | No flow through funds. The State Scholarship Program cooperates with the Federal/Tribal scholarship programs to jointly meet the financial needs of American Indian students. |

## PURPOSE:

To provide need-based financial assistance to American Indian students who, without such assistance, may not be able to pursue postsecondary education and the opportunity to develop their potential. The Minnesota Indian Scholarship Program (MISP) promotes partnerships between state government, tribal governments, and private industry.

Most education aid programs contribute to more than one departmental goal. By providing scholarships to eligible applicants to pursue postsecondary education, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

This program contributes to the *current priorities* of the Minnesota Department of Education (MDE) with a special emphasis on the following priorities:

- **Lifework Development and Technology Competence**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14 and 87.

## DESCRIPTION:

Grants are awarded on the basis of criteria established by the State Board of Education upon recommendation of the Minnesota Indian Scholarship Committee. Eligibility is restricted to American Indian students of 1/4 or more Indian ancestry, in residence in Minnesota, and enrolling in accredited Minnesota postsecondary institutions. Each student's needs and circumstances are reviewed and grants are based on financial need remaining after all other sources of available financial assistance have been applied. Therefore, the state program represents the last resource available for Indian students wishing to attend postsecondary education. Payments are made to the postsecondary institution for the benefit of the individual student.

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of students funded | 1,180 | 1,100 | 1,000 | 900 | 800 |
| Number of students denied (lack of funds) | 724 | 751 | 800 | 850 | 950 |
| Number of students on AFDC | 295 | 319 | 300 | 325 | 350 |
| Number of grads 4 & 2 yr. inst. | 389 | 363 | 333 | 300 | 275 |
| Number of MISP students w/GED's | 585 | 590 | 625 | 650 | 675 |
| Number of MISP students in teacher preparation programs | 130 | 140 | 155 | 175 | 200 |
| Number of students from other U.S. Indian tribes which MISP assists | 50-60 | 50-60 | 50-60 | 50-60 | 50-60 |

- approximately 150-200 part-time students are assisted;
- Minnesota Indian Scholarship Program assists approximately 200 students living in Minnesota (resident) but enrolled in a tribe of another state;
- approximately 60% of the applications received are female, 40% are male;
- each year since 1990 the number of students pursuing teaching careers has been increasing;
- American Indian students continue to take out student loans in record numbers.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | $ 1,554 | $ 1,600 | $ 1,600 | $ 1,600 | $ 1,600 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 295) | ( 150) |
| Current Law Aid Entitlement | 1,554 | 1,600 | 1,600 | 1,305 | 1,450 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 1,600 | $ 1,600 | $ 1,600* | $ 1,600* |
| Statutory Formula Aid (Unprorated) | | $ 1,600 | $ 1,600 | $ 1,600 | $ 1,600 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0313 INDIAN SCHOLARSHIPS
(Continuation)

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BUDGET ISSUES:

A. CHALLENGES:

- The long term effect of decreased funding will be a diminishing of the significant momentum the program has created among American Indians desiring to enter postsecondary education. Given the characteristics of the students, the leveling of funding will affect those who are most in need and who are most able to benefit by enrolling in and completing their postsecondary education program.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services given available resources.
- In order to meet rising costs and the reduced ability to serve students in need, MDE has identified the following alternative for consideration given the annual base level of funding:

  The Minnesota Indian Scholarship Committee will continue to seek private fund raising for the State Indian Scholarship Program. Funds raised would be awarded to students utilizing the same criteria as those for the state funded program.

- The Minnesota Indian Scholarship Program (MISP) has developed an exemplary model of collaboration among state government, tribal government and private industry. All grants awarded by MISP are packaged with Tribal scholarship programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $1,378 for F.Y. 1996 and $1,378 for F.Y. 1997.

Based on these entitlement, the Governor recommends an appropriation of $1,378 in F.Y. 1996, and $1,378 in F.Y. 1997.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

The Governor's proposed budget for the Higher Education Coordinating Board provides for increases in need-based grants through the state's student grant program.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0313: INDIAN SCHOLARSHIPS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 1,600 | $ 1,600 | $ 1,600 | $ 1,600 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <295> | <150> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 1,600 | 1,600 | 1,305 | 1,450 |
| 5. Statutory Formula Aid (Detail in Narrative) | 1,600 | 1,600 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1,600 | 1,600 | 1,305 | 1,450 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 73 | <72> |
| Current Law Aid Funding Level (Line 4) | | | 1,305 | 1,450 |
| **RECOMMENDED AID ENTITLEMENT** | | | **1,378** | **1,378** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **1,378** | **1,378** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 1,600 | 1,600 | 1,378 | 1,378 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **1,600** | **1,600** | **1,378** | **1,378** |

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|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0314 | INDIAN TEACHER GRANTS |
| CITATION: | | M.S 125.62 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | None |

**PURPOSE:**

To assist American Indian people to become teachers and to provide additional education for American Indian teachers. In addition, this program provides a source of certified American Indian teachers to specific school districts with significant concentrations of American Indian students.

This program provides grants to Indian students who have a demonstrated financial need and have the potential to successfully complete teacher training programs. Grants to students provide for costs of tuition, fees, and books. Full time students are also eligible for monthly stipends in the form of a loan based on the number of dependents. If the student, after graduation, teaches in a Minnesota school district for five years, the monthly stipend/loan is forgiven.

By providing an incentive for American Indians to become teachers, more American Indian teachers are needed as role-models to demonstrate the importance of learning and education to all students thereby retaining more students in school.

Most education aid programs contribute to more than one educational goal. By providing an incentive for American Indians to become teachers, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program contributes to the *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 87.

**DESCRIPTION:**

Grant awards are made by the State Board of Education based on applications received from project sites specified in the legislation. Payments are made to either the school districts or the post-secondary institution determined by agreement that is acting as the fiscal agent for this program. Currently, project sites include:

1. Bemidji State University and ISD #38, Red Lake;
2. Moorhead State University and one of the school districts located within the White Earth Reservation;
3. Duluth campus of the University of Minnesota and ISD #709, Duluth; and
4. Augsburg College and SSD #1, Minneapolis.

The following American Indian people are eligible for scholarships/grants:

- a student who intends to become a teacher and is enrolled in one of the postsecondary institutions receiving a grant;
- a teacher aide who intends to become a teacher and who is employed by a district receiving a joint grant;
- a licensed employee of a district receiving a joint grant who is enrolled in a master of education degree program; and
- a student who, after receiving postsecondary financial aid and an Indian Scholarship, has financial needs unmet.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Number of Grants | 4 | 4 | 4 | 4 | 4 |
| Recipients | | | | | |
| Duluth #709 & UMD | $ 81.9 | $ 72.5 | $ 77.0 | | |
| Minneapolis SSD#1 & Augsburg College | 46.3 | 40.0 | 40.0 | | |
| Mahnomen/White Earth & Moorhead State Univ. | 51.4 | 20.0 | 40.0 | | |
| Red Lake ISD #38 & Bemidji State U. | 65.0 | 50.0 | 40.0 | | |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID | $ 245 | $ 183 | $ 197 | $ 190 | $ 190 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 35) | ( 18) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 245 | $ 183 | $ 197 | $ 155 | $ 172 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0314 INDIAN TEACHER GRANTS
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 190 | $ 190 | $ 190* | $ 190* |
| Entitlement Changes Per Law: | | | | | |
| a. Budget Variables | | | | | |
| ■ Balance Forward: Grant Refund Allocated to F.Y. 1995 Program Due to Timing of Refund | | (7) | $ 7 | — | — |
| Statutory Formula Aid (Unprorated) | | $ 183 | $ 197 | $ 190 | $ 190 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

Grants to recipients will be subject to the same proration factor.

Ten students participating in this program are expected to graduate in F.Y. 1996, and in F.Y. 1997, 12 graduates are expected. The program will continue to assist graduates from this program in placement in teaching positions in schools impacted by American Indian students.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- This program is successfully addressing one aspect of a critical shortage of American Indian teachers in Minnesota.
- Considering the shortcomings in other financial aid programs available to American Indian students, it is expected that need and application for this program will continue.

**B. STRATEGIES:**

- Efforts will be made to maintain existing levels of programs and services with available funding.
- MDE will work through the advice and counsel of the Minnesota Indian Scholarship Committee and through action of the State Board of Education to continue to explore private fund raising options.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $163 for F.Y. 1996 and $163 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $163 in F.Y. 1996, and $163 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0314: INDIAN TEACHER GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 190 | $ 190 | $ 190 | $ 190 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <35> | <18> |
| 3. Other Adjustments | | | | |
| Balance Forward | <7> | 7 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 183 | 197 | 155 | 172 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 183 | 197 | 155 | 172 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 8 | <9> |
| Current Law Aid Funding Level (Line 4) | | | 155 | 172 |
| **RECOMMENDED AID ENTITLEMENT** | | | **163** | **163** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **163** | **163** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 183 | 197 | 163 | 163 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **183** | **197** | **163** | **163** |

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0315 | TRIBAL CONTRACT SCHOOLS |
| CITATION: | | M.S. 124.86 |
| MDE ADMIN: | 1204 | Indian Education |
| FEDERAL: | | Bureau of Indian Affairs Funding<br>(Not a Federal flow-through program) |

**PURPOSE:**

To promote equal education opportunity for students enrolled in Tribal contract schools (as compared to public schools), by providing state funds to schools based on the difference between the amount of aid provided by the federal government and the state per pupil aid amount.

Most education aid programs contribute to more than one education goal. By providing eligible tribal contract schools with general revenue, thereby contributing to the overall financial health and programs of the school, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program contributes to the *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 87 and 89.

**DESCRIPTION:**

Each year, each American Indian-controlled contract school authorized by the United States Code, title 25, section 450f, that is located on a reservation within the state, is eligible to receive Tribal Contract School Aid subject to the following requirements:

- the school must plan, conduct and administer an education program that complies with the Minnesota Education Code, Chaps. 120, 121, 122, 123, 124, 124A, 125, 126, 129, 129A and 129B;
- the school must comply with all other state statutes governing independent school districts; and
- the state Tribal Contract School Aid must be used to supplement and not to replace, the money for American Indian education programs provided by the federal government.

The amount of the aid for a tribal contract school is derived by the following calculations:

1. Multiply the formula allowance under M.S. 124A.22, Subd. 2, times the actual pupil units counted in fall count week, but not including those students who receive reimbursement under nonpublic or alternative learning centers aid.

2. Subtract a) the federal funding received through the Indian School Equalization program of the Bureau of Indian Affairs (BIA), not including the money allotted for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and b) the amount of state aid received for private alternative programs.

3. Divide the result in item (2) by the actual pupil units.

4. Multiply the actual pupil units by the lesser of $1,500 or the result in item three.

The students who are not Tribal members do not qualify for BIA federal aid. This has two related effects. Each student who does not qualify for federal aid increases the state aid entitlement without an accompanying federal aid deduction. This increases the gross state aid entitlement statewide and if it exceeds the appropriation, the result is proration of the aid. The second effect is distributional. If the aid is prorated, the aid is redistributed from schools that do not serve students who do not qualify for federal aid, to schools that do serve students who do not qualify for federal aid.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Number of Schools | 4 | 4 | 4 | 4 | 4 |
| Number of Pupil Units Eligible for Aid | 1,000 | 1,050 | 1,100 | 1,200 | 1,300 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID | $ 161 | $ 440 | $ 460 | $ 460 | $ 460 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 85) | ( 43) |
| Current Law Aid Entitlement | $ 161 | $ 440 | $ 460 | $ 375 | $ 417 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 440 | $ 460 | $ 460* | $ 460* |
| Statutory Formula Aid (Unprorated) | | $ 440 | $ 460 | $ 460 | $ 460 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0315 TRIBAL CONTRACT SCHOOLS
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The decrease in funding will limit the ability to provide equity for students in Tribal schools.

**B. STRATEGIES:**

- Tribal schools will work with the Manager of Indian Education on reporting data on retention/dropout statistics.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $390 for F.Y. 1996 and $390 for F.Y. 1997. This recommendation reallocates a portion of the current law entitlement between years, in order to provide districts with a more stable funding stream.

Based on these entitlements, the Governor recommends an appropriation of $401 in F.Y. 1996 ($69 for F.Y. 1995 and $332 for F.Y. 1996), and $390 in F.Y. 1997 ($58 for F.Y. 1996 and $332 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0315: TRIBAL CONTRACT SCHOOLS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 440 | $ 460 | $ 460 | $ 460 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <85> | <43> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 440 | 460 | 375 | 417 |
| 5. Statutory Formula Aid (Detail in Narrative) | 440 | 460 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 440 | 460 | 375 | 417 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 15 | <27> |
| Current Law Aid Funding Level (Line 4) | | | 375 | 417 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 390 | 390 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | 66 | 69 | 58 |
| Current Year 85 Percent | 374 | 391 | 332 | 332 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 374 | 457 | 401 | 390 |

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Program |
| AGENCY: | | Education Aids |
| | 0316 | TRIBAL CONTRACT SCHOOLS — ECFE |
| CITATION: | | M.S. 124.86, Subd. 4 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

The purpose of the regular Early Childhood Family Education (ECFE) program and the function for this grant program is to enhance the ability of parents to provide for their children's optimal learning and development through education and support during the early childhood years, from birth to kindergarten enrollment. The mission of the Tribal Contract Schools—ECFE program is to encourage community-based parent-child participation and maximize the use of available resources to provide cost-effective prevention/risk reduction services for all young children and their families through the cooperation and collaboration of agencies, services, and other community resources available to the tribal schools.

Most education aid programs contribute to more than one education goal. By assisting American Indian parents to provide for their children's optimal learning and development from birth to kindergarten enrollment, thereby increasing the child's school readiness and learning potential, this program contributes to three of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 87 and 89.

**DESCRIPTION:**

The Tribal school Early Childhood Family Education programs were established by the legislature in 1991. The schools eligible for the grants are Bug-o-nay-ge-shig, Leech Lake; Circle of Life, White Earth; Fond du Lac Ojibway, Cloquet; and Nay Ah Shing, Mille Lacs. Programs established at the four schools use culturally appropriate materials and strategies to deliver the basic Early Childhood Family Education program with an added emphasis on preserving their culture. An example is storytelling by Tribal elders to convey American Indian history to young children and their parents. Such programs require the direct presence and substantial involvement of the children's parents and may include any or all of the following:

- programs to educate parents about the physical, mental, and emotional development of children;
- programs to enhance the skills of parents in providing for their children's learning and development;
- learning experiences for children and parents;
- activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- activities and materials designed to encourage self-esteem, skills and behaviors that prevent sexual and other interpersonal violence;
- educational materials which may be borrowed for home use;
- home visits or center based activities;
- information on related community resources; or
- other programs or activities to improve the health, development and learning readiness of children.

The school must make affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized Tribe.

The revenue equals 1.5 times the statewide average expenditure per participant under ECFE, M.S. 124.2711, times the number of children and parents participating full time in the program.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Number of Participants per school: | | | | | |
| Fond du Lac | 50 | 50 | 55 | 60 | 65 |
| Circle of Life | 0 | 102 | 120 | 140 | 160 |
| Bug-o-nay-ge-shig | 90 | 143 | 160 | 180 | 200 |
| Mille Lacs | 85 | 96 | 100 | 105 | 110 |

**PROGRAM:** 03 Special Program
**AGENCY:** Education Aids

0316 TRIBAL CONTRACT SCHOOLS — ECFE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 59 | $ 68 | $ 68 | $ 68 | $ 68 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 13) | ( 6) |
| Current Law Aid Entitlement | $ 59 | $ 68 | $ 68 | $ 55 | $ 62 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 68 | $ 68 | $ 68* | $ 68* |
| Statutory Formula Aid (Unprorated) | | $ 68 | $ 68 | $ 68 | $ 68 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Ongoing efforts will be needed to maintain the momentum of program development and to facilitate increased sharing of effective strategies and resources by tribal schools and other Early Childhood Family Education programs servicing Native American families.
- Communication and connections of tribal school programs with other ECFE programs throughout the state need to be enhanced for the benefit of Native American families who move to and from the reservation served by the tribal school so their participation will continue.

**B. STRATEGIES:**

- The decrease in funding will limit the ability to provide equity for students in Tribal schools. Tribal schools will work with the Manager of Indian Education on reporting data on retention/dropout statistics.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $58 for F.Y. 1996 and $58 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $58 in F.Y. 1996, and $58 in F.Y. 1997.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0316: TRIBAL CONTRACT SCHOOLS - ECFE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 68 | $ 68 | $ 68 | $ 68 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <13> | <6> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 68 | 68 | 55 | 62 |
| 5. Statutory Formula Aid (Detail in Narrative) | 68 | 68 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 68 | 68 | 55 | 62 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 3 | <4> |
| Current Law Aid Funding Level (Line 4) | | | 55 | 62 |
| **RECOMMENDED AID ENTITLEMENT** | | | 58 | 58 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 58 | 58 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 68 | 68 | 58 | 58 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 68 | 68 | 58 | 58 |

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0317 | ASSURANCE OF MASTERY |
| CITATION: | | M.S. 124.311 |
| MDE ADMIN: | 1202 | State and Federal Programs (Targeted Populations) |
| FEDERAL: | | None |

**PURPOSE:**

In 1989, M.S. 124.311 was enacted which provided funding on an optional basis to districts for their Assurance of Mastery (AOM) program in Grades K-8.

This program is to assure that all students in Grades K-8 have an opportunity to learn and succeed in the general educational program within the usual and customary classroom setting. Parents are involved in the planning of their student's educational program to increase the potential for success. Performance is based on district-established standards and instruction must vary to accommodate differing student needs. More specifically, the objectives of AOM under M.S. 124.311 are:

- to assure that students at risk of failure are identified and served within the regular classroom environment and that responsibility for their education is maintained by their regular classroom teacher. It is expected that this approach will reduce referrals for special education instruction and services;
- to focus the effort in one or more grade levels, Kindergarten through Grade 8, to assure early intervention and prevention of later failure and drop-out;
- to promote the development of instructional strategies consistent with an outcome based instructional system. Within such a system it is agreed that all students can learn and succeed. However, students learn in different ways and at different rates. Effective instructional delivery systems will assure that all students are taught in the most efficient way;
- to assure that districts not only identify and serve students at risk of failure, but also monitor program effectiveness and report program results to the community and state through the annual Planning, Evaluating, and Reporting (PER) process; and
- to assure district commitment to the program by requiring a local district contribution equal to the state matching amount in order to receive state funds. The local revenues must be expended in the same way as the state matching funds.

Most education aid programs contribute to more than one education goal. Assuring success of all learners will increase Minnesota's test scores as compared to the nation and will prepare students for lifelong learning. By providing funding to school districts to assure that students succeed in the expected learning in the regular school environment in the areas of mathematics and science, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

This program contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Graduation Standards**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18 and 22.

**DESCRIPTION:**

In 1989, the Legislature enacted M.S. 124.311 to provide funding to participating districts under certain conditions. The state funding is based on a district's Weighted Average Daily Membership (WADM) in Grades K-8 times $22.50. If a district expends $22.50 times their Grade K-8 WADM to employ staff to provide direct instructional services to eligible Grade K-8 pupils within the usual and customary classroom, the state then will match the district effort. If the district effort is less than that amount, the state will match the lesser amount.

Total Assurance of Mastery funding would be $22.50 state funding and $22.50 local funding for a total of $45.00 per WADM.

In order to qualify for the program, districts inform the Minnesota Department of Education (MDE) of their intention to participate and sign a statement of assurance that they will comply with the requirements of the statute.

Given the diversity of students in Minnesota schools, it does not seem reasonable to establish rules on how a district designs its local program. MDE has taken the position that these programs should be more than basic skills drill and practice instruction. The statute requires that instruction be different, but within the same content as the student was unable to master in the first classroom instruction. Therefore, MDE is asking school districts to design programs that help students learn how to learn, and to assist students in acquiring the necessary conceptual framework to facilitate future learning.

The curriculum may be modified by time, methods, and/or materials.

MDE efforts focus on the provision of technical assistance to districts in the identification and provision of services to these students. The technical assistance needs of districts include training in teaming with other adults in a classroom, recognizing learning style differences, and planning alternative instructional strategies.

Those districts not accessing all of the state matching funds are either unable to generate the local match or, due to their small class sizes, they do not believe that the additional revenue is necessary to meet their students' needs.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

0317 ASSURANCE OF MASTERY
(Continuation)

Outcome data are collected at the local level and reported to the community in the "Annual Report on Curriculum and Student Achievement" (The PER Report). The legislature determined that the primary accountability for program effectiveness should be at the community level. The MDE receives copies of the reports by October 15 each year. Due to the varying criteria used for eligibility and to assess student benefit, it is virtually impossible to aggregate the data at the state level. Local reports are uniformly positive and indicate that students are served and returned to the general educational program and that special education referrals will be reduced over time, resulting in a positive fiscal return.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| School Districts Participating | 367 | 347 | 357 | 362 | 355 |
| Students (WADMs)* | 574,300 | 580,086 | 596,868 | 597,130 | 601,428 |

* This is the number of students (WADMs) in Grades K-8 that is used for the calculation of aid entitlements and is not the number of students served by this program. The actual number of students served is not available.

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 11,511 | $ 12,361 | $ 12,768 | $ 13,435 | $ 13,532 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 2,673) | ( 1,578) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 15,511 | $ 12,361 | $ 12,768 | $ 10,762 | $ 11,954 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.801 | 0.883 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 12,993 | $ 13,194 | $ 13,194* | $ 13,194* |
| Entitlement Changes Per Law: | | | | | |
| ■ Change in Participating Weighted Average Daily Membership (K-8) | | ( 632) | ( 426) | $ 241 | $ 338 |
| Statutory Formula Aid (Unprorated) | | $ 12,361 | $ 12,768 | $ 13,435 | $ 13,532 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | $ 12,361 | $ 12,768 | $ 10,762 | $ 11,954 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds | | $ 632 | $ 362 | | |
| ■ Portion of 15% Final Not Requested | | $ 64 | — | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 12,993 | $ 13,194 | $ 10,762 | $ 11,954 |

**BUDGET ISSUES:**

**A. CHALLENGES:**

- In F.Y. 1995 school districts representing about 93% of the eligible K-8 WADMs are participating in this program. By and large, those not participating are small districts with a small amount of eligibility for matching money and small class sizes. Because of these factors, learners in these districts do not gain access to this program.

**B. STRATEGIES:**

- In order to provide districts with greater flexibility, this program will be included as part of a block grant to districts to address the needs of students which will result in closing the learning gap. The state and federal resources included in this Block Grant are: Compensatory Aid, Assurance of Mastery (AOM), Limited English Proficiency (LEP), and Chapter/Title I (federal). Districts will be afforded maximum flexibility in terms of how the resources are to be used in exchange for increased accountability for learner results.
- The AOM program aid should be transferred to the Learning Gap Block Grant program. In order to afford districts greater flexibility, the required 50% local match should be eliminated.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $10,640 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $10,959 in F.Y. 1996 ($1,915 for F.Y. 1995 and $9,044 for F.Y. 1996), and $1,596 in F.Y. 1997 ($1,596 for F.Y. 1996 and $0 for F.Y. 1997).

The Governor recommends that assurance of mastery funds be combined with compensatory and limited English proficiency funds beginning in F.Y. 1997 to forma new learning gap block grant program (see Activity 0101).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0317: ASSURANCE OF MASTERY**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 12,993 | $ 13,194 | $ 13,194 | $ 13,194 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <2,432> | <1,240> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 12,993 | 13,194 | 10,762 | 11,954 |
| 5. Statutory Formula Aid (Detail in Narrative) | 12,361 | 12,768 | | |
| 6. Funding Excess/Deficiency | 632 | 362[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 12,993 | 13,130 | 10,762 | 11,954 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Roll Activity into General Education Formula | | | | <11,954> |
| 2. Change in Entitlement Due to Apps. Limits Reduction | | | <122> | |
| Current Law Aid Funding Level (Line 4) | | | 10,762 | 11,954 |
| **RECOMMENDED AID ENTITLEMENT** | | | **10,640** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **10,640** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,904 | 1,948 | 1,915 | 1,596 |
| Current Year 85 Percent | 11,045 | 11,215 | 9,044 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | <533> | | | |
| **Total-State General Funds** | **12,416** | **13,163** | **10,959** | **1,596** |

[a]Estimated excess of $426 less $64 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement = $362 excess in the FY 1995 current appropriation.

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| | | |
|---|---|---|
| PROGRAM: | 03 | Special Programs |
| AGENCY: | | Education Aids |
| | 0318 | AMERICAN SIGN LANGUAGE - TEACHER EDUCATION HEARING IMPAIRED |
| CITATION: | | Laws 1993, Chap. 224, Art. 3, Sec. 32, Sec. 2, Clause L; Laws 1993, Chap. 224, Art. 3, Sec. 38, Subd. 22; Laws 1994, Chap. 647, Art. 3, Sec. 21, Subd. 22 |
| MDE ADMIN: | 1203 | Special Education |
| FEDERAL: | | None |

**PURPOSE:**

To assist school districts in greater Minnesota in educating teachers in American Sign Language, American Sign Language Linguistics, and deaf culture.

Most education aid programs contribute to more than one education goal. By providing funding to school districts to assure that teachers of the hearing impaired have necessary skills and abilities to successfully educate hearing impaired students, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

In 1992 the licensure requirements for teachers of the deaf/hard of hearing were significantly changed by Minnesota statute, section 125.189. To encourage and assist teachers of the deaf/hard of hearing to increase their American Sign Language (ASL) proficiency levels and acquire the higher number of continuing education credits required for licensure renewal, the legislature appropriated a total of $60,000 from the general fund to the Department of Education to assist school districts in educating these teachers in American Sign Language, American Sign Language Linguistics, and deaf culture during F.Y. 1994 and F.Y. 1995.

All F.Y. 1994 appropriated funds ($25,000) are to assist greater Minnesota districts and are available to the end of F.Y. 1995. Utilizing the Office of Special Education's regional low incidence facilitators' project, two plans (one for the northern part of the state -- Regions 1 & 2, 3, 4, 5 and 7 -- and one for the southern part of the state -- Regions 6 & 8, 9 and 10) were developed based on a needs assessment survey of teachers of the deaf/hard of hearing. The F.Y. 1995 appropriated funds ($35,000) are to serve all Minnesota districts and are available to the end of F.Y. 1995. One plan for the entire state has been developed based on the involvement of representatives from each of the nine regions and is now being implemented. Examples of activities, courses and materials provided by these funds include: courses in American Sign Language and linguistics, family camps, interactive television/conferences, lending library materials, summer institutes, workshops to prepare teachers for proficiency testing, and teacher mentorship by a deaf person.

**F.Y. 1994 Program**

Based on teacher needs assessments and the collaborative efforts of MDE staff, the Director of the Resource Center for the Deaf and Hard of Hearing, staff of DHS-Deaf Services Division, Regional Resource Centers for the Deaf and Hard of Hearing, representatives of a variety of Deaf organizations, and the nine Regional Low Incidence Facilitators, two comprehensive grants were developed and implemented during the 1993-94 school year. The northern grant included Regions 1 & 2, 3, 4, 5 and 7 and was hosted by the Low Incidence Facilitator project for Region 3 in Virginia. The southern grant included Regions 6 & 8, 9, and 10 and was hosted by the Low Incidence Facilitator project for Region 9 in Mankato. Each grant received half the allocation, or $12,500.

Over a thousand participants attended the courses, workshops, summer institutes, interactive TV/teleconferences, teacher mentorship programs, family camps, and Youth Leadership Days sponsored by the grants. This total participants' count is duplicative because many teachers and staff participated in more than one activity. The grant activities focused primarily on ASL, ASL linguistics, and Deaf Culture offerings which provide teachers of the Deaf and Hard of Hearing the Continuing Education Units (CEUs) needed by the teachers to renew their teaching licenses, increase their ASL skills, and become familiar with the process of evaluation used to test teachers ASL proficiency.

**F.Y. 1995 Program**

The 1994 legislature allocated $35,000 to provide training in the areas of American Sign Language (ASL), ASL linguistics, and Deaf Culture for Minnesota teachers for the Deaf/Hard of Hearing. Collaboratively, during nine planning meetings the Facilitators for the Regional Low Incidence Projects, the Director of the Resource Center of the Deaf/Hard of Hearing, and representatives of the DHS-Deaf Services Division Regional Resource Centers of the Deaf/Hard of Hearing designed a coordinated program of activities, workshops, etc., across the state based on needs identified by teachers of the Deaf and Hard of Hearing.

There are about 332 teachers of the Deaf and Hard of Hearing employed by Minnesota schools. The grant offers these teachers the following training opportunities during the 1994-95 school year: 1) ASL/SCPI workshops in each region of the state, 2) Saturday activities to help teachers practice their ASL skills with the aid of instructors and members of the Deaf community, 3) a Summer Family Camp, and 4) a statewide Youth Leadership Day which provides teachers opportunities to practice and improve their ASL skills and sessions about Deaf Culture.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

0318 AMERICAN SIGN LANGUAGE - TEACHER EDUCATION HEARING

(Continuation)

Continuing Education Units (CEUs) for licensure renewal are made available to the teachers who participate by the host agencies of the various sessions and activities.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 25 | $ 35 | $ 13 | $ 12 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 2) | ( 1) |
| Current Law Aid Entitlement | -- | $ 25 | $ 35 | $ 11 | $ 11 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 25 | $ 35 | $ 13* | $ 12* |
| Statutory Formula Aid (Unprorated) | | $ 25 | $ 35 | $ 13 | $ 12 |

(*) Biennial appropriation of $25 allocated to F.Y. 1996 and F.Y. 1997. The $35 appropriation for F.Y. 1995 is non-recurring and therefore not part of the budget base.

F.Y. 1994 was the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Students who are deaf or significantly hard of hearing are a low incidence group. Traditionally, these students (who usually require some type of sign language or cued/oral transliteration) have attended the Academy for the Deaf in Faribault or their families migrate to larger cities where classes for deaf/hard of hearing students are feasible. As more families with deaf/hard of hearing children choose to live in greater Minnesota the need for teachers proficient in ASL, cued speech, deaf culture, etc., increases also. The acquisition and maintenance of a high ASL proficiency level is challenging even when coursework, inservice and ASL consumers are readily available. As with the learning of any language, quality instruction and continuous opportunity to practice need to be available anywhere a teacher of the deaf/hard of hearing is employed. These funds enable a variety of agency staff and consumers to plan and conduct instruction, practice opportunities, and deaf culture experiences for more of these teachers living and working in greater Minnesota. Additional funds would support the assurance of instruction, practice, and experiences needed to optimize renewal of licenses and increase the skills of many teachers of the deaf/hard of hearing.
- There is a paucity of funds to support courses and increase the ASL proficiency skills of teachers. This makes it hard to retain some teachers of the deaf/hard of hearing who think the new requirements are too much and too expensive.
- Teachers of the deaf/hard of hearing are not very easy to find, particularly in sparsely populated, remote, and/or isolated parts of Greater Minnesota.

**B. STRATEGIES:**

- The program administrators will continue to use one fiscal host to hold down administrative costs.
- The program administrators will continue to do needs assessments with targeted population(s) to get input on the creation of a statewide plan to address the needs of hearing impaired students.
- When possible, program funds will be used with other staff development funds to most fully utilize staff development resources.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $13 for F.Y. 1996 and $12 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $13 in F.Y. 1996 and $12 in F.Y. 1997.

The Governor recommends authority for carryover of any unexpected balance in the first year to the second year of the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0318: AMERICAN SIGN LANGUAGE - TEACHER EDUCATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 25 | $ 35 | $ 13 | $ 12 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <2> | <1> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 25 | 35 | 11 | 11 |
| 5. Statutory Formula Aid (Detail in Narrative) | 25 | 35 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 25 | 35 | 11 | 11 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds From Other Education Programs | | | 2 | 1 |
| Current Law Aid Funding Level (Line 4) | | | 11 | 11 |
| **RECOMMENDED AID ENTITLEMENT** | | | 13 | 12 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 13 | 12 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 25 | 35 | 13 | 12 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 25 | 35 | 13 | 12 |

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PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0319 SPECIAL EDUCATION - INDIVIDUALS WITH DISABILITIES

CITATION: Individuals with Disabilities Act. (P.L. 101-476)
MDE ADMIN: 1203 Special Education

PURPOSE:

- To ensure that all individuals with disabilities (ages birth to 22 years) have available to them a free, appropriate public education which includes specially designed instruction and related services to meet their unique needs;
- To ensure that the rights of individuals with disabilities and their parents are protected;
- To assist states and localities to provide for the education of individuals with disabilities; and
- To assess and ensure the effectiveness of efforts to educate individuals with disabilities.

The specific program objectives are the same as stated under program 0301 Special Education Regular. Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to programs 0301, Special Education-Regular, and 0304, Special Education-Home Based Travel, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 68, 70, 72 and 151.

DESCRIPTION:

Minnesota receives an annual federal grant based on an unduplicated child count which is taken by school districts on December 1 of each year and submitted to the Minnesota Department of Education (MDE). The December 1 child count is used to determine the state's entitlement for the subsequent school term. States are required to allocate a minimum of 75% of the state grant to local school districts on an entitlement basis. Minnesota allocates approximately 80% to local school districts and retains 5% for central administration of the program and 15% for state initiated discretionary projects. Operation of the P.L. 101-476 Grant Program is as follows:

- the Minnesota Department of Education (MDE) must submit a State Plan to the federal office that ensures all learners with disabilities are identified and receive a free appropriate education before funds are released to the state;
- the State Plan is submitted to the Federal Office of Special Education for approval every three years or amended if changes occur prior to the renewal date;
- requirements of the State Plan include provision for nondiscriminatory testing, educating learners with disabilities with those without disabilities to the extent appropriate, to include parents in decision making, and assure due process protection under the law;
- the state allocates 80% of P.L. 101-476 funds to local school districts. The law requires at least 75% flow-through to school districts;
- MDE retains 5% of the P.L. 101-476 allocation for central administration of the program; and
- MDE retains 15% of the P.L. 101-476 funds for discretionary or state initiated projects.

Priorities include:

a. regional low incidence projects to stimulate services for children and youth who have vision or hearing impairments, physical handicaps, severe or profound mental handicaps, multi-handicaps or autistic behavior;
b. comprehensive System of Personnel Development (CSPD) to complement local district, higher education and state efforts in CSPD;
c. meetings of regional directors of discretionary projects to strategically plan for and administer regional special education discretionary projects;
d. studies of special education program effectiveness that are designed to increase research and data analysis skills of district personnel;
e. providing support for the State Office of Monitoring and Compliance;
f. initiating projects to support innovative or new ideas for enhancing special education services; and
g. miscellaneous expenditures for state supported technical assistance to develop guidelines, curriculum, and to provide in-service to targeted groups.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of districts | 414 | 395 | 376 | 366 | 355 |
| Total funding | $ 30,046 | $ 34,000 | $ 36,000 | $ 36,000 | $ 36,000 |
| Allocation of funds: | | | | | |
| Aid to school districts | $ 24,037 | $ 28,000 | $ 29,000 | $ 29,000 | $ 29,000 |
| Administration | $ 1,502 | $ 1,700 | $ 1,800 | $ 1,800 | $ 1,800 |
| Discretionary low incidence projects | $ 1,667 | $ 2,000 | $ 2,000 | $ 2,000 | $ 2,000 |
| Other discretionary grants | $ 2,000 | $ 3,000 | $ 3,000 | $ 3,000 | $ 3,000 |
| Total allocations | $ 29,206 | $ 34,700 | $ 35,800 | $ 35,800 | $ 35,800 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 03 Special Programs - Federal Programs
AGENCY: Education Aids

0319 SPECIAL EDUCATION - INDIVIDUALS WITH DISABILITIES

(Continuation)

**BUDGET ISSUES:**

- Federal P.L. 101-476 funds can be used only to supplement those services which have previously been provided with state and local funds. In other words, federal funds cannot replace state funding for special education services or activities, on a district basis or statewide basis, that have been previously supported with state and local funds. These federal funds may be used for the expansion of special education services to the degree the school district entitlement allows.

- The number of students with disabilities will continue to increase primarily in the areas of emotionally disturbed and early childhood special education. These funds are critical in supporting the expansion of special education services for these children.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0320 SPECIAL EDUCATION - PRESCHOOL INCENTIVE

CITATION: Individuals with Disabilities Act. (P.L. 101-479, Sec. 619)
MDE ADMIN: 1203 Special Education

PURPOSE:

To provide funds for direct and support special education services for children 3 - 5 years of age, who have disabilities, and their families. Preschool grant funds must be used for new and expanded programs and cannot be used to supplant programs previously funded with state and local funds.

The specific program objectives are the same as stated under Program 0301 Special Education Regular. Special education services for preschool includes such things as screening, assessment, health services that enable children with disabilities to benefit from early intervention services, family education and counseling, home visits, and other more specific special education services.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to Programs 0303, Special Education-Summer School, and 0304, Special Education-Home Based Travel, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 59, 108, 215.

DESCRIPTION:
Minnesota receives an annual federal preschool incentive grant based on an unduplicated count of children ages 3, 4, and 5 which is taken by school districts on December 1 of each year. The December 1 count is used to determine the state entitlement for the subsequent school term. Operation of the grant program in Minnesota is as follows:

- the state retains 5% of the grant for central administration of the program;
- the state retains 15% of the grant for discretionary or state initiated projects in preschool activities;
- 80% of the grant flows to local school districts;
- funds may be used by local education agencies to employ staff, purchase supplies and equipment, provide personnel development; and
- discretionary funds support regional resource personnel and interagency efforts to assure a comprehensive system of special instruction and services for young children with disabilities.

Other facts of note are that:

- All school districts in Minnesota receive preschool incentive funds either individually or through a cooperative arrangement. The December 1, 1993 child count for children ages 3-5 was 10,829.
- Pre-school children receive special education services in center-based programs, public schools and in the home setting.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of districts | 411 | 395 | 376 | 366 | 355 |
| Total funding | $ 7,224 | $ 7,224 | $ 7,228 | $7,228 | $7,228 |
| Allocation of funds | | | | | |
| Entitlement funding | $ 5,500 | $ 5,500 | $ 5,782 | $5,782 | $5,782 |
| Discretionary grants | $ 1,200 | $ 1,200 | $ 1,200 | $1,084 | $1,084 |
| Total | $ 6,700 | $ 6,700 | $ 6,982 | $6,866 | $6,866 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The number of young children with disabilities needing special education services is expected to continue to increase but at a slower pace for the next few years.
- The number of children who have been exposed to alcohol and other chemicals prior to birth is expected to increase.
- The number of services required to address the needs of preschool children with disabilities is expected to increase due to the severity of their disabilities.

B. STRATEGIES:

- Utilize federal funds to expand services needed because of severity of disabilities.
- Utilize federal funds to expand services to increased numbers of children.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |

**FEDERAL PROGRAMS:**

0321 SPECIAL EDUCATION - DEAF/BLIND

| | | |
|---|---|---|
| **CITATION:** | | Education for the Handicapped Act<br>Part-C, Sec. 622 (P.L. 101-476) |
| **MDE ADMIN:** | 1203 | Special Education |

**PURPOSE:**

- To initiate and improve statewide educational services for deaf-blind children, birth to age 22;
- To provide transition services for Minnesota youth and young adults with deaf-blindness as they move from secondary special education to postsecondary education, employment and community living.
- The specific program objectives are the same as stated under 0301 Special Education Regular. Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 215.

**DESCRIPTION:**

Minnesota receives a grant from the United State Department of Education for implementing the Part-C, Sec. 622 (P.L. 101-476) of the Deaf-Blind program.

The Department of Education contracts, in part, with Intermediate School District #916, to achieve the program objectives which include:

- Assisting children birth to age 22 to receive education services in the least restrictive environment;
- Identifying and addressing the in-service needs of teachers, parents, personnel, and Local Education Agency special education coordinators;
- Working with Advisory Council; and
- Implementation of interagency collaboration to effect systems change;

MDE is responsible for administering the funds for general supervision of the grant to Intermediate School District #916.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Total Funding | $ 242.0 | $ 242.0 | $ 242.0 | $ 242.0 | $ 242.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Services are needed for individuals with deaf-blindness in the context of their families.
- Providing direct assistance and support to school districts serving individuals with deaf-blindness.
- Collecting data annually for the Minnesota Registry on deaf-blindness.
- Providing services for children on Indian Reservations.

**B. STRATEGIES:**

Currently, the following programs are in progress:

- Minnesota has developed a family enrichment weekend for individuals with deaf-blindness and their families. This is an inter-agency effort that includes approximately 150 families, volunteers and staff.
- Development of a statewide training program on emergency care procedures for First Responders to utilize with individuals with deaf-blindness with 22 other agencies and programs.
- Development of a functional assessment center in conjunction with the Faribault State Academies.
- Implement the new requirement under federal law that the state must provide direct services to children and youth with deaf-blindness residing on Indian Reservations.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0322 NEGLECTED AND DELINQUENT YOUTH WITH DISABILITIES IN STATE CORRECTION FACILITIES

CITATION: Education Consolidation Improvement Act, Chapter 1 (P.L. 100-297)
MDE ADMIN: 1203 Special Education

PURPOSE:

To provide funding to the Department of Corrections to meet the special education needs of neglected and/or delinquent children in State Correction facilities

These funds are used to support the special education needs of individuals with disabilities who are neglected and delinquent and are housed in state correction facilities. The programs and services are consistent with the Department of Education's goals and priorities for individuals with disabilities as defined in the Department of Education's Annual MDE Performance Report, September 1994, page 22.

DESCRIPTION:

Federal funding is based on the number of youth assigned to state correctional institutions for whom the state provided an educational program during the prior year. Operation of the program in Minnesota is as follows:

- funds are used to supplement the basic education program for youth under 22 years of age; and
- funds are used to provide grants to state correctional institutions at Red Wing, Sauk Centre, Willow River and St. Cloud.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Pupils Served (000s) | 335 | 344 | 338 | 338 | 338 |
| Entitlement Funding | $ 240.0 | $ 222.0 | $ 218.0 | $ 218.0 | $ 218.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- In the 1993-94 school year, 526 persons were eligible for Chapter I services and 344 received services. The ethnic and racial breakdown was as follows:

| | |
|---|---|
| American Indian | 47 |
| Asian | 2 |
| Black | 88 |
| Hispanic | 12 |
| White | 195 |
| Total | 344 |

- Ninety-two students served were between the ages of 14 and 16; 252 were between the ages of 17 and 20. Of the students receiving services, 201 were enrolled in reading classes and 218 received extra help in mathematics.
- There is a continuing need for correctional programs to serve neglected and delinquent youth as well as other adjudicated youth in Minnesota.

B. STRATEGIES:

- Utilize funds for full and partial payment for staff positions, supplies, materials, and equipment and staff development activities.
- Continue MDE's responsibility for the administration of this program, including application process, program review and monitoring.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |
| | | **FEDERAL PROGRAMS:** |
| | 0323 | CHAPTER 1 ECIA |
| **CITATION:** | | Education Consolidation Improvement Act, Chapter 1, (P.L. 100-297) |
| **MDE ADMIN:** | 1202 | State and Federal Programs (Targeted Populations) |

**PURPOSE:**

Chapter 1 is a federal program funded under the Education Consolidation and Improvement Act. Five program components are authorized through the Act. They include:

1. **Chapter 1, Basic:** To provide supplemental services to students in Pre-Kindergarten through grade 12 who are educationally disadvantaged in the areas of communications, mathematics and higher order thinking skills.

   Specific objectives of Chapter 1, Basic are to:

   - increase success in the regular classroom through coordination of supplemental services with classroom instruction and curriculum;
   - provide for the involvement of parents in the education of their children;
   - identify and serve students who are not functioning at a level appropriate to their age;
   - establish learner outcomes as well as the use of a nationally normed achievement test for evaluation purposes at a district level;
   - provide the staff development and materials necessary to ensure a successful program; and
   - coordinate with the state funded Assurance of Mastery (AOM) program to maximize the services available for these at-risk students and to increase the number of students receiving services.

2. **Program Improvement:** To identify schools not meeting their own evaluation standards and to develop and implement a program improvement plan based on an assessment of the programs by administrators, classroom teachers, Chapter 1 staff and parents.

3. **Capital Expenditure:** To encourage the participation of nonpublic students in Chapter 1 by reimbursing school districts for non-instructional expenses incurred in delivering Chapter 1 services to nonpublic students.

4. **Neglected:** To provide supplementary instruction to students, ages 5-21, who are neglected and have been placed in a locally operated residential institution for such students.

5. **Even Start Family Literacy Programs:** (Part B of Title I of ESEA) To improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program. The program is to be implemented through cooperative projects that build on existing community resources to create a new range of services.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174, 72, 22, 24, 53, 59, 75 and 108.

**DESCRIPTION:**

1. **Basic Chapter 1:**
   The Chapter 1 program provides federal funds for supplemental services to help educationally disadvantaged students succeed in the regular classroom, attain grade level proficiency, and improve achievement in basic and higher order thinking skills. 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 who are substantially at risk of not meeting the State's high content and performance standards.

   The state entitlement, as well as district entitlements, are based on economic data. Data include number of foster care children and children from homes receiving Aid to Families with Dependent Children (AFDC) funds. Services are based on educational needs with priority given to those children who are in greatest need. Each district submits a program application which describes the criteria used to identify students, number of public and nonpublic students to be served, the program model, how Chapter 1 staff will coordinate with the classroom instruction and curriculum, staff development to be provided, parental involvement component, an evaluation design, and a budget.

   Districts may use federal Chapter 1 funds to match AOM state aid. Districts which use Chapter 1 to match AOM state aid must meet all Chapter 1 requirements as well as the AOM requirements. During the 1992-93 school year, approximately 300 school districts used a total or partial amount of Chapter 1 funds to match AOM revenue.

2. **Program Improvement:**
   The Minnesota Department of Education (MDE) state plan for program improvement sets minimum aggregate student achievement for schools providing Chapter 1 services. If a school does not meet these standards, based on an annual evaluation of academic achievement, the school must develop a local plan to improve student performance. Districts may apply to MDE for grants to implement program improvement efforts and activities. Grants are awarded based on the needs and activities described in the local action plan and the availability of funds.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0323 CHAPTER 1 ECIA
(Continuation)

Districts are also provided special technical assistance to help them assess their Chapter 1 projects and develop the local action plan. These technical assistance activities are also supported by the program improvement funds.

3. **Capital Expense:**
The Chapter 1 Capital Expense funds are used for two purposes:

- to pay districts for ongoing noninstructional costs to provide service to nonpublic students; and
- to pay for anticipated noninstructional costs due to an increase in the numbers of nonpublic students to be served.

Districts apply to MDE for reimbursement of costs incurred during the school year. Grants are awarded for current expenditures and to purchase or rent mobile units or portable classrooms to increase the number of nonpublic students served.

4. **Neglected:**
Instructional services provided to these students are operated by the local school district in which the institution is located. No federal funds under this program flow directly to the institution, nor may these funds may be used to provide any state-mandated educational requirements. The district sets aside a portion of its basic grant to provide services to neglected students.

The instructional services are provided by the staff of the school district in which the institution is located.

5. **Even Start Family Literacy Programs:**
Funds are awarded on a competitive basis and are used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

Each program includes the following elements:

- Identification and recruitment of eligible families
- Screening and preparation of parents and children for participation
- Appropriate design of program and provision of support services
- Instructional programs that promote adult literacy, train parents to support the educational growth of their children, and prepare children for success in the regular school programs
- Special training to enable staff to develop the necessary skills to work with parents and young children in an integrated program
- Provision and monitoring of integrated instructional services through home-based programs; and
- Coordination with ESEA programs and other relevant programs.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Chapter 1 Basic: | | | | | |
| A. Students participating (unduplicated count) | | | | | |
| Pre-Kindergarten | 23 | 50 | 100 | 200 | 400 |
| Kindergarten | 9,117 | 9,800 | 10,535 | 10,700 | 11,235 |
| Grade 1 | 16,145 | 17,355 | 18,656 | 19,000 | 19,950 |
| Grade 2 | 15,372 | 16,529 | 17,768 | 18,000 | 18,900 |
| Grade 3 | 13,244 | 14,273 | 15,343 | 16,000 | 16,800 |
| Grade 4 | 9,178 | 9,866 | 10,605 | 11,000 | 11,550 |
| Grade 5 | 7,066 | 7,595 | 8,164 | 9,000 | 9,450 |
| Grade 6 | 5,214 | 5,605 | 6,025 | 7,000 | 9,450 |
| Grade 7 | 2,356 | 2,532 | 2,721 | 4,000 | 4,200 |
| Grade 8 | 2,039 | 2,548 | 3,185 | 4,100 | 4,305 |
| Grade 9 | 1,104 | 1,380 | 1,725 | 2,700 | 2,835 |
| Grade 10 | 634 | 792 | 990 | 2,000 | 2,100 |
| Grade 11 | 329 | 411 | 513 | 1,500 | 1,575 |
| Grade 12 | 132 | 165 | 206 | 1,000 | 1,050 |
| Total | 81,930 | 88,901 | 93,669 | 105,300 | 111,700 |
| B. Staff employed, full-time equivalent (FTE) | | | | | |
| Teachers - FTE | 976.5 | 1,025 | 1,076 | 1,129 | 1,185 |
| Instruction aides - FTE | 1,697 | 1,781 | 1,871 | 1,965 | 2,062 |
| Total - FTE | 2,673.5 | 2,806 | 2,947 | 3,094 | 3,247 |
| C. Entitlement funding | 76,110 | 78,640 | 86,310 | 88,000 | 88,000 |
| 2. Program Improvement | 92-93 | 93-94 | 94-95 | 95-96 | 96-97 |
| Grants Awarded | 75 | 87 | 90 | 95 | 100 |
| Entitlement Funding | $ 74.0 | $ 79.0 | $ 80.0 | $ 84.0 | $ 88.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0323 CHAPTER 1 ECIA
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 3. Capital Expense: | | | | | |
| Total Number of Grants Awarded | 70 | 70 | 73 | 75 | 75 |
| Entitlement Funding | $ 798.2 | $ 1,032.4 | $ 1,152.1 | $ 890.0 | $ 890.0 |
| 4. Neglected or Delinquent: | | | | | |
| A. Entitlement Funding | $ 817.5 | $ 875.0 | $ 900.0 | $ 900.0 | $ 900.0 |
| B. Institutions Participating* | | | | | |
| Institutions | 57 | 55 | 53 | ** | ** |
| School districts | 27* | 26 | 31 | ** | ** |
| C. Students Participating | 1,322 | 1,442 | 1,471 | ** | ** |
| Kindergarten | 10 | 11 | 12 | 13 | 14 |
| Grade 1 | 18 | 19 | 20 | 21 | 22 |
| Grade 2 | 18 | 19 | 20 | 21 | 22 |
| Grade 3 | 31 | 33 | 35 | 37 | 40 |
| Grade 4 | 36 | 38 | 40 | 43 | 46 |
| Grade 5 | 64 | 68 | 72 | 77 | 82 |
| Grade 6 | 115 | 121 | 127 | 133 | 140 |
| Grade 7 | 295 | 310 | 325 | 341 | 358 |
| Grade 8 | 484 | 508 | 533 | 566 | 588 |
| Grade 9 | 668 | 701 | 736 | 773 | 811 |
| Grade 10 | 448 | 470 | 493 | 518 | 544 |
| Grade 11 | 263 | 223 | 234 | 246 | 258 |
| Grade 12 | 65 | 69 | 72 | 75 | 79 |
| Total | 2,465 | 2,590 | 2,719 | 2,858 | 3,004 |

* Federal formulas have changed due to reauthorization. Unable to compute at this time.
** Entitlement included in ECIA Basic Grants

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 5. Even Start: | | | | | |
| 1. Number of programs | 3 | 5 | 5 | 5 | 5 |
| 2. Total amount | $ 624.0 | $ 1,120.0 | $ 1,620.1 | $ 1,650.0 | $ 1,650.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The reauthorization of the Elementary and Secondary Education Act will require a consolidated application from districts, the development of new fiscal and administrative procedures, provide more flexibility on program implementation to districts with more accountability for student performance, and the use of state standards and assessments packages tied to these standards.

1. **Chapter 1 Basic:**

   - To provide comprehensive services to students in the poorest schools by targeting resources to those schools.
   - To increase the percent of eligible students receiving service. Chapter 1 is the largest federally funded instructional program. Through the combined efforts of Chapter 1 and AOM, approximately 60% of the total number of eligible students received service in 1992-93.

2. **Program Improvement:**

   - Continue identification of schools and workshops for program improvement. Schools identified must show that services provided are effective in assuring that Chapter I students are succeeding in the regular classroom.

3. **Capital Expenditures:**

   - The Chapter I Act was reauthorized this year. Major program changes were made, and Chapter I funding is expected to continue.
   - To encourage participation of nonpublic students by providing grants for noninstructional equipment and services involved in delivering service to private school students and to reimburse districts for prior administrative expenditures. The U.S. Supreme Court, in its landmark 1985 decision of *Aguilar v. Felton*, prohibited public school employees from providing onsite instruction to private school students. As a result, school districts were required to provide alternative ways of providing Chapter I services to nonpublic students. To provide Chapter I services to nonpublic students, most districts bused or walked private school students to nearby public schools; some rented space at neutral sites; a few purchased or built portable classrooms which were located close to, but off the premises of the

nonpublic school. Despite the efforts by districts, nonpublic student participation declined sharply. In addition, the costs of the alternative delivery systems were a direct charge to the district's Chapter I program thus reducing funds for other instruction.

- No academic performance reporting is required by the federal government. Success of this component of Chapter I is measured by the increase in nonpublic students participating in Chapter I programs.

4. **Neglected:**

- To provide supplemental services to a highly mobile population, including transition services and drop-out prevention strategies.
- The U.S. Department of Education does not require standardized testing for evaluation for local neglected or delinquent Chapter I projects. Many of the institutions provide 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 I service is approximately 1 month's growth for each month of service.

5. **Even Start Family Literacy Programs:**

- Even Start programs were first funded in 1989-90. Programs were administered by the U.S. Department of Education. Fiscal Year 1992-93 was the first year that Even Start programs were administered by state education agencies. Evaluation of the program which currently exist in Minnesota will be available at the end of the four years.

**B. STRATEGIES:**

1. **Chapter I Basic:**

- In order to provide districts with greater flexibility, this program will be included as part of a block grant to districts to address the needs of students which will result in closing the learning gap. The state and federal resources included in this Block Grant are: Compensatory Aid, Assurance of Mastery (AOM), Limited English Proficiency (LEP), and Chapter/Title I (federal). Districts will be afforded maximum flexibility in terms of how the resources are to be used in exchange for increased accountability for learner results.
- Continue major efforts in the following areas:
  - coordination with AOM;
  - coordination with the regular classroom teacher/curriculum;
  - the use of learner outcomes to identify students and evaluate the success of the program;
  - the use of different learning techniques, approaches, and materials so that lessons are adapted to the learning style of individual students;
  - parental involvement so that parents become more involved in the education of their children; and
  - coordination with the other programs under the ESEA.

2. **Program Improvement:**

- Forty-nine schools were identified for program improvement in school year 1989-90 and 109 schools were identified in school year 1990-91. Two-day workshops for building teams were held four times during the school year for the purpose of assisting them in assessing their programs and developing plans for improving services to Chapter I students.
- Place major emphasis on the intent and appropriation for Program Improvement as reauthorization efforts move towards flexibility and accountability.

3. **Capital Expenditure:**

- Continue major efforts in Chapter I Capital Expense projects.

4. **Neglected:**

- Due to the short-term services provided, we are unsure of implications of any changes reauthorization might bring.

5. **Even Start:**

- Congress has and will continue to place major emphasis on this program based on the importance of early intervention as well as the importance of meeting the needs of the family. It is expected that Even Start will see major increases in funding.

In order to provide districts with greater flexibility, this program will be included as a part of a block grant to districts to address the needs of students which will result in closing the learning gap. The state and federal resources included in this Block Grant are: Compensatory Aid, Assurance of Mastery (AOM), Limited English Proficiency (LEP), and Chapter/Title I (federal). Districts will be afforded maximum flexibility in terms of how the resources are to be used in exchange for increased accountability for learner results.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0323 CHAPTER 1 ECIA
(Continuation)

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**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

The Governor recommends that the Even Start activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0324 LEARNING IMPROVEMENT BEHAVIORAL INTERVENTION

CITATION: Individuals with Disabilities Education Act, P.L. 101-476, CFDA 84.029K
MDE ADMIN: 1203 Special Education

PURPOSE:

To provide technical assistance, inservice training and site development for positive behavioral support strategies for students with disabilities.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 68, 70, 72 and 151.

DESCRIPTION:

This program provides federal resources for training teachers, administrators, and related service personnel in public schools to use positive behavioral interventions in meeting the goal of minimizing the use of aversive and restrictive procedures with students. Such training is necessary to ensure that *all* students are included within the least restrictive environment.

Providing positive behavioral interventions for persons with disabilities who exhibit challenging behaviors or behavior problems has become the commonly accepted practice in programs that serve adults. This practice, as part of a comprehensive individualized program plan, is mandated in many states. Unfortunately, the public schools, which serve students who exhibit many of the same challenging behaviors (e.g., verbal and physical aggression, self-injury, property destruction), have lagged far behind other state agencies in adopting regulations on the use of aversive and deprivation procedures and in providing the training necessary to implement the alternative, positive behavioral support strategies. As a result, thousands of children and youth in public school programs are currently receiving aversive and deprivation procedures (e.g., timeout, restraint, suspension, dismissal) which could be avoided through competently delivered positive support strategies.

The Special Project to Provide Technical Assistance, Inservice Training, and Site Development for Positive Behavioral Support Strategies for Students with Disabilities is a collaborative effort of the Minnesota Department of Education (MDE), the University of Minnesota's Institute for Community Integration (ICI), a consortium of Minnesota's Institutions of Higher Education (IHEs), with assistance from six school district partners. The focus is to provide for Minnesota's long-term training needs in the area of positive behavioral supports. The project is also establishing local bases for technical assistance and inservice training, and will encourage colleges and universities to include the information on positive strategies as part of the curricula in their preparation programs for school professionals. These efforts support the Minnesota rule which establishes guidelines and restrictions concerning the use of aversive and deprivation interventions for all students in Minnesota public schools who have an Individualized Education Plan (IEP).

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Funding | $ 117.1 | $ 117.1 | $ 117.4 | $ 128.8 | $ 0.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

F.Y. 1996 is the final year for this program.

BUDGET ISSUES:

A. CHALLENGES:

- The transition between development and implementation of information developed through this program will be challenging. The Department will provide encouragement so that districts inservice staff.

B. STRATEGIES:

- Materials, information, and educational strategies developed at the 5 pilot sites will be disseminated to school districts throughout the state so districts can better service students will challenging behaviors.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0325 MIGRANT EDUCATION

**CITATION:** Improving America's Schools Act (1994) Title 1, Part C
**MDE ADMIN:** 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

To ensure that migratory children are provided with appropriate educational services (including support services) that address their special needs in a coordinated and efficient manner;

To ensure that migratory children have the opportunity to meet the same challenging state content standards and challenging state student performance standard that all children are expected to meet; and

To provide and/or support high-quality and comprehensive educational programs to help migratory children overcome educational disruption, cultural and language barriers, social isolation, various health-related problems, and other factors that inhibit the ability of such children to do well in school, and to prepare such children to make a successful transition to postsecondary education or employment.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 44 and 53.

**DESCRIPTION:**

The Migrant Education Program in Minnesota has been serving approximately 5,000 pre-school, elementary and secondary-aged migratory students through two program models: a) a comprehensive 6-7 week summer school program and b) a bilingual home-school liaison program during the school year.

Program services are generally provided through local school districts who apply for the discretionary funds on an annual basis. Allocations are determined by the number of students to be served and the length and scope of program services. During F.Y. 1995, 13 seven-week summer school projects were funded, with 10 of those sites including evening programs for secondary students. Fourteen school-year projects were also funded, with services ranging from home outreach activities to supplemental classroom instruction. In addition, four other grants were made to agencies which provided supportive services to the educational program, including health services, outreach and record-keeping, and supplemental instructional resources.

Important components of the Migrant Education Program include:

- involvement of migrant parents through local and state Parent Advisory Councils;
- staff development activities to increase the ability of staff to meet the unique needs of migratory students;
- curriculum and instructional practices based on the latest research and trends;
- accrual and transfer of academic credit for secondary students;
- interstate coordination with Texas and other homebase states;
- coordination with Migrant Head Start, Migrant Health Services, Inc., State Departments of Economy Security and Human Services, and Tri-Valley Opportunity Council.

Migrant students exemplify many of the characteristics associated with the label of "at-risk": poor school attendance, high rate of mobility, low interest in school, poor academic performance, overage for grade, parents with low educational levels and low socioeconomic status, geographic isolation, and limited proficiency in English. Migrant students have the highest dropout rate of any identifiable group and are widely recognized as the most educationally disadvantaged of all students.

The new "Improving America's Schools" Act has changed the definition of a migratory child to the following: the term "migratory child" means a child who is, or whose parent, spouse, or guardian is a migratory agricultural worker, including a migratory dairy worker, or a migratory fisher, and who, in the preceding 36 months, in order to accompany such parent, spouse, or guardian in order to obtain temporary or seasonal employment in agricultural or fishing work, has moved from one school district to another. This change is likely to have budget implications, but it is not yet known how the State allocation will be affected.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Districts | | | | | |
| Summer | 13 | 13 | 13 | 14 | 14 |
| School Year | 14 | 14 | 14 | 16 | 16 |
| Number of students served | | | | | |
| Age 3-5 | 935 | 727 | 749 | 749 | 749 |
| Age 6-11 | 1,937 | 1,740 | 1,760 | 1,760 | 1,760 |
| Age 12-17 | 786 | 695 | 710 | 710 | 710 |
| Age 18-21 | 144 | 1120 | 160 | 160 | 160 |
| Total | 3,802 | 3,282 | 3,379 | 3,379 | 3,379 |
| Entitlement funding | $ 1,900.0 | $ 1,800.0 | $ 1,800.0 | $ 2,100.0 | $ 2,100.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0325 MIGRANT EDUCATION
(Continuation)

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BUDGET ISSUES:

A. CHALLENGES:

- Because these students may attend several schools during the year and may be in Minnesota for only a short-term period, it is difficult to know exactly where each child should be placed and exactly what services should be provided. The Migrant Student Record Transfer System, which has been a national database and tracking system for migrant students, will be terminated in June 1995. Without a national system for storing and transferring student data, it will be very difficult to ensure that migrant students are receiving the help they need.
- The new legislation requires that migrant students benefit from State and local systemic reforms. This will require that States and school districts plan for the inclusion of migrant students in all educational programming combining and utilizing resources in new ways to meet the unique needs of these students.

B. STRATEGIES:

- A major focus of the migrant program in the future will be to increase the number of students served, particularly at the secondary level, and to make certain that secondary students receive credit for the work that they complete.
- There is an ongoing need to coordinate educational programming with homebase states, especially Texas, to maximize instructional continuity. Distance learning is one strategy to accomplish this, as well as hiring Texas teachers to work in the summer program and setting up exchange visits between Minnesota and Texas educational personnel.
- Development of a new data collection system is essential in order to facilitate the efficient transfer of student records from school to school and State to State.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0326 TRANSITION SERVICES FOR YOUTH WITH DISABILITIES

**CITATION:** P.L. 101-476
**MDE ADMIN:** 1203 Special Education

**PURPOSE:**

To improve the transition of youth with disabilities from school to work through the following activities:

- Increase the availability, access, and quality of transition assistance through the development and improvement of policies, procedures, systems, and other mechanisms for youth with disabilities and their families, as such youth prepare for and enter adult life;
- Improve the ability of professionals, parents, and advocates to work with such youth in ways that promote the understanding of and capability to successfully make the transition from student to adults;
- Improve working relationships among education personnel, both within Local Education Agencies (LEAs) and in postsecondary training programs, relevant state agencies, the private sector (especially employers), rehabilitation personnel, local and state employment agencies, local Private Industry Councils, authorized by the Job Training Partnership Act, and families of students with disabilities and their advocates to identify and achieve consensus on the general nature and specific application of transition services to meet the needs of youth with disabilities; and
- Create an incentive for accessing and using the expertise and resources of programs, projects, and activities related to transition funded through this section with other sources.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 72.

**DESCRIPTION:**

The transition of youth with disabilities from school to work and community living continues to be a primary concern among parents, professionals, and policy makers. Ongoing attention to the transition years has been maintained since the mid--1980's, due to widespread reports of limited outcomes achieved by young adults as they leave school and attempt to access employment and needed adult services. The Minnesota Department of Education, in conjunction with the Department of Economic Security, applied for and received a five-year system improvement grant for transition services. The funds from this grant are used to pay for two staff positions and a variety of projects that have been targeted statewide to enhance the system of delivery for transition services. Minnesota is one of 12 states that received these funds on the first round competitive application.

The grant program is housed within the Minnesota Department of Education's Interagency Office on Transition Services which is located in the Office of Lifework Development. Project funds are used to achieve the goals of the project as outlined in the grant application. These goals include:

- Improvement of state-level planning and policy development for transition. We are developing an individually-based information system that provides management and policy related information on anticipated services and post-school outcomes of youth with disabilities.
- Enhancing consumer and family participation in achieving successful transitions from school to work and community living. This goal is intended to equip students and parents with the information, skills, self-determination, and capacity to advocate and effectively case-manage the transition from school to work and community living.
- Training and development of interagency professionals. The goal is to improve the capacity of Minnesota's institutions of higher education to address the pre-service and continuing education needs of professionals and paraprofessionals in the preparation of youth with disabilities for transition, and to make available state, regional and local workshops for interagency professionals.
- Demonstration and technical assistance. The demonstration of Minnesota Community Transition Interagency Committees (CTICs) that were legislated by the state in 1987 to achieve their goals and purpose is supported by this grant. Each CTIC receives funds directly during years 4 and 5 of the grant.
- Product development, information exchange, and dissemination. Resource guides, brochures, training materials are developed that promote the ongoing facilitation of state and local efforts to improve transition services and programs.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of students Age 14-21 years served | 22,695 | 22,750 | 22,750 | 22,750 | 0 |
| Number of districts receiving grants | 65 | 4 | 16 | 16 | 0 |
| Average grant amount | $ 1.0 | $ 20.0 | $ 5.0 | $ 5.0 | $ 0.0 |
| Grants to agencies/schools | $ 65.0 | $ 80.0 | $ 80.0 | $ 80.0 | $ 0.0 |
| Statewide training | $ 130.0 | $ 130.0 | $ 1,000.0 | $ 1,500.0 | $ 0.0 |
| Evaluation and special projects | $ 100.0 | $ 100.0 | $ 100.0 | $ 100.0 | $ 0.0 |
| Transition service systems development | $ 194.4 | $ 179.4 | $ 179.4 | $ 179.4 | $ 0.0 |
| Total funding | $ 489.4 | $ 495.0 | $ 495.0 | $ 495.0 | $ 0.0 |

F.Y. 1996 is the final year for this program.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0326 TRANSITION SERVICES FOR YOUTH WITH DISABILITIES
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The transition systems improvement initiative is funded by the Individuals with Disabilities Education Act. Minnesota has had mandated transition planning from school to adult life for individuals with disabilities since 1987 without state funded appropriations. Federal funds will be available with annual continuing funding applications through September 30, 1996. Resources are targeted for activities that generate systems improvement.

- The intent of this project is that by September 30, 1996, Minnesota will have in place an interagency model of service delivery for all youth with disabilities as they leave school and enter adult life. The work that will take place during the next two years will train and inform parents, schools, individuals with disabilities and adult service agencies about their role in making these transitions successful. The focus of this federal program is on systems improvement through policy development, state agency rules and regulations, and strategies for interagency collaboration. A community advisory group and state level policy developers group is working with the State Transition Interagency Committee to make this come about.

**B. STRATEGIES:**

- During F.Y. 1996-97 the federal grant will fund demonstration projects in local school districts; hence, only 4 school districts will be directly impacted. The models that demonstrated effective transition services delivery will be replicated throughout the area.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

| | | |
|---|---|---|
| **PROGRAM:** | 03 | Special Programs |
| **AGENCY:** | | Education Aids |

**FEDERAL PROGRAMS:**

| | | |
|---|---|---|
| | 0327 | SECONDARY VOCATIONAL |
| **CITATION:** | | Carl D. Perkins Vocational and Applied Technology Act of 1990 (P.L. 101-392) |
| **MDE ADMIN:** | 1202 | State and Federal Programs (Targeted Populations) |

**PURPOSE:**

1. **Basic:**

Provide funds to improve secondary vocational education programs for all students and to ensure the full participation of individual members of special populations (academically and/or economically disadvantaged, disabled, limited English proficient, in correctional institutions, or participating in programs designed to eliminate sex bias).

The intent is to provide educational opportunities for students to explore careers, gain specific job skills, and prepare for postsecondary education choices in vocational programs that:

- are of such size, scope, and quality to be effective;
- integrate academic and vocational education in such programs through coherent sequences of courses so that students achieve both academic and occupational competencies;
- provide equitable participation in such programs for the special populations consistent with the assurances and requirements of the Act; and
- teach to all aspects of the industry.

2. **Consumer and Homemaking Education:**

The purpose is to:

- improve, expand, and update consumer and homemaking education programs with emphasis on students in economically depressed areas and traditionally under-served populations; and
- address priorities and emerging concerns at the local, state, and national level.

This includes instructional programs in the areas of food and nutrition, individual and family health, consumer education, family living and parenthood education, child development and guidance, housing, home management and clothing and textiles.

The intent of this program is to improve curriculum so that learners will be able to address critical conditions of the home and family which they face now and will face in the future. The program strives to improve family, community and work-role performance of the learners.

3. **Single Parent:**

To provide teenage single parents with an opportunity to complete a secondary education through which they must acquire marketable, vocational skills. The specific objectives of this program are to:

- provide a vocational assessment/evaluation process to ascertain the appropriate vocational area of study for the student;
- assure an appropriate personalized learning plan for each student based on the educational and vocational assessment tools administered;
- establish a process to ensure child care services to enable the student to regularly attend school;
- identify and provide transportation alternatives that could provide provisions for accommodations for the offspring of the student, so that the student can attend all school educational activities;
- establish a system to coordinate all eligible services between agencies and institutions that provide services to teenage single parents; and
- establish a system to provide counseling to facilitate the transition from the high school to the post-high school situation that best fulfills the student's needs.

The intent of the teenage single parent program is to ensure opportunities for teenage single parents to complete high school programming through which they can obtain marketable vocational skills.

4. **Sex Equity:**

To provide funding for specialized secondary vocational projects designed to reduce gender bias and sex equity stereotyping through grants to school districts working in cooperation with other agencies. In addition, this program provides services, comprehensive career guidance, and counseling and activities to eliminate stereotyping in secondary vocational education.

5. **State Program Grant:**

To provide for professional development activities directed at vocational teachers working with academic teachers and counselors to include preservice and inservice training of teachers in techniques of integration of curriculum with particular emphasis on minorities. To provide for the development of curriculum related to integrated methodologies and a coherent sequence of occupational courses and for the assessment of courses conducted with the assistance of the Perkins Act.

Most education programs contribute to more than one education goal. These programs provide federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18 and 53.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0327 SECONDARY VOCATIONAL
(Continuation)

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**DESCRIPTION:**

The Federal Carl D. Perkins funding amount is based on the allocation to the State of Minnesota by the federal government. The funding is then allocated to Minnesota Department of Education (MDE) and the technical colleges by an agreement between the Minnesota State Board of Education and the State Board of Technical Colleges. MDE awards grant proposals or allocates federal entitlements to eligible recipients per federal regulations.

1. **Basic:**

Basic grant funds are distributed to school districts based on a formula determined by numbers from the previous year that related to 70% of the amount allocated to Chapter 1, 20% of the students with disabilities who have IEPs, and 10% of the students enrolled in schools.

Districts must apply through an application process and qualify for a minimum of $15,000. If they do not qualify as a single district for the $15,000 entitlement, they may apply to enter into a consortium with one or more districts for the purpose of providing services. Consortiums must serve as a structure for operating joint projects that provide services to all participating districts.

- Grant recipients must provide improved vocational programs and services to all learners. Based on data collected through needs assessments, each recipient must identify goals and objectives that will lead to the improvement of vocational programs, equal access, and full participation for special population students in these programs.
- Consortiums must provide joint projects that meet the needs of all consortium members.

2. **Consumer and Homemaking Education:**

Consumer and Homemaking Education federal funds are distributed to school districts and higher education institutions by a competitive grant process for the development of exemplary curriculum, inservice and dissemination of materials developed and evaluation of the projects. Funds are used for state leadership for teachers through workshops, newsletters and technical assistance. In addition, the state level leadership for the Minnesota Association of Future Leader/Future Homemakers of America (FLA/FHA) is funded with these federal dollars.

3. **Single Parent:**

Special programs/projects are designed to serve single teenage parents enrolled in secondary vocational education programs. The federal funds available for these services at the secondary level are determined by a cooperative agreement between the State Board of Education and the State Board of Technical Colleges. The funds are distributed under a grant program in which local education agencies (LEAs), in cooperation with other organizations serving single teenage parents, agree to provide supplemental services to increase their employment opportunities.

The single parent program is based on a Request for Proposal (RFP) process that provides each school district with flexibility, yet ensures accountability of delivery of the services. The districts must show evidence that the students are enrolled or are targeted to enroll in a vocational education program that will lead to economical self-sufficiency. The district may provide for child care for the student while the student is involved in the vocational program and provide transportation to ensure that the parent and child are transported to and from the educational sites.

4. **Sex Equity:**

Funds are available to assist secondary schools to eliminate sex bias and stereotyping in secondary vocational education programs. The federal funds available for the programs and services are determined by a cooperative agreement between the State Board of Education and the State Board of Technical Colleges.

The sex equity program is based on a Request for Proposal (RFP) process that provides the school district the flexibility to address local priorities, yet ensures accountability of delivery of the programs/services within the federal requirements for the program.

5. **State Program Grant:**

The State Program Grant program is part of the Carl Perkins State Program and State Leadership 8½ set aside. This money is used to issue performance based grants which are specific to the purpose of the Act.

**PROGRAM STATUS:**

- F.Y. 1995 allocated $3,868,700 to the Basic Grant for secondary vocational education.
- F.Y. 1995 allocated $479,730 to Consumer and Homemaking Education.
- F.Y. 1995 allocated $213,111 to Single Parents.
- F.Y. 1995 allocated $151,363 to Sex Equity.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Basic: | | | | | |
| Programs Funded | 27 | 39 | 48 | 48 | 54 |
| Entitlement Funding | $ 1,862.2 | $ 3,188.4 | $ 3,868.7 | $ 3,869.0 | $ 3,869.0 |

**PROGRAM:** 03 Special Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0327 SECONDARY VOCATIONAL
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 2. Consumer and Homemaking Education: | | | | | |
| Curriculum development/ Program Improvement | 125.0 | 122.0 | 190.0 | 208.0 | 208.0 |
| Youth development/Leadership | 97.0 | 103.0 | 120.0 | 120.0 | 120.0 |
| State leadership & administration | 20.0 | 45.0 | 98.0 | 80.0 | 80.0 |
| Total allocations | $ 242.0 | $ 270.0 | $ 408.0 | $ 408.0 | $ 408.0 |
| 3. Single Parent: | | | | | |
| LEAs Funded | 36 | 16 | 18 | 16 | 16 |
| Students Served | 1,015 | 370 | 450 | 500 | 500 |
| Grant Funding | $ 199.0 | $ 199.0 | $ 273.0 | $ 219.0 | $ 219.0 |
| 4. Sex Equity: | | | | | |
| Projects Funded | 15 | 10 | 15 | 12 | 12 |
| Students Served | 1,534 | 861 | 1,000 | 900 | 900 |
| Grant Funding | $ 152.0 | $ 152.0 | $ 180.0 | $ 152.0 | $ 152.0 |
| 5. State Program Grant: | | | | | |
| Projects Funded | 4 | 5 | 4 | 5 | 5 |
| Grant Funding | $ 160.0 | $ 262.8 | $ 309.0 | $ 324.0 | $ 330.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

1. **Basic:**

- Limited funds and staff at the State level to provide adequate technical assistance to the districts.
- Program standards developed by August, 1996 for approving local vocational education programs and for assisting locals in evaluating their programs for future improvement will be implemented.

2. **Consumer and Homemaking Education:**

- Program development, improvement of instruction and curricula for consumer and homemaking education as related to the implementation of the Graduation Standards need to be continued. Curriculum integration and redesign are both high priorities for implementation of the Graduation Standards. Work must continue to involve more teachers in a commitment to long-term staff development.

3. **Single Parent**

- The need for this program continues to increase as needs increase. In F.Y. 1995, 18 projects were funded. For the next biennium, this number will remain the same because the funding will remain the same.

4. **Sex Equity:**

- The participation and quality of this program continues to increase as schools identify the need for the program. In F.Y. 1995, 15 projects were funded. For the next biennium, this number will remain approximately the same because the federal allocation will remain the same.

**B. STRATEGIES:**

- Implementation of the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 will ensure integration, articulation, modernization, equity, and the direction of curriculum priorities of special populations.
- Providing resources for special populations in vocational education.
- Grant application process for approving and funding eligible single districts and consortiums. Grants approved and funded based on Public Law 101-392 and federal guidelines.
- The federal appropriations for F.Y. 1996 and F.Y. 1997 are not yet available, but a similar distribution procedure will be followed in these years via a joint board agreement.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 03 Special Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0328 EMERGENCY IMMIGRANT EDUCATION PROGRAM

CITATION: P.L. 103-382, Sec. 7301 (Part C of Title VII of IASA)
MDE ADMIN: 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

To provide support for school districts for supplementary educational services to immigrant children.

**DESCRIPTION:**

Funds received under this federal program may be used to meet the costs of providing supplementary educational services, including: 1) family literacy, parent outreach, and parent training; 2) salaries of personnel who have been specifically trained to provide services to immigrant children and youth; 3) tutorials, mentoring, and academic or career counseling; 4) identification and acquisition of curricular materials, educational software and technologies; 5) basic instructional services.

Federal funds are 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 any state, and who have been attending schools in one or more states for less than three complete academic school years.

Since reauthorization of this program in October 1994, a state agency may reserve not more than 20% of the state entitlement to award grants, on a competitive basis, to local educational agencies for the following activities: 1) family literacy, parent outreach, and parent training; 2) salaries of personnel who have been specifically trained to provide services to immigrant children and youth; 3) tutorials, mentoring, and academic or career counseling; 4) identification and acquisition of curricular materials, educational software and technologies; 5) basic instructional services. Grants to districts will be awarded by MDE in F.Y. 1996.

**PROGRAM STATUS:**

Based on the federal eligibility criteria, the Minneapolis, St. Paul, St. James, and Oslo districts were eligible for funds for the 1994-95 school year.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Districts | 3 | 5 | 4 | 4 | 4 |
| Immigrant Students | 3,100 | 3,530 | 3,528 | 3,500 | 3,500 |
| Funding Level | $ 133.1 | $ 125.9 | $ 170.0 | $ 170.0 | $ 170.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

Funds for this program have gradually increased. The number of eligible school districts and students are remaining fairly constant.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

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# COMMUNITY AND FAMILY EDUCATION (04)

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0401 | COMMUNITY EDUCATION (Includes Youth Service Chap. 146) |
| CITATION: | | M.S. 121.85 - 121.88; 124.2713 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

The purpose of community education as defined in statute is "to make maximum use of the public schools of Minnesota by the community and to expand utilization by the school of the human resources of the community" (M.S. 121.85). The Community Education program in Minnesota is "an education-based partnership between the community and the formal education system whereby the resources of both are used as available for the continuing growth and betterment of both" (State Board Rule 3530.5500).

Community education enables lifelong learning for Minnesotans of all ages through a process of citizen involvement in identifying community learning needs and learning resources, and connecting the two. "Community education, as defined for school districts, includes services rendered by a school district beyond the regular K to 12 program, as recommended by the community education advisory council and approved by the local school board" (State Board Rule 3530.5600).

Community education strives to serve all who reside within the school district, providing opportunities for ongoing community involvement, learning, and personal development for all ages. The following processes and activities are among those operating through community education at the local level (as specified in M.S. 124.2713, Subd. 8):

- nonvocational, recreational, and leisure time activities and programs;
- adults with disabilities programs, if the programs and budgets are approved by the Commissioner of Education;
- adult basic education programs;
- summer programs for elementary and secondary pupils;
- implementation of a youth development plan;
- implementation of a youth service program;
- early childhood family education programs; and
- extended day programs.

There is separate, additional categorical funding for 5 of the 8 programs on this list: adults with disabilities, adult basic education, youth development, youth service, and early childhood family education. These categorical revenues are often supplemented by general community education revenue based on a local decision-making process involving the community education advisory council.

Youth development, an optional component of community education, provides an incentive to school districts to plan for and meet the special needs of youth in the community. Youth service, a component of youth development, provides an incentive to develop community service learning opportunities for youth. Both of these programs are funded through an extension of the general community education funding formula.

Most education aid programs contribute to more than one education goal. This program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 30, 33, 94, 102, 106 and 108.

**DESCRIPTION:**

Revenue for general Community Education and for Youth Service (inclusive of Youth Development) is derived from an equalized aid/levy formula and from fees collected from participants. With the basic program revenue, school district community education advisory councils and local school boards provide the executive leadership necessary to develop and maintain local community education programs. Local community education programs include a wide variety of activities beyond the regular school offerings, including cultural enrichment, athletics, recreation and other community events and services. Processes are employed to strengthen the community and the skills of people who live there.

In addition, local community education programs provide the administrative expertise necessary to support programs for Adults with Disabilities, Adult Basic Education, Early Childhood Family Education (ECFE), Learning Readiness and School Age Child Care (SACC). Another program that receives Community Education support in a significant number of locations is the testing and certification of the General Education Development (GED) high school equivalency for adults.

Information on program revenue is shown below. In addition to the revenue sources shown, districts

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0401 COMMUNITY EDUCATION (Includes Youth Service Chap. 146)
(Continuation)

may charge participation fees at their discretion for general community education activities. All fees collected must be used for community education.

Program funding is provided in the form of equalized revenue based on the district's population.

A district's total community education revenue is the sum of the district's general community education revenue and youth service program revenue. In F.Y. 1995, the general community education revenue for a district equals $5.95 times the district's population, but not less than $7,943. Youth service revenue is available to a district with a youth development plan that includes youth service. The local plan must be approved by the local school board to qualify the district for revenue of 1 dollar times the district's population, but not less than $1,335. Youth service monies can only be used for youth service or youth development.

To receive the maximum community education revenue, a district must levy an amount equal to the lesser of the maximum revenue or 1.13% of the district's adjusted net tax capacity. A district's maximum community education aid equals the maximum community education revenue minus the maximum community education levy. If a district levies less than the maximum amount, state aid is reduced proportionately.

**PROGRAM STATUS:**

Over 98% of Minnesota residents live in school districts that choose to provide community education. More than 67,000 activities were conducted by districts through community education during F.Y. 1994. Over 2.7 million participants of many ages were engaged in educational/cultural, athletic/recreational, and community events offered through general community education. Participation numbers increase annually. Minnesota is clearly recognized nationally as a leader in community education.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| A. Participation | | | | | |
| 1. General community education | | | | | |
| Districts | 423 | 408 | 382 | 382 | 382 |
| Participants (in millions) (duplicated) | 2.6 | 2.7 | 2.8 | 2.9 | 3.0 |
| 2. Youth Service | | | | | |
| Districts | 323 | 319 | 308 | 311 | 314 |
| Participants | 43,000 | 46,000 | 90,000 | 120,000 | 150,000 |
| 3. GED Testing/certification | | | | | |
| Persons tested | 10,400 | 10,920 | 10,450 | 11,470 | 11,470 |
| Certificates issued | 6,450 | 6,750 | 7,000 | 7,350 | 7,350 |
| B. Program Funding | | | | | |
| 1. Funding Formulas | | | | | |
| General community education revenue | | | | | |
| Allowance per capita | 5.95 | 5.95 | 5.95 | 5.95 | 5.95 |
| Minimum per district | $7,943.25 | $7,943.25 | $7,943.25 | $7,943.25 | 7,943.25 |
| Youth service revenue | | | | | |
| Allowance per capita | .85 | .85 | 1.00 | 1.00 | 1.00 |
| Minimum per district | $1,134.75 | $1,134.75 | $1,335.00 | $1,335.00 | $1,335.00 |
| Levy* | | | | | |
| Property valuation measure | ANTC | ANTC | ANTC | ANTC | ANTC |
| Tax rate | 0.01095 | 0.0109 | 0.0113 | 0.0113 | 0.0113 |
| 2. Total revenue | | | | | |
| General | | | | | |
| Amount | $ 25,703.7 | $ 26,144.0 | $ 26,340.9 | $ 26,543.1 | $ 26,841.6 |
| Number of districts | 423 | 408 | 382 | 382 | 382 |
| Youth Service/Development | | | | | |
| Amount | $ 3,510.4 | $ 3,595.8 | $ 4,210.9 | $ 4,278.9 | $ 4,328.4 |
| Number of districts | 323 | 319 | 308 | 311 | 314 |
| Total | | | | | |
| Amount | $ 29,214.1 | $ 29,739.8 | $ 30,551.8 | $ 30,822.0 | $ 31,170.0 |
| Number of districts | 423 | 408 | 382 | 382 | 382 |
| Levy | | | | | |
| Maximum Levy Authority | $ 26,268.9 | $ 27,073.0 | $ 27,660.8 | $ 28,368.3 | $ 28,861.9 |
| Amount of Authority Certified** | $ 25,919.0 | $ 26,690.8 | $ 27,225.6 | $ 28,024.6 | $ 28,573.3 |
| Number of districts | 423 | 408 | 382 | 382 | 382 |
| Aid | | | | | |
| Gross | $ 3,295.1 | $ 3,049.0 | $ 3,326.2 | $ 2,737.4 | $ 2,596.7 |
| Proration factor*** | 1.000 | 1.000 | 1.000 | 0.9973 | 1.000 |
| Prorated aid | $ 3,295.1 | $ 3,049.0 | $ 3,326.2 | $ 2,730.1 | $ 2,596.7 |
| Number of districts | 257 | 229 | 230 | 217 | 201 |

* Excludes levy equity adjustment
** Adjusted for districts under-levying
*** F.Y. 1996 and F.Y. 1997 prorated per Laws '93, Chap. 224, Art. 15, Sec. 3

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0401 COMMUNITY EDUCATION (Includes Youth Service Chap. 146)
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING - COMMUNITY EDUCATION** | | | | | |
| A. Statutory Formula | | | | | |
| REVENUE | $ 29,564 | $ 29,740 | $ 30,552 | $ 30,822 | $ 31,170 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 7) | ( 0) |
| Current Law Revenue | $ 29,564 | $ 29,740 | $ 30,552 | $ 30,815 | $ 31,170 |
| B. Statutory Formula LEVY | $ 26,269 | $ 26,691 | $ 27,226 | $ 28,085 | $ 28,573 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | $ 26,269 | $ 26,691 | $ 27,226 | $ 28,085 | $ 28,573 |
| C. Statutory Formula AID | $ 3,295 | $ 3,049 | $ 3,326 | $ 2,737 | $ 2,597 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | 3,295 | 3,049 | 3,326 | 2,730 | 2,597 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.997 | 1.000 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 3,160 | $ 3,347 | $ 3,347* | $ 3,347* |
| Entitlement Changes Per Law: | | | | | |
| ■ REVENUE Change | | | | | |
| Change in Estimated Population and District Participation | | ( 239) | ( 320) | 250 | 598 |
| ■ LEVY Decreases/(Increases) | | | | | |
| Change in Tax Capacity (ANTC) and Districts Off-the-Formula | | 128 | 299 | | |
| Increase in ANTC | | | | (860) | (1,348) |
| Statutory Formula Aid (Unprorated) | | $ 3,049 | $ 3,326 | $ 2,737 | $ 2,597 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| E. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | $ 3,049 | $ 3,326 | $ 2,730 | $ 2,597 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | 111 | 18 | | 436 |
| ■ Portion of 15% Final Not Requested | | | 3 | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 3,160 | $ 3,347 | $ 2,730 | $ 3,033 |
| **PROGRAM FUNDING - YOUTH SERVICE** | | | | | |
| A. Statutory Formula AID[a] | -- | -- | $ 0 | $ 0 | $ 0 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | -- | -- | $ 0 | $ 0 | $ 0 |
| Proration Factor | -- | -- | -- | -- | -- |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | $ 625 | $ 905* | $ 905* |
| Entitlement Changes Per Law: | | | | | |
| ■ Funding for the 15¢ Increase in Youth Service Revenue is Included in the Community Education Program Budget | | -- | ( 625) | ( 905) | ( 905) |
| Statutory Formula Aid (Unprorated) | | -- | $ 0 | $ 0 | $ 0 |
| C. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | -- | $ 0 | $ 0 | $ 0 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | | 532 | 863 | 905 |
| ■ Portion of 15% Final Not Requested | | | 93 | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | -- | $ 625 | $ 863 | $ 905 |

[a] See explanation immediately below regarding change in entitlement

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0401 COMMUNITY EDUCATION (Includes Youth Service Chap. 146)
(Continuation)

## BUDGET ISSUES:

### A. CHALLENGES:

- Since the community education program already exists in nearly all school districts, future growth is not expected in terms of increased numbers of districts. Growth will come in the variety of opportunities available locally and in the numbers of districts offering well-rounded programming in community education. Minnesota residents rely on community education processes and programs to meet learning needs in their communities, and this is expected to continue.
- As our population ages and diversifies in the years ahead, new types of programs in community education will develop to meet changing demands. The costs per capita for programs and services are expected to increase due to inflation and the costs associated with meeting more diverse needs. Meanwhile, the ability of some participants to pay fees will diminish.
- Several exciting and emerging education initiatives operate through community education leadership in Minnesota. Extended day (school age child care), parental involvement in the schools, and family literacy programs continue to grow dramatically, placing pressure on community education to help meet these needs. To operate programs on a strictly fee-for-services basis would deny program and services to many of those who can most benefit from them.

### B. STRATEGIES:

- Increase use of sliding scale fees to cover program costs.
- Seek private support for local programming activities.

### GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $2,737 for F.Y. 1996 and $512 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $2,826 in F.Y. 1996 ($499 for F.Y. 1995 and $2,327 for F.Y. 1996), and $846 in F.Y. 1997 ($410 for F.Y. 1996 and $436 for F.Y. 1997).

The Governor recommends the following modifications in the community education funding formula:

1. Beginning in F.Y. 1997, change the general community education revenue allowance to $4.95.

2. Beginning in F.Y. 1997, discontinue youth service revenue.

In addition, the Governor recommends no separate appropriations in F.Y. 1996 and F.Y. 1997 for the additional 15% formula aid for the Youth Service component.

While the goals of these programs are worthwhile, fiscal constraints require that some resources be re-directed toward other priorities.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0401-A: COMMUNITY EDUCATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 3,160 | $ 3,347 | $ 3,347 | $ 3,347 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <617> | <314> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 3,160 | 3,347 | 2,730 | 3,033 |
| 5. Statutory Formula Aid (Detail in Narrative) | 3,049 | 3,326 | | |
| 6. Funding Excess/Deficiency | 111 | 18[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 26,691 | 27,226 | 28,085[b] | 28,573[b] |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 29,851 | 30,570 | 30,815 | 31,606 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Eliminate Reduction Due to Insufficient Appropriation | | | 7 | |
| 2. Reallocate Funds to Other Education Programs | | | | <2,521> |
| Current Law Aid Funding Level (Line 4) | | | 2,730 | 3,033 |
| **RECOMMENDED AID ENTITLEMENT** | | | 2,737 | 512 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Reduction in Formula Allowance; Repeal of Youth Service Revenue | | | | <6,758> |
| Current Law Levy (Line 8) | | | 28,085 | 28,573 |
| RECOMMENDED LEVY | | | 28,085 | 21,815 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 30,822 | 22,327 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 496 | 474 | 499 | 410 |
| Current Year 85 Percent | 2,686 | 2,845 | 2,327 | 436 |
| Transfers Per M.S. 124.14, Subd. 7 | <81> | | | |
| **Total-State General Funds** | 3,101 | 3,319 | 2,826 | 846 |

[a]Estimated excess of $21 less $3 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $18 excess in the FY 1995 current apppropriation.

[b]Excludes levy equity adjustment for community education.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0401-B: YOUTH SERVICE (Laws 1993, Chapter 146)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 625 | $ 905 | $ 905 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| Adjustment for 85/15 Funding Level | | | <42> | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 625 | 863 | 905 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 0 | | |
| 6. Funding Excess/Deficiency | | 532* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 532 | 863 | 905 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Programs | | | <863> | <905> |
| Current Law Aid Funding Level (Line 4) | | | 863 | 905 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | | 532 | | |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 532 | 0 | 0 |

*$625 less $93 of the FY 1996 prior account that does not have to be appropriated due to the lower estimated entitlement equal to 532 in the FY 1995 current appropriation.

| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0402 | EXTENDED DAY |
| CITATION: | | M.S. 124.2716 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

## PURPOSE:

To provide school districts offering extended day programs revenue to fund the additional costs of providing services to children with disabilities or children experiencing family or related problems of a temporary nature.

Most education aid programs contribute to more than one education goal. This program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 102.

## DESCRIPTION:

The extended day revenue for an eligible district equals the approved additional cost of providing services to children with disabilities or children experiencing family or related problems of a temporary nature. The extended day levy authority equals the extended day revenue times the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity by the actual pupil units, to $3,700. State aid equals the difference between the extended day revenue and the extended day levy.

## PROGRAM STATUS:

The number of districts participating and the amount of extended day revenue has increased each year. As more districts establish extended day programs it is expected that more services will be provided to children with disabilities and children experiencing family or related problems.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Districts | -- | 79 | 104 | 118 | 118 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula REVENUE | -- | $ 1,902[a] | $ 2,664 | $ 2,895 | $ 3.032 |
| Revenue Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 73) | ( 32) |
| Current Law Revenue | -- | $ 1,902 | $ 2,664 | $ 2,822 | $ 3,000 |
| B. Statutory Formula LEVY | -- | $ 1,902 | $ 2,278 | $ 2,496 | $ 2,638 |
| Levy Change Due To Insufficient Appropriation | -- | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | -- | $ 1,902 | $ 2,278 | $ 2,496 | $ 2,638 |
| C. Statutory Formula AID | -- | $ 0 | $ 386 | $ 399 | $ 394 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 73) | ( 32) |
| Current Law Aid Entitlement | -- | $ 0 | $ 386 | $ 326 | $ 362 |
| Proration Factor | -- | -- | 1.000 | 0.817 | 0.919 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 0 | $ 400 | $ 400* | $ 400* |
| Entitlement Changes Per Law: | | | | | |
| ■ Change in District Participation and Estimated Costs | | | ( 14) | | |
| ■ Increase in Net Tax Capacity for Participating Districts | | | | ( 1) | ( 6) |
| Statutory Formula Aid (Unprorated) | | $ 0 | $ 386 | $ 399 | $ 394 |
| E. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | $ 0 | $ 386 | $ 326 | $ 362 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | | 12 | | |
| ■ Portion of 15% Final Not Requested | | | 2 | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 0 | $ 400 | $ 326 | $ 362 |

[a] For F.Y. 1994, revenue consists entirely of non-equalized levy.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0402 EXTENDED DAY
(Continuation)

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this aid and levy activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

The Governor recommends an aid entitlement of $0 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $58 in F.Y. 1996 ($58 for F.Y. 1995 and $0 for F.Y. 1996), and $0 in F.Y. 1997 ($0 for F.Y. 1996 and $0 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0402: EXTENDED DAY EQUALIZATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 400 | $ 400 | $ 400 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <74> | <38> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 400 | 326 | 362 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 386 | | |
| 6. Funding Excess/Deficiency | | 12* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 1,902 | 2,278 | 2,496 | 2,638 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1,902 | 2,676 | 2,822 | 3,000 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <326> | <362> |
| Current Law Aid Funding Level (Line 4) | | | 326 | 362 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Discontinue Activity, Effective Pay 96 Levy | | | | <2,638> |
| Current Law Levy (Line 8) | | | 2,496 | 2,638 |
| RECOMMENDED LEVY | | | 2,496 | 0 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **2,496** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 58 | 0 |
| Current Year 85 Percent | | 340 | | |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **340** | **58** | **0** |

*Estimated excess of $14 less $2 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $12 excess in the FY 1995 current appropriation

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0403 | MISCELLANEOUS COMMUNITY SERVICE LEVY |
| CITATION: | | M.S. 124.2714; 124.2716 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

**Additional Community Education Revenue**

To provide additional revenue for school districts whose maximum community education revenue for F.Y. 1983 exceeded the district's maximum community education revenue for F.Y. 1985.

**Home Visit Revenue**

To provide additional revenue to school districts with Early Childhood Family Education programs enabling the school districts to offer educational and collaborative social services home visits to families with young children.

Most education aid programs contribute to more than one education goal. By providing districts with levy authority for community education programs, this program contributes to the financial health of the districts. As a result, the districts have an increased ability to provide effective community education programs that contribute to the following Department of Education *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

These programs contribute to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 102 and 106.

**DESCRIPTION:**

**Additional Community Education Revenue**

Additional levy authority is permitted each year to school districts whose maximum community education revenue for F.Y. 1983 exceeded the district's maximum community education revenue for F.Y. 1985. The amount of additional levy authority an eligible district receives equals its actual difference in revenue between the two years. The additional levy each district receives is the same amount each year. Although each district receives the same amount each year, the state total levy authority varies with the number of eligible districts that continue to provide community education programs.

Beginning in F.Y. 1995, the Additional Community Education Revenue is reduced by the amount of any increase in the district's community education revenue over the previous year.

**Home Visit Revenue**

Beginning in F.Y. 1993, eligible school districts were permitted to obtain additional revenue in the form of state aid equaling $1.60 times the number of children ages 0-4 residing in the district during the previous year. The revenue enabled districts to provide home visits to families with young children. The purpose of the home visits are to provide educational and collaborative social services to these families. Beginning in F.Y. 1995, the state aid was replaced with a local levy authority equaling $1.60 times the district's prior year count of children ages 0-4.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| **Additional Community Education Revenue** | | | | | |
| Levy limitation | | | | | |
| Amount | $ 673.2 | $ 668.4 | $ 621.2 | $ 621.2 | $ 674.9 |
| Number of districts | 163 | 158 | 151 | 147 | 147 |

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0403 MISCELLANEOUS COMMUNITY SERVICE LEVY

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Certified levy | | | | | |
| Amount | $ 657.8 | $ 648.4 | $ 645.8 | $ 21.2 | $ 621.2 |
| Number of districts | 156 | 149 | 143 | 143 | 143 |
| **Home Visit Revenue** | | | | | |
| State Aid | | | | | |
| Amount | 442.4 | 452.4 | -- | -- | -- |
| Number of Districts | 253 | 258 | -- | -- | -- |
| Levy Limitation | | | | | |
| Amount | -- | -- | 412.7 | 462.2 | 466.1 |
| Number of Districts | -- | -- | 211 | 245 | 245 |
| Certified Levy | | | | | |
| Amount | -- | -- | 412.7 | 462.2 | 466.1 |
| Number of Districts | -- | -- | 211 | 245 | 245 |

**BUDGET ISSUES:**

**A. CHALLENGES:**

- School districts will need to continue to access sufficient revenues to enable them to maintain community education services.

**B. STRATEGIES:**

- With continuation of the home visit levy authority, districts will be able to offer home visits to families with young children.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends continuing the Home Visit Revenue activity and discontinuing the additional community education revenue activity beginning in F.Y. 1997.

| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0404 | ADULT BASIC EDUCATION |
| CITATION: | | M.S. 124.26 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | 0427 | Adult Basic Education |

**PURPOSE:**

To provide educational opportunities and risk-reduction support services appropriate for adults whose low educational levels are barriers to productive participation in their families and in our society.

According to the 1990 Census and Minnesota Planning's 1988 Interagency Adult Literacy Policy study, 500,000 Minnesotans age 20 and over have not graduated from high school. In addition, many other adult Minnesotans are unable to read, write, compute, problem-solve or cope with changing conditions sufficiently well to meet the requirements of adult life. These individuals are disproportionately represented among the working poor, single parents, welfare recipients, the incarcerated, racial, ethnic and language minorities, displaced workers, the unemployed, and the homeless. These "functionally illiterate" adults often are the parents of "at risk" children and youth.

Adult Education funding helps undereducated adults deal more effectively with their own and their families' lives by establishing, improving and maintaining adult learning options that:

- Empower individual adults to solve problems, think creatively, continue learning, and develop their potential for leading productive, fulfilling lives as citizens, employees, consumers, and family and community members;
- Provide adult education and risk-reduction support services that enable adults to identify, plan for, and achieve their personal learning and living goals in a timely and efficient manner;
- Enable adult learners to design, find appropriate resources for, and assess their own personal educational plan goals;
- Stimulate adults to explore appropriate career choices, master basic education levels so they can enroll in and benefit from job training and retraining programs, and to get and retain productive employment so they enjoy more fully the benefits and responsibilities of citizenship; and
- Assist adults, regardless of their age, national origin, prior educational level, family status or other unique needs, through appropriate learner-centered options, to continue their education to at least the secondary school completion level.

By reducing the high school dropout rate, improving adult literacy and self-sufficiency, and increasing the percentage of graduates who pursue higher education, this program contributes to five of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Integration/Desegregation/Educational Diversity**
- **Collaboration and Service Co-Location**

For additional information on the Department of Education's goals, priorities, and performance indicators, refer to the Annual MDE Performance Report, September 1994, page 30.

**DESCRIPTION:**

Adult education options include family literacy, work force education, literacy tutoring, English proficiency for speakers of other languages, citizenship training, work readiness, corrections education, adult education for homeless people, basic skills enhancement, general educational development (GED) equivalency preparation, and alternative high school diploma programs so that the needs of all adult learners can be addressed.

Adults are eligible to participate when they are at least 16 years old, are not enrolled in school, and function below the high school completion level in basic skills. They need adult education when they lack the levels of proficiency essential for responsible citizenship, productive employment and healthy family and community relationships.

| | | | | Current Law | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| TOTAL ENROLLMENT: | 54,106 | 52,766 | 47,184 | 47,184 | 47,184 |
| Percent of Total Eligible | 10.8% | 10.6% | 9.4% | 9.4% | 9.4% |
| Adult ESL | 14,580 | 13,488 | 11,566 | 9,918 | 8,505 |
| Adult Elementary | 25,282 | 24,662 | 21,148 | 18,135 | 15,551 |
| Adult Secondary | 14,244 | 14,616 | 14,470 | 14,470 | 14,470 |

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0404 ADULT BASIC EDUCATION
(Continuation)

| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PARTICIPANT DEMOGRAPHICS: | | | | | |
| Average Age | 32.8 | 32.9 | 33.0 | 33.1 | 33.2 |
| Unemployed | 46.3% | 51.2% | 46.0% | 46.0% | 46.0% |
| Employed | 23.0% | 26.3% | 30.0% | 34.3% | 34.3% |
| Welfare Recipients | 38.3% | 38.2% | 38.6% | 39.3% | 39.3% |
| Disabled | 13.5% | 10.8% | 8.9% | 8.9% | 8.9% |
| Refugee/Immigrant | 26.9% | 21.2% | 20.8% | 20.8% | 20.8% |
| Racial/Ethnic Minority | 52.3% | 49.7% | 49.0% | 50.3% | 50.3% |
| Corrections/Institutionalized | 19.7% | 16.6% | 16.6% | 16.6% | 16.6% |

Aid and levy authority is available to public school districts alone or in groups of districts and other education providers and support service and resource agencies that submit an application for adult education program design approval and funding to MDE.

Adult education aid equals 65% of the general education formula allowance times the number of full-time equivalent adult learners. Full-time equivalent is defined as 408 hours for learners at the adult secondary instructional level, and 240 hours for learners at elementary and English-as-a-Second Language (ESL) levels. State plus Federal adult education aid to a project cannot exceed 100% of the actual cost of providing the program.

**A. Regular ABE Programs:**

If the ABE program were fully funded, state aid would be equal to a project's full time equivalent student count multiplied by 65% of the general education formula allowance, with the limitation that state aid cannot exceed total cost minus federal aid.

The legislation also provides that state aid is based on a hold harmless equal to a project's 1991-92 state aid plus 0.09% of the total adjusted net tax capacity of the project's member school districts. (Between Payable 1993 and Payable 1994 the authorized ABE levy rate was decreased by 0.09%; the formula provides additional aid to compensate for this loss in levy revenue.)

For 1994-95:

1. The state's total FTE student count in ABE programs, multiplied by 65% of the formula allowance, indicates an estimated potential for $23.9 million in state aid.
2. The restriction that state aid is limited to total cost minus federal aid lowers the potential entitlement to an estimated $13.8 million.
3. The hold harmless provision (based on 1991-92 state aid plus compensation for the reduction in the levy rate) totals $8.4 million.
4. The aid entitlement for each project is the greater of the values from step 2 or step 3. For a few projects the greater value comes from step 3. This causes the state total entitlement to be $13.9 million rather than the $13.8 million from step 2.
5. Since the appropriation (excluding private contracts) is approximately $8.2 million, 1994-95 aid will be based on a proration of the $8.4 million under the hold harmless, and the formula based on FTE student counts will not be implemented.

Districts that are formal members of an approved ABE program may levy an amount not to exceed the amount raised by 0.12% times the adjusted tax capacity of the district for the preceding year.

**B. Contracts with Private, Nonprofit Organizations:**

State adult education aid also is available to private non-profit organizations to provide services that are not offered by or that are supplemental to a consortium's program. Applications for private non-profit program approval and aid must be approved according to the same criteria used for district-based programs. (Levy is not available to public non-profit agencies.)

State-funded adult education programs under M.S. 124.26 must:

- be available to all adults with basic skills deficiencies who, for any cause, are unable to attend the district's elementary or secondary schools;
- enroll only persons 16 years of age or older who are not enrolled in school;
- offer appropriate academic instruction that enables all eligible adults to become able to achieve at the secondary school level, or to meet the requirements to earn a high school diploma or a secondary school equivalency certificate;
- maintain fiscal accountability records in compliance with generally accepted accounting principles and Uniform Financial Accounting Reporting System; and
- agree to: use monies received solely for the purposes approved in the application; not charge learners any tuition or fees; request reimbursement only for non-reimbursed expenditures; and maintain and submit accurate, timely records and reports.

**Program Approval Process:**

Application review and approval criteria are:
1. how the needs of different levels of learning will be met;
2. for continuing programs, an evaluation of results;
3. anticipated number and education level of participants;
4. coordination with other resources and services;
5. participation in a consortium, if any, and money available from other sources;
6. management and program design;
7. volunteer training and use of volunteers;
8. staff development services;
9. program sites and schedules; and
10. program expenditures that qualify for aid.

Program applications are approved for five years when they demonstrate the capacity to:
1. offer comprehensive, appropriate and accessible learning and support service options;
2. provide participatory, experiential learning based on individual needs;

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0404 ADULT BASIC EDUCATION
(Continuation)

3. plan, coordinate and develop cooperative agreements for support services;
4. collaborate with business, industry, labor unions, and family and occupational education providers;
5. provide sensitive, well-trained adult education personnel who participate in in-service education;
6. participate in program reviews and evaluations; and
7. submit accurate and timely performance and fiscal reports.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Projects | 53 | 54 | 53 | 53 | 53 |
| Private Nonprofit Contracts | 6 | 6 | 5 | 5 | 5 |
| Districts & agencies involved | 943 | 876 | 862 | 862 | 862 |
| Learning Sites | 620 | 610 | 595 | 580 | 570 |
| Full-Time Sites | 80 | 80 | 80 | 80 | 80 |
| Regular Programs: | | | | | |
| Initial Aid Entitlement Before Formula Restrictions | $ 23,195.9 | $ 23,195.9 | $ 23,956.4 | $ 24,172.6 | $ 24,172.6 |
| Adjusted Aid Based on Formula Restriction | 13,553.7 | 13,701.5 | 13,900.5 | 13,900.5 | 13,900.5 |
| Hold Harmless Entitlement | 5,892.5 | 5,892.5 | 8,426.8 | 8,426.8 | 8,426.8 |
| Proration Factor | 0.963 | 0.963 | 0.971 | 0.971 | 0.971 |
| Entitlement Amount Above Hold Harmless | 7,661.2 | 7,809.0 | 5,473.7 | 5,473.7 | 5,473.7 |
| Proration Factor | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Prorated Hold Harmless Entitlement | 5,674.5 | 5,673.9 | 8,174.9 | 8,174.9 | 8,174.9 |
| Contracts with Private, Nonprofit Organizations | | | | | |
| Contract Amounts | 198.5 | 199.1 | 199.1 | 199.1 | 199.1 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Total Entitlement (Regular and Contract) | 5,873.0 | 5,873.0 | 8,374.0 | 8,374.0 | 8,374.0 |
| Other Revenues | | | | | |
| Federal Basic Grant | 2,659.3 | 2,438.4 | 2,438.4 | 2,438.4 | 2,438.4 |
| State Aid plus Federal Grant | 8,532.3 | 8,311.4 | 10,812.4 | 10,812.4 | 10,812.4 |
| Certified Local Levy | 5,978.2 | 5,899.5 | 3,348.7 | 3,485.8 | 3,661.4 |
| Other Local Revenue | 8,789.3 | 4,913.7 | 5,529.8 | 5,952.4 | 6,393.5 |
| Total Local Revenue | 14,767.5 | 10,813.2 | 8,878.5 | 9,438.2 | 10,054.9 |
| Total Revenue | 23,299.8 | 19,124.6 | 19,690.9 | 20,250.6 | 20,867.3 |
| State + Federal Portion of Revenue (Cannot Exceed 100%) | 36.6% | 43.5% | 54.9% | 53.4% | 51.8% |

Participation in adult education among individuals who attended at least 12 hours increased a total of 45% from 1988 to 1992. Over the same period the numbers of school districts and other agencies providing adult education and related support services nearly doubled. The percentage of participants who achieved their personal education plan goals increased 55% over that time span. In that time period, 5,500 ABE participants got off welfare; 40,900 got a job or a better job; 19,900 enrolled in higher education, and 23,700 earned a high school or GED diploma. The percentage who left before completing their goals decreased by more than 7% per year.

Since 1992, however, both state adult education aid and local levy authority have decreased. The result has been fewer classes, decreased enrollment, fewer hours available to each learner, and increased numbers of people on enrollment waiting lists. At the same time learners with more needs are coming to adult education and staying longer in the programs to achieve their goals.

**Learner Outcomes:** Programs are changing in response to learner needs. Outcomes identified in ABE participants' personal education plans have changed. Basic skills and competencies people need in order to participate fully and effectively in society as workers, consumers, family members and citizens, now include: Reading; Writing; Listening and Speaking; Creative Thinking and Problem-Solving; Personal Effectiveness; Group Effectiveness; Societal Effectiveness, and Knowing How To Learn.

These basics reinforce each other to become tools that people can use to address the changing conditions at work and in their families and communities. To improve learning and ease the transition to life outside the classroom, learners need to experience using these skills to accomplish meaningful problem-solving tasks. Adult education programs are striving to respond.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0404 ADULT BASIC EDUCATION
(Continuation)

Further indicators of program effectiveness are being developed by service providers through a continuing evaluation project.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Regular ABE Programs: | | | | | |
| Statutory Formula AID | $ 13,554 | $ 23,196 | $ 23,957 | $ 23,974 | $ 23,974 |
| Aid Reduction Due To Insufficient Appropriation | ( 7,880) | ( 17,522) | ( 15,782) | ( 17,305) | ( 16,567) |
| Subtotal Current Law Aid Entitlement | 5,674 | 5,674 | 8,175 | 6,669 | 7,407 |
| Proration Factor | 0.419 | 0.245 | 0.341 | 0.278 | 0.309 |
| B. Contracts: | | | | | |
| Statutory Formula AID | $ 199 | $ 199 | $ 199 | $ 199 | $ 199 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 37) | ( 19) |
| Subtotal Current Law Aid Entitlement | 199 | 199 | 199 | 162 | 180 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| C. Total Current Law Aid Entitlement: (Line 4 on Fiscal Page) | $ 5,873 | $ 5,873 | $ 8,374 | $ 6,831 | $ 7,587 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page)[a] | | $ 5,873 | $ 8,374 | $ 8,374* | $ 8,374* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increased Number of Program Participants | | $ 17,522 | $ 15,782 | $ 15,799 | $ 15,799 |
| Statutory Formula Aid (Unprorated) | | $ 23,395 | $ 24,156 | $ 24,173 | $ 24,173 |

[a] Includes regular ABE programs plus $199 each year for contracts with private nonprofit organizations.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The profile of learners coming to Adult Basic Education is changing in three specific ways. First, an increasing number of learners who seek ABE services are on welfare and have children. Consequently, the need to provide basic education instruction to the family as a whole in order to reduce the impact of intergenerational illiteracy is increasing. Providing necessary support services or referrals for childcare, nutritional snacks, and transportation subsidies additionally stretches ABE budgets. Local ABE programs report hundreds of people on waiting lists to enroll in existing Family Literacy programs. The demand for services is eight times greater than current program capacity.
- The second dramatic change in the learners is the number of refugees and non-native speakers of English. Minnesota is currently home to more than 50,000 refugees, and an additional 2,500 refugees settle here each year. The immigrant and migrant population is also on the increase. At least 18,000 limited English proficient adults in Minnesota currently want and need ESL instruction, but are unable to find classroom openings. It takes an average of 1,300 hours of instruction to enable one non-native English speaker to become competent enough in English to be able to find, obtain, and retain adequate employment.
- Another shift is the number of those with disabilities who are seeking ABE classes and services. According to the 1990 Census, over 159,000 Minnesotans have a limiting disability. With the passage of the Americans with Disabilities Act, individuals with disabilities are empowered to seek services from all public (and private) agencies. Many adults are learning that their lack of success in school is due to "hidden" disabilities, such as learning disabilities. The challenge for Adult Basic Education programs is to serve the wide array of those seeking services, some of whom require nearly one-to-one services to succeed.

**B. STRATEGIES:**

In lieu of capacity to provide full or increased funding, several plans of action are possible, including:

- increased collaborative efforts among local providers, local regional and state governmental agencies and the private sector;
- a review of the "hold harmless" statute to more fairly distribute the available Adult Basic Education funds;
- development of, and coordination with new investors in Adult Basic Education; and
- continued exploration of means and methods to produce maximum results from limited resources.

- To deal more effectively with the changing needs of learners who are parents, increase collaboration with early childhood family education (ECFE) programs as well as public and private programs that can provide support services (day care, transportation, nutrition, etc.) in order to expand the Family Literacy program capacity statewide.
- To deal with the needs of ESL learners, identify exemplary collaborative models for Family Literacy and ESL programs, and develop dissemination strategies and training to enable local ABE programs to pursue similar, proven strategies for offering new or expanded programming in these areas.
- To better serve those with disabilities, enhance the training of Adult Basic Education instructors, and increase collaboration with other agencies who have skill and experience in assisting this population of learners.

**GOVERNOR'S RECOMMENDATION**: The Governor recommends an aid entitlement of $8,374 for F.Y. 1996 and $8,374 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $8,374 in F.Y. 1996 ($1,256 for F.Y. 1995 and $7,118 for F.Y. 1996), and $8,374 in F.Y. 1997 ($1,256 for F.Y. 1996 and $7,118 for F.Y. 1997).

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET

(Dollars in Thousands)

**0404: ADULT BASIC EDUCATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement* | $ 5,873 | $ 8,374 | $ 8,374 | $ 8,374 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,543> | <787> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 5,873 | 8,374 | 6,831 | 7,587 |
| 5. Statutory Formula Aid (Detail in Narrative) | 23,395 | 24,156 | | |
| 6. Funding Excess/Deficiency | <17,522> | <15,782> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 5,873 | 8,374 | 6,831 | 7,587 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Restore Reduction Due to Apps. Limits | | | 1,543 | 787 |
| Current Law Aid Funding Level (Line 4) | | | 6,831 | 7,587 |
| **RECOMMENDED AID ENTITLEMENT** | | | 8,374 | 8,374 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 8,374 | 8,374 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 911 | 880 | 1,256 | 1,256 |
| Current Year 85 Percent | 4,993 | 7,118 | 7,118 | 7,118 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 5,904 | 7,998 | 8,374 | 8,374 |

*Includes regular ABE programs plus $199 each year for contracts with private nonprofit organizations.

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0405 | ADULTS WITH DISABILITIES |
| CITATION: | | M.S. 121.88, Subd. 6-7; 124.2715 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

Funding is provided to school districts with local community education programs to enable adults with physical and/or developmental disabilities to participate fully in the mainstream of community life. Over 296,000 Minnesotans between the ages of 16 and 65 have limiting disabilities and are not institutionalized. The purpose of this program is the integration of adults with disabilities with others in their community. People with disabilities, who in the past have been nearly invisible in our society, are eager, able and adamant about being part of the mainstream of life.

Specifically supported by this funding are the following:

- services enabling adults to participate fully in community activities including Community Education classes;
- outreach activities to identify adults needing services;
- classes specifically for adults with disabilities;
- activities to enhance the role of people with disabilities in the community;
- activities to increase public awareness of the roles of people with disabilities; and
- other direct and indirect services and activities benefitting adults with disabilities.

Both communities as a whole and individual persons with disabilities benefit from these programs. As adults with disabilities become integrated in community life and accepted as individuals, communities are strengthened and many individual lives become richer.

Most education aid programs contribute to more than one education goal. By providing services, classes, and outreach programs to integrate adults with disabilities into their communities, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement**: All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

To be eligible for specific categorical revenue to serve adults with disabilities, a Community Education program must receive approval from the Minnesota Department of Education (MDE). A request for approval must include all of the following:

- characteristics of the people to be served;
- description of the program services and activities;
- program budget and amount of aid requested;
- participation by adults with disabilities in developing the program;
- assessment of the needs of adults with disabilities; and
- cooperative efforts with community organizations.

For programs that are approved, the state aid formula provides the lesser of $30,000 or 1/2 the actual expenditures. A district is required to match this aid amount from local sources. The district is permitted to levy the lesser of $30,000 or the actual expenditures minus the amount of state aid for the program. If a program is offered by a group of districts, the levy amount is allocated among the districts in accordance with an agreement submitted to MDE. Other public or private funds may be expended for these programs at the discretion of the local districts.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Programs Funded | 34 | 34 | 34 | 34 | 34 |
| Districts Involved | 81 | 81 | 84 | 84 | 84 |
| Other Organizations Involved | 330 | 340 | 350 | 360 | 370 |
| Number of Participants | 18,000 | 35,000 | 35,000 | 40,000 | 40,500 |
| Approved Expenditures | $ 1,317.4 | $ 1,340.0 | $ 1,340.0 | $ 1,340.0 | $1,340.0 |
| Gross Aid at 50% | $ 658.7 | $ 670.0 | $ 659.9 | $ 670.0 | $ 670.0 |

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0405 ADULTS WITH DISABILITIES
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula | | | | | |
| REVENUE | $ 1,318 | $ 1,340 | $ 1,340 | $ 1,340 | $ 1,340 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 20) | ( 246) | ( 126) |
| Current Law Revenue | $ 1,318 | $ 1,340 | $ 1,320 | $ 1,094 | $ 1,214 |
| B. Statutory Formula LEVY | $ 614 | $ 631 | $ 648 | $ 657 | $ 657 |
| Levy Change Due To Insufficient Appropriation | $ 0 | $ 0 | ( 10) | ( 123) | ( 63) |
| Current Law Levy | $ 614 | $ 631 | $ 638 | $ 534 | $ 594 |
| Other Public and Private Funds | $ 45 | $ 39 | $ 22 | $ 13 | $ 13 |
| Total Local Funds | $ 659 | $ 670 | $ 660 | $ 547 | $ 607 |
| C. Statutory Formula AID | $ 659[a] | $ 670 | $ 670 | $ 670 | $ 670 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 10) | ( 123) | ( 63) |
| Current Law Aid Entitlement | $ 659 | $ 670 | $ 660 | $ 547 | $ 607 |
| Proration Factor | 1.000 | $ 1.000 | $ 0.985 | $ 0.816 | $ 0.906 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 670 | $ 670 | $ 670* | $ 670* |
| Statutory Formula Aid (Unprorated) | | $ 670 | $ 670 | $ 670 | $ 670 |
| E. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | $ 670 | $ 660 | $ 547 | $ 607 |
| Adjustments Per Law: | | | | | |
| ■ Prior Year Payments (M.S. 124.14, Subd. 2) | | -- | $ 10 | ___ | ___ |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 670 | $ 670 | $ 547 | $ 607 |

[a] $649 plus $10 paid in subsequent year.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

### A. CHALLENGES:

- Over 296,000 adult Minnesotans living in the community have a limiting disability.
- With the recent passage of the Federal Americans with Disabilities Act guaranteeing accessibility for employment, transportation, and public accommodations for disabled individuals, interest in this program is expected to increase dramatically. Some minimal growth may be achieved through additional networking with other agencies and through learned efficiencies.

### GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $577 for F.Y. 1996 and $577 for F.Y. 1997. This recommendation reallocates a portion of the current law entitlement between years, in order to provide districts with a more stable funding stream.

Based on these entitlements, the Governor recommends an appropriation of $577 in F.Y. 1996, and $577 in F.Y. 1997.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0405: ADULTS WITH DISABILITIES**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 670 | $ 670 | $ 670 | $ 670 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <123> | <63> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 670 | 670 | 547 | 607 |
| 5. Statutory Formula Aid (Detail in Narrative) | 670 | 670 | | |
| 6. Funding Excess/Deficiency | | <10>[a] | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 670 | 660[b] | 547 | 607 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1,340 | 1,330 | 1,094 | 1,214 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 30 | <30> |
| Current Law Aid Funding Level (Line 4) | | | 547 | 607 |
| **RECOMMENDED AID ENTITLEMENT** | | | **577** | **577** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Change Due to Cap Reduction | | | 30 | <30> |
| Current Law Levy (Line 8) | | | 547 | 607 |
| RECOMMENDED LEVY | | | 577 | 577 |
| TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY | | | 1,154 | 1,154 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | 670 | 670 | 577 | 577 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| Total-State General Funds | 670 | 670 | 577 | 577 |

[a]This estimated deficiency is attributable to $10 prior year payments per M.S. 124.14, Subd. 2

[b]This is the total local contribution including levy plus other public and private funds.

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0406 | ADULT GRADUATION AID (Diploma Opportunities For Adults) |
| CITATION: | | M.S. 120.06, Subd. 3; M.S. 124.17, Subd. 2e; M.S. 124.261; M.S. 126.22, Subd. 2d and 3 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

To provide opportunities for adults age 21 and over, who have not finished school, to complete their high school education. Eligible individuals receive up to two years or the equivalent of free public education toward satisfying high school graduation requirements. Adult Graduation Aid is designed to help economically disadvantaged adults obtain a high school diploma that will enable them to find meaningful employment, thus reducing welfare, correctional, and other social costs.

More specifically, the program objectives are to a) attract and retain individuals in high school education programs, and b) provide individuals with more options and opportunities to earn their high school diplomas. These options include attending area learning centers, public alternative programs, postsecondary institutions, adult basic education programs, and traditional high schools.

Most education aid programs contribute to more than one education goal. By reducing the high school dropout rate, and by providing education programs that are appropriate to unique learning and education needs of individuals with hearing disabilities, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**
- **Graduation Standards**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 14.

**DESCRIPTION:**

Diploma Opportunities for Adults is designed for learners age 21 and older who have less than 14 years of public or nonpublic education and who qualify under one of the following criteria:

- eligible for unemployment benefits or have exhausted unemployment benefits;
- eligible for and receiving income maintenance or support services; or
- eligible under the displaced homemaker program, state wage subsidy program, or any program under the Jobs and Training Act.

Eligible adult learners may enroll in Area Learning Centers' postsecondary courses if eligible through Postsecondary Enrollment Options, Public Alternative Programs, or any public high school (provided that the local school board has adopted a resolution approving enrollment of individuals age 21 and over). Free admission is currently limited to two school years or the equivalent, or until the adult learner completes the course work required for graduation.

The state Adult Graduation aid follows each enrolled adult to the school district and/or postsecondary institution attended.

The aid amount for each eligible pupil equals 65% of the General Education formula allowance times the Average Daily Membership (ADM) for the pupil. Adult Graduation Aid paid by the state is in addition to any other aid to the district. These pupils may not be counted by the district for any other purpose other than Adult Graduation Aid.

**PROGRAM STATUS:**

Participation in the Adult Graduation Aid program has steadily increased since its implementation. The number of learners enrolled in the program has grown from 422.78 in F.Y. 1991 to an estimated 1,298.00 in F.Y. 1995.

The percentage of appropriation expended has also increased. Prior to F.Y. 1989, less than the full appropriation was expended. Beginning in F.Y. 1992 demand exceeded supply and the aid to districts was necessarily prorated. The proration was 67% in F.Y. 1994 and 58% in F.Y. 1995. At current funding levels, that proration is estimated to fall to 50% in F.Y. 1996 and 45% in F.Y. 1997.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0406 ADULT GRADUATION AID
(Diploma Opportunities For Adults)

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| Participants Average Daily Membership (ADM) | 876.41 | 1,059* | 1,298* | 1,505* | 1,731* |
| Formula Allowance per ADM (65% of General Education Allowance x 1.30) | $ 2,577.25 | $ 2,577.25 | $ 2,661.75 | $ 2,661.75 | $ 2,661.75 |
| Aid Entitlement before PSEO | $ 2,258.7 | $ 2,729.0 | $ 3,306.0 | $ 3,793.0 | $ 4,280.0 |
| Aid Entitlement after PSEO | $ 2,372.9 | $ 2,859.0 | $ 3,457.0 | $ 4,006.0 | $ 4,506.0 |

* Estimates

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 2,373 | $ 2,859 | $ 3,457 | $ 4,006 | $ 4,506 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 950) | ( 1,212) | ( 2,174) | ( 2,471) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 2,373 | $ 1,909 | $ 2,245 | $ 1,832 | $ 2,035 |
| Proration Factor | 1.000 | 0.668 | 0.649 | 0.457 | 0.452 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 1,909 | $ 2,245 | $ 2,246* | $ 2,246* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase in Number of Program Participants | | 950 | 1,212 | 1,760 | 2,260 |
| Statutory Formula Aid (Unprorated) | | $ 2,859 | $ 3,457 | $ 4,006 | $ 4,506 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- As participation continues to increase, the prorationing of state aids is expected to become more severe.
- Because of the prorationing, many providers are considering dropping this diploma program.

**B. STRATEGIES:**

- Continue to provide technical assistance to Adult Diploma providers to help them offer both efficient and effective educational programming. This assistance might include the utilization of other funding programs such as Adult Basic Education, Area Learning Centers, and public and private alternative educational providers in meeting fiscal and learner needs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $1,799 for F.Y. 1996 and $2,036 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $1,866 in F.Y. 1996 ($336 for F.Y. 1995 and $1,530 for F.Y. 1996), and $2,000 in F.Y. 1997 ($269 for F.Y. 1996 and $1,731 for F.Y. 1997).

Beginning in F.Y. 1996, the Governor recommends changing the adult high school graduation aid formula from 65% to 28.5% of the general education formula allowance times 1.30.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0406: ADULT GRADUATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 1,909 | $ 2,245 | $ 2,246 | $ 2,246 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <414> | <211> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 1,909 | 2,245 | 1,832 | 2,035 |
| 5. Statutory Formula Aid (Detail in Narrative) | 2,859 | 3,457 | | |
| 6. Funding Excess/Deficiency | <950> | <1,212> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1,909 | 2,245 | 1,832 | 2,035 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Eliminate Aid Proration Due to Insufficient Appropriation | | | 2,174 | 2,471 |
| 2. Increase in General Education Formula Allowance | | | 89 | 129 |
| 3. Change Formula to 28.5% of General Ed. Formula Allowance | | | <2,296> | <2,599> |
| Current Law Aid Funding Level (Line 4) | | | 1,832 | 2,035 |
| **RECOMMENDED AID ENTITLEMENT** | | | 1,799 | 2,036 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 1,799 | 2,036 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 204 | 286 | 336 | 269 |
| Current Year 85 Percent | 1,623 | 1,909 | 1,530 | 1,731 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 1,827 | 2,195 | 1,866 | 2,000 |

| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aid |
| | 0407 | HEARING IMPAIRED ADULTS |
| **CITATION:** | | M.S. 121.1201 |
| **MDE ADMIN:** | 1203 | Special Education |
| **FEDERAL:** | | None |

**PURPOSE:**
To provide for interpreters or note-taker services for adults with hearing impairments to assure equal access to continuing education opportunities. More specifically, this program:

- is targeted for part time adult students with hearing impairments;
- provides access to vocational education programs promoting educational growth and development;
- enhances and encourages life-long learning; and
- has the same objectives as stated under 0301 Special Education Regular. Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

Most education aid programs contribute to more than one education goal. By reducing the high school dropout rate, by providing education programs that are appropriate to the unique education needs of individuals with disabilities and by preparing individuals to be independent, productive and responsible adults, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**
Public and private agencies providing adult education classes enrolling adults with hearing impairments may apply to the Minnesota Department of Education (MDE) for reimbursement of the costs of providing the support services. Typically, one interpreter is employed for up to five adults with hearing impairments. A note-taker normally provides service to a single student. To the extent funds are available, full reimbursement of the costs of providing the service is made upon approval of the application.

Aid has also been provided to include closed captioning on educational video tapes which benefit a greater number of individuals with hearing impairments. Aid is not provided to students enrolled in vocational rehabilitation supported programs where other sources of funds are available. Full time students are not eligible for this aid.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Application for Services (Public and Private Agencies) | 210 | 240 | 280 | 300 | 320 |
| Adults Served | 640 | 675 | 700 | 725 | 750 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 70 | $ 70 | $ 70 | $ 70 | $ 70 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 13) | ( 7) |
| Current Law Aid Entitlement | $ 70 | $ 70 | $ 70 | $ 57 | $ 63 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 70 | $ 70 | $ 70* | $ 70* |
| Statutory Formula Aid (Unprorated) | | $ 70 | $ 70 | $ 70 | $ 70 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**
- This program is anticipated to be in continuing demand.
- Funds are expected to be used more by Metro agencies and schools than rural agencies and schools.

**B. STRATEGIES:**
- Reimbursement of costs of providing services to hearing impaired adults will be on a first come basis.

**GOVERNOR'S RECOMMENDATION:**
The Governor recommends an aid entitlement of $60 for F.Y. 1996 and $60 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $60 in F.Y. 1996, and $60 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0407: HEARING IMPAIRED ADULTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 70 | $ 70 | $ 70 | $ 70 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <13> | <7> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 70 | 70 | 57 | 63 |
| 5. Statutory Formula Aid (Detail in Narrative) | 70 | 70 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 70 | 70 | 57 | 63 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 3 | <3> |
| Current Law Aid Funding Level (Line 4) | | | 57 | 63 |
| **RECOMMENDED AID ENTITLEMENT** | | | 60 | 60 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 60 | 60 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 70 | 70 | 60 | 60 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 70 | 70 | 60 | 60 |

| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aids |
| | 0408 | EARLY CHILDHOOD FAMILY EDUCATION |
| **CITATION:** | | M.S. 121.882; 124.2711 |
| **MDE ADMIN:** | 1206 | Community Collaboration |
| **FEDERAL:** | | None |

**PURPOSE:**

To enhance the ability of parents to provide for their children's optimal learning and development through education and support during the early childhood years, from birth to kindergarten enrollment. This community-based parent-child program is designed to maximize the use of available resources to provide cost-effective prevention/risk reduction services for all young children and their families through the cooperation and collaboration of agencies, services, and other community resources. The focus is on strengthening families, recognizing and building upon their strengths to foster self-sufficiency and the well-being of both children and parents. This universal access to family support ultimately increases the stability and social capital generated by more caring communities.

Most education aid programs contribute to more than one education goal. By providing cost-effective prevention/risk reduction services for all children and their families through the cooperation and collaboration of agencies, services, and other community resources, this program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 33 and 102.

**DESCRIPTION:**

A school district must provide a community education program to be eligible to establish and maintain an Early Childhood Family Education (ECFE) program. All children, birth to kindergarten enrollment, and their families residing in the district are eligible to participate. Such programs require the direct presence and substantial involvement of the children's parents and may include any or all of the following:

- programs to educate parents about the physical, mental, and emotional development of children;
- programs to enhance the skills of parents in providing for their children's learning and development;
- learning experiences for children and parents;
- activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- activities and materials designed to encourage self-esteem, skills and behaviors that prevent sexual and other interpersonal violence;
- educational materials which may be borrowed for home use;
- home visits or center based activities;
- information on related community resources; or
- other programs or activities to improve the health, development and learning readiness of children.

Program funding is provided in the form of guaranteed equalized revenue based on the district's population under 5 years of age.

Maximum revenue for F.Y. 1995 is equal to $101.25 times the population (age birth to 4) but not less than $15,187.50 per district.

Levy is equal to the lesser of maximum revenue or 0.626% times Adjusted Net Tax Capacity (ANTC).

The aid is equal to maximum revenue minus levy, with a proportionate reduction in aid for any under-levy.

For F.Y. 1995, the statewide ECFE programs collectively are supported 55.9% with local levy, and 44.1% state aid.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0408 EARLY CHILDHOOD FAMILY EDUCATION
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Participants | 245,419 | 260,000 | 264,000 | 268,000 | 272,000 |
| 2. Formula Revenue: | | | | | |
| Allowance per capita | $ 101.25 | $ 101.25 | $ 101.25 | $ 101.25 | $ 101.25 |
| Minimum per district (actual $) | $ 15,187.50 | $ 15,187.50 | $ 15,187.50 | $ 15,187.50 | $ 15,187.50 |
| Total Revenue (000s) | $ 30,266.6 | $ 31,264.6 | $ 32,169.1 | $ 32,462.2 | $ 32,662.7 |
| Number of districts | 383 | 382 | 369 | 369 | 369 |
| 3. Levy: | | | | | |
| Property value measure* | AGTC | ANTC | ANTC | ANTC | ANTC |
| Tax Rate | .00596 | .00596 | .00626 | .00626 | .00626 |
| Maximum Levy Amount | $ 18,022.4 | $ 17,729.7 | $ 17,819.3 | $ 18,378.1 | $ 19,103.1 |
| Amount of Authority Certified*** | $ 17,553.4 | $ 17,552.4 | $ 17,641.1 | $ 18,194.3 | $ 18,912.1 |
| Number of districts | 383 | 382 | 369 | 369 | 369 |
| 4. State Aid: | | | | | |
| Gross aid amount (000s) | $ 12,713.2 | $ 13,712.2 | $ 14,528.0 | $ 14,267.9 | $ 13,750.5 |
| Proration factor**** | 0.9835 | 0.9935 | 0.9573 | 0.7950 | 0.9165 |
| Prorated aid (000s) | $ 12,503.0 | $ 13,623.0** | $ 13,908.0** | $ 11,344.3 | $ 12,602.1 |
| Number of districts | 350 | 350 | 351 | 345 | 341 |
| ECFE Evaluation | -- | $ 10.0 | $ 10.0 | $ 10.0 | $ 10.0 |
| Total Funding | $ 12,503.0 | $ 13,633.0 | $ 13,918.0 | $ 11,354.3 | $ 12,612.1 |

* Adjusted Gross Tax Capacity (AGTC); Adjusted Net Tax Capacity (ANTC).
** Does not include $10.0 for evaluation
*** Adjusted for districts underlevying
**** F.Y. 1996 and F.Y. 1997 prorated per Laws '93, Ch. 224, Art. 15, Sec. 3
[a] Levy only

Information on Home Visit program has been transferred to Miscellaneous Community Service Levy (Program 0403).

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE: | $ 30,266 | $ 31,264 | $ 32,184 | $ 32,462 | $ 32,663 |
| Revenue Reduction Due To Insufficient Appropriation | ( 210) | ( 89) | ( 635) | ( 2,922) | ( 1,148) |
| Current Law Revenue | $ 30,056 | $ 31,175 | $ 31,549 | $ 29,540 | $ 31,515 |
| B. Statutory Formula LEVY: | $ 17,553 | $ 17,552 | $ 17,641 | $ 18,194 | $ 18,912 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | $ 17,553 | $ 17,552 | $ 17,641 | $ 18,194 | $ 18,912 |
| C. Statutory Formula AID: | $ 12,713 | $ 13,712 | $ 14,543 | $ 14,268 | $ 13,751 |
| Aid Reduction Due To Insufficient Appropriation | ( 210) | ( 89) | ( 635) | ( 2,922) | ( 1,148) |
| Current Law Aid Entitlement | 12,503 | 13,623 | 13,908 | 11,346 | 12,603 |
| Proration Factor | 0.984 | 0.994 | 0.956 | 0.795 | 0.916 |
| ECFE Evaluation | | 10 | 10 | 8[a] | 9[a] |
| Total Aid Entitlement (Line 4 on Fiscal Page) | $ 12,503 | $ 13,633 | $ 13,918 | $ 11,354 | $ 12,612 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 13,633[b] | $ 13,918[b] | $ 13,920[b]* | $ 13,920[b]* |
| Entitlement Changes Per Law: | | | | | |
| ■ REVENUE Change | | | | | |
| Change in Age 0-4 Population and District Participation | | 122 | 940 | 911 | 1,112 |
| ■ LEVY (Increases) | | | | | |
| Change in Tax Capacity (ANTC) and Districts Off-the-Formula | | ( 33) | ( 305) | | |
| Increase in ANTC | | | | ( 553) | ( 1,271) |
| ECFE Evaluation | | ( 10) | ( 10) | ( 10) | ( 10) |
| Statutory Formula Aid (Unprorated) | | $ 13,712 | $ 14,543 | $ 14,268 | $ 13,751 |

[a] $ 10 less reduction for appropriation limit
[b] Includes $10 Evaluation
(*) This is the standing appropriation in M.S. 124.961.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0408 EARLY CHILDHOOD FAMILY EDUCATION
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Because Early Childhood Family Education is one of very few programs for young children and their families with universal eligibility, it is viewed as an appealing and major part of the foundation for the emerging comprehensive, integrated service delivery systems. Thus the expectations of the program increase continually.
- The declining social conditions impacting young children and their families have intensified and expanded their needs. The challenge for ECFE is to address these needs as effectively as possible with the resources available and help families to build a social network of support in the process. A long term goal is to create more caring communities in which children and their families can become more self-reliant and less dependent upon government services.

**B. STRATEGIES:**

- Maximize available resources by collaboration and cooperation.
- Continue to build collaboration relationships with families representative of entire community and with others who provide services for families.
- Serve as integral part of family resource centers, building upon ECFE's unique role as one of few programs with universal eligibility.
- Work toward integrated funding of ECFE, Way to Grow and Home Visiting to enhance the flexibility and overall capacity of these programs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $13,921 for F.Y. 1996 and $13,921 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $13,919 in F.Y. 1996 ($2,086 for F.Y. 1995 and $11,833 for F.Y. 1996), and $13,921 in F.Y. 1997 ($2,088 for F.Y. 1996 and $11,833 for F.Y. 1997).

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0408: EARLY CHILDHOOD & FAMILY EDUCATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 13,633[a] | $ 13,918[a] | $ 13,920[a] | $ 13,920[a] |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <2,566> | <1,308> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 13,633 | 13,918 | 11,354 | 12,612 |
| 5. Statutory Formula Aid (Detail in Narrative) | 13,722[a] | 14,553[a] | | |
| 6. Funding Excess/Deficiency | <89> | <635> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 17,552 | 17,641 | 18,194 | 18,912 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 31,185 | 31,559 | 29,548[b] | 31,524[b] |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds from Other Education Programs | | | 2,567 | 1,309 |
| Current Law Aid Funding Level (Line 4) | | | 11,354 | 12,612 |
| **RECOMMENDED AID ENTITLEMENT** | | | **13,921** | **13,921** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | 18,194 | 18,912 |
| RECOMMENDED LEVY | | | 18,194 | 18,912 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **32,115** | **32,833** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,875 | 2,044 | 2,086 | 2,088 |
| Current Year 85 Percent | 11,589 | 11,832 | 11,833 | 11,833 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **13,464** | **13,876** | **13,919** | **13,921** |

[a]Includes $10 evaluation.

[b]Includes $8 evaluation in FY 1996 and $9 in FY 1997.

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| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aids |
| | 0409 | EARLY CHILDHOOD SCREENING |
| **CITATION:** | | M.S. 123.701-7045 |
| **MDE ADMIN:** | 1206 | Community Collaboration |
| **FEDERAL:** | | None |

**PURPOSE:**

The purpose of Early Childhood Screening (ECS) is to 1) assist parents and communities to improve the educational readiness and health of all young children in Minnesota through early detection of health, developmental and family factors that may interfere with a child's learning, growing and developing, 2) assist schools and their communities in planning educational and health programs for all children and families, focusing on those at risk, and 3) link families to learning readiness initiatives in the school and community.

More specifically, the objectives are to:

- detect and seek solutions to conditions that may interfere with young children's growing, developing and learning by predicting and preventing problems, minimizing physical and educational barriers, and aiding in dealing with special needs of individual children, thereby reducing later costly care;
- enable parents to become more aware of the connections among physical health, development and readiness for learning and the connection between family circumstances and a child's development and learning;
- link children and families, through Learning Readiness initiatives, to a wide range of community services and programs to enhance their development and readiness for formal education. This includes collaboration with other early childhood programs (Early Childhood Family Education, Special Education and Head Start, for example);
- improve the access to and regular use of preventive health services by increasing awareness of the need for early and periodic health services, discussing financing of health care and linking families to public and private health care providers; and
- provide leadership in the development and implementation of effective programs.

Most education aid programs contribute to more than one education goal. By improving the educational readiness of children through the early detection of health and developmental barriers, assisting schools in planning educational and health programs for all children, and linking families to learning readiness programs and initiatives, this program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 53.

**DESCRIPTION:**

Through ECS, educators and health professionals focus on a child's health and development. All families are linked to school and community programs that promote health and enhance a child's well being. Using a series of standardized screening instruments and structured interview procedures, screeners identify the normal health and development of a child while sorting out conditions and situations that require further assessment. Children and families needing further assessment are referred to a variety of school and community services. ECS providers follow-up by contacting parents to ensure that referral sources are accessible and acceptable and that the identified needs have been met and/or the child and family are in an ongoing system of service and support.

Minnesota school districts are required to offer the screening for four-year-old children. Many districts include 3½ to 5 year olds in their programs. The number of children eligible for screening statewide fluctuates with the birth rate and mobility; there are approximately 65,000 eligible children per year.

Parents are required to have their children screened at the school district program or by a public or private health care provider that offers comparable services. Required components that children must receive include developmental review, sensory (vision and hearing) screening, immunization review, growth (height and weight), and a summary interview. Optional components include the health history (included by 60% of school districts), review of family factors that might affect development, nutrition review, laboratory tests and physical assessments. If the child has been to a physician or other health care provider for well child care within one year prior to screening, the school must request the results of that visit so the findings can be reviewed in conjunction with the screening findings, thus providing a comprehensive view of the child's health, development and family factors. Evidence of the date and results of screening is to be presented at school enrollment prior to or during kindergarten or Grade 1. Parents have 30 days after school enrollment to meet the requirement or submit a signed conscientious objection statement.

Schools are to work in collaboration with other early childhood programs and public or private health care providers to offer a comprehensive and cost effective program. **Outreach** is an intensive

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0409 EARLY CHILDHOOD SCREENING
(Continuation)

effort to notify all parents of the requirement for screening, of their options for services and to encourage participation early, at age 3-1/2 to 4. The actual **screening** is staffed by personnel from K-12 education, special education, community education and/or contracts with community health agencies and education cooperatives. **Follow-up** includes guaranteeing that problems noted have been assessed, resolved, or the family is linked with ongoing services and support. Learning Readiness initiatives play a major role in ensuring that follow-up is completed. Local and/or county Interagency Early Intervention Committees assist in planning and evaluating ECS.

The state reimburses districts for planning, administering and evaluating the program. The present state reimbursement rate is $25 per child screened. When the ECS state categorical aid does not meet actual costs, districts draw on Grade K-12 General Education aid, early childhood family education funds, special education funds, community resources and use of volunteers. A few ECS programs also use federal Medical Assistance dollars because they fund similar comprehensive services through Children and Teen Checkups (formerly named EPSDT).

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995* | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Eligible children | 65,000 | 65,000 | 65,000 | 65,000 | 65,000 |
| Percent participating | 95% | 95% | 95% | 95% | 95% |
| Number screened | 59,345[a] | 62,000 | 62,000 | 62,000 | 62,000 |
| | 5,594[b] | 1,000[b] | 1,000[b] | 1,000[b] | 1,000[b] |
| Reimbursement rate | $25 | $25 | $25 | $25 | $25 |

* F.Y. 1995 includes $1.0 for prior year payment.
[a] Targeted pre-school children (3-4-5 year olds).
[b] Children already enrolled in kindergarten without prior screening ("K catch-up").

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 1,585 | $ 1,550 | $ 1,550 | $ 1,550 | $ 1,550 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 286) | ( 146) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 1,585 | $ 1,550 | $ 1,550 | $ 1,264 | $ 1,404 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 1,550 | $ 1,550 | $ 1,550* | $ 1,550* |
| Statutory Formula Aid (Unprorated) | | $ 1,550 | $ 1,550 | $ 1,550 | $ 1,550 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- School district costs for Early Childhood Screening sometimes exceeds the reimbursement rate of $25 per child screened, especially for smaller districts.

**B. STRATEGIES:**

- Work to obtain more collaboration in the provision of these services to keep cost low.
- Assist more districts in using medical assistance funding for ECS.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $1,317 for F.Y. 1996 and $1,317 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $1,352 in F.Y. 1996 ($232 for F.Y. 1995 and $1,120 for F.Y. 1996), and $1,317 in F.Y. 1997 ($197 for F.Y. 1996 and $1,120 for F.Y. 1997).

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0409: EARLY CHILDHOOD SCREENING**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 1,550 | $ 1,550 | $ 1,550 | $ 1,550 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <286> | <146> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 1,550 | 1,550 | 1,264 | 1,404 |
| 5. Statutory Formula Aid (Detail in Narrative) | 1,550 | 1,550 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1,550 | 1,550 | 1,264 | 1,404 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 53 | <87> |
| Current Law Aid Funding Level (Line 4) | | | 1,264 | 1,404 |
| **RECOMMENDED AID ENTITLEMENT** | | | **1,317** | **1,317** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **1,317** | **1,317** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 240 | 232 | 232 | 197 |
| Current Year 85 Percent | 1,318 | 1,318 | 1,120 | 1,120 |
| Transfers Per M.S. 124.14, Subd. 7 | <15> | | | |
| **Total-State General Funds** | **1,543** | **1,550** | **1,352** | **1,317** |

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0410 | WAY TO GROW |
| CITATION: | | M.S. 145.926 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

To promote intellectual, social, emotional, and physical development, and school readiness of children pre-birth to age six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Most education aid programs contribute to more than one education goal. By coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting health and developmental needs of children, this program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 102 and 106.

**DESCRIPTION:**

Way to Grow is a method of delivering services in a coordinated, extensive, and intensive approach to meet identified community problems. The Way to Grow philosophy acts as a catalyst for local service providers to assess community needs and the efficiency of their delivery system. This philosophy enables service providers to view the community needs in a larger framework.

Depending upon community needs, Way to Grow/School Readiness programs may:

- provide services to pregnant women early in their pregnancies, i.e., prenatal care, well-baby care and parenting classes;
- provide neighborhood support systems that target neighborhood concerns;
- work to establish networks and collaborations of existing community-based business and services to enhance programs to the targeted residents;
- develop public-private collaboration to promote the development of culturally specific systems of services available to all families; and
- provide support to prevention and intervention programs for families with young children needed to address risks of child abuse or neglect.

Community entities using Way to Grow/School Readiness funds to develop neighborhood-based programs are designed around the following service strategies:

- home visitors who link at-risk children and their families with services and advocate for their needs;
- organization of coordinated, interdisciplinary resource teams of professionals focusing on the needs of families;
- identification and promotion of local resources for families;
- facilitation of the expansion of the local service system to address unmet needs; and
- organization of neighborhood-based education and training concentrating on early childhood development for parents, primary caregivers, and service providers.

Recipients of the Way to Grow funds were well-established providers. With Way to Grow funds, these providers identified several of the most pressing problems facing their communities that required more intensive strategies than could be provided with their basic funding. In most cases, greater numbers of problems were identified in low-income families and low-income neighborhoods. Some Way to Grow programs address community needs through small-scale direct services, but most programs build relationships with other service providers to address identified needs.

Each Way to Grow program has found that it is time consuming and difficult to get long-term service providers to cooperate, coordinate, and collaborate in the provision of services. The collaboration of agencies and their resources takes time to develop; Way to Grow facilitates this development.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0410 WAY TO GROW
(Continuation)

## PROGRAM STATUS:

The 1989 Legislature approved the Way to Grow/School Readiness pilot programs (M.S. 145.926) and appropriated a total of $850,000 to the State Planning Agency. In F.Y. 1990, $100,000 was appropriated for three additional grants under M.S. 145.926. These grants were made to eligible applicants located outside the seven-country metropolitan area. In F.Y. 1993, $950,000 was appropriated for funding the five existing programs at their current level until June 30, 1995 under M.S. 145.926.

Participation of parents and children in the five programs during F.Y. 1993 and F.Y. 1994 and projected through F.Y. 1997 at current funding levels is as follows:

| Program | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Minneapolis | 1,007 | 1,108 | 1,220 | 1,300 | 1,400 |
| St. Paul-Frogtown | 1,310 | 1,375 | 1,445 | 1,500 | 1,550 |
| Columbia Heights | 675 | 710 | 745 | 775 | 800 |
| St. Cloud | 340 | 375 | 400 | 425 | 450 |
| Winona | 285 | 300 | 315 | 325 | 330 |
| Total | 3,617 | 3,868 | 4,125 | 4,325 | 4,530 |

The current program grants for F.Y. 1993 through 1995 are:

| Program | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 |
|---|---|---|---|
| Minneapolis | $ 175.0 | $ 175.0 | $ 175.0 |
| St. Paul-Frogtown | 125.0 | 125.0 | 125.0 |
| Columbia Heights | 125.0 | 125.0 | 125.0 |
| St. Cloud | 25.0 | 25.0 | 25.0 |
| Winona | 25.0 | 25.0 | 25.0 |
| | $ 475.0 | $ 475.0 | $ 475.0 |

* Biennial Appropriation of $950,000 with carryover authority.
[a] F.Y. 1993 Grant amounts shown are annualized. Actual expenditures for the F.Y. 1992-93 biennium were $807.5 and $142.5

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 143 | $ 475 | $ 475 | $ 475 | $ 475 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 88) | ( 45) |
| Current Law Aid Entitlement | $ 143 | $ 475 | $ 475 | $ 387 | $ 430 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 475[a] | $ 475 | $ 475* | $ 475* |
| Statutory Formula Aid (Unprorated) | | $ 475 | $ 475 | $ 475 | $ 475 |

[a] $950 biennial appropriation less $475 balance forward to F.Y. 1995.
(*) Biennial appropriation of $950 allocated to F.Y. 1996 and F.Y. 1997.

## BUDGET ISSUES:

### A. CHALLENGES:

- The number of families with young children characterized by a variety of risk factors continues to grow.
- Way to Grow has proven to be a valuable catalyst for collaboration among community-based health, education and human service providers, resulting in the practical delivery of more cost-effective prevention and early intervention services to families in need.

### B. STRATEGIES:

- Continue to recruit and train neighborhood members to be family resource workers.
- Work toward integrated funding of ECFE, Way to Grow and Home Visiting to enhance the flexibility and overall capacity of these programs.

### GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $409 for F.Y. 1996 and $409 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $409 in F.Y. 1996, and $409 in F.Y. 1997.

The Governor recommends continuation of authority for carryover of any unexpected balance in the first year to the second year of the biennium.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0410: WAY TO GROW**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 475* | $ 475 | $ 475 | $ 475 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <88> | <45> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 475 | 475 | 387 | 430 |
| 5. Statutory Formula Aid (Detail in Narrative) | 475 | 475 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 475 | 475 | 387 | 430 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 22 | <21> |
| Current Law Aid Funding Level (Line 4) | | | 387 | 430 |
| **RECOMMENDED AID ENTITLEMENT** | | | 409 | 409 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 409 | 409 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 475 | 475 | 409 | 409 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 475 | 475 | 409 | 409 |

*$950 biennial appropriation less $475 balance forward to FY 1995

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0411 | LEARNING READINESS |
| CITATION: | | M.S. 121.831; 124.2615 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

To strengthen and build upon existing community resources to effectively address the health, nutrition, education and social service needs of four year old children with the goal of enhancing their learning and development and future success in school. This requires extensive coordination and cooperation among service providers, parents, policy makers and others to assure that children with the greatest needs receive the most intensive/extensive services as part of a continuum that could potentially enrich the lives of all four year olds.

Most education aid programs contribute to more than one education goal. By facilitating the coordination and cooperation of community resources to address the health, nutrition, education, and social service needs of four year old children, this program contributes to four of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 102 and 106.

**DESCRIPTION:**

Learning Readiness is not a separate program but a concept for providing a continuum of services for four year old children based upon their needs as identified through a screening process. M.S. 121.831 requires that the program include the following:

- a comprehensive plan to coordinate social services to provide for the needs of participating families and for collaboration with agencies or other providers;
- a development and learning component;
- a nutrition component;
- health referral services to address the medical, dental, and mental health needs of the children;
- involvement of parents in meeting the needs of the children;
- community outreach; and
- community-based staff and program resources.

Learning Readiness recognizes that while all young children have many similar needs, they do not require identical services because their needs are being met in a variety of ways. Learning Readiness connects the child and family with the appropriate resources in a comprehensive, sensible way and then continues to follow-up to make sure that the child's needs are being addressed.

Communities are required to develop a plan that provides for a continuum of services based upon the needs of their children that would 1) provide choices through increased opportunities for all four year olds, 2) provide for heterogeneous mixing of children/families to prevent labeling and 3) build upon existing programs to improve quality and maximize the use of resources in that specific community. Learning Readiness funds become the "glue" to connect services, to provide access for children otherwise unable to participate, to fill gaps where certain services are missing or to supplement existing services to improve quality, quantity or breadth of service.

Services range from comprehensive Head Start and Family Literacy/ESL programs, to use of innovative scheduling of existing preschool and child care center programs that have added a parent education/involvement component and special needs services, to "life experience" field trips and "kindergarten connection" classes for all children and parents, to story time hours with take-home activity kits from the public library and special nutrition education sessions presented by Chef Combo through Minnesota Extension Service. The actual continuum varies from community to community and the list of ideas statewide is almost endless.

To become eligible for Learning Readiness aid, a district must submit a plan to the commissioners of education; health; human services; and economic security. All agencies review and comment; MDE compiles comments and negotiates changes with the districts until the plan becomes suitable for approval.

Districts receive aid from the biennial appropriation of $19,000,000 for F.Y. 1994 and F.Y. 1995 equal to: 1) the number of eligible four-year-old children in the district times the ratio of 50% of the total learning readiness aid for that year to the total number of eligible four-year-old children

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0411 LEARNING READINESS
(Continuation)

reported to the commissioner for that year; plus 2) the number of participating eligible children times the ratio of 15% of the total learning readiness aid for that year to the total number of participating eligible children for that year; plus 3) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program times the ratio of 35% of the total learning readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Districts | -- | 365 | 340 | 342 | 345 |
| Number of 4 Year Olds | -- | 67,985 | 67,037 | 67,000 | 67,000 |
| Number of participating children | -- | 45,000 | 45,000 | 45,000 | 45,000 |
| Number of participating parents | -- | 48,000 | 48,000 | 48,000 | 48,000 |
| Percent of children/free or reduced rates | -- | 73% | 73% | 73% | 73% |
| Basic Revenue | -- | $ 4,749.5 | $ 4,746.5 | $ 4,746.5 | $ 4,746.5 |
| Supplemental Revenue | -- | 4,749.5 | 4,746.5 | 4,746.5 | 4,746.5 |
| Evaluation | -- | -- | 20.0 | 10.0 | 10.0 |
| Program | -- | $ 9,499.0 | $ 9,493.0* | $ 9,493.0 | $ 9,493.0 |
| Unprorated Aid Entitlement | -- | $ 9,499.0 | $ 9,513.0 | $ 9,503.0 | $ 9,503.0 |
| Proration Factor** | -- | 1.0 | 1.0 | 0.8158 | 0.9062 |
| Prorated Aid Entitlement | -- | $ 9,499.0 | $ 9,513.0 | $ 7,753.1 | $ 8,611.9 |

* In F.Y. 1995, $1,500.0 was added to $9,493.0 as part of the violence prevention initiatives, Laws 1994, Chap. 576.
** F.Y. 1996 and F.Y. 1997 prorated per Laws '93, Ch. 224, Art. 15, Sec. 3

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | -- | $ 9,499 | $ 9,493 | $ 9,495 | $ 9,495 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 1,750) | ( 892) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 9,499 | $ 9,493 | $ 7,745 | $ 8,603 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| Evaluation | -- | $ 0 | $ 20 | $ 10 | $ 10 |
| | | | | ( 2) | ( 1) |
| | | | | 8 | 9 |
| Total Aid Entitlement | -- | $ 9,499 | $ 9,513 | $ 7,753 | $ 8,612 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 9,509[a] | $ 9,503[a] | $ 9,505[a]* | $ 9,505[a]* |
| Entitlement Changes Per Law: | | | | | |
| ■ Evaluation Design was Begun at No Cost in F.Y. 1994, and a Larger Continuing Evaluation Effort is Planned for F.Y. 1995 | | ( 10) | 10 | | |
| ■ Evaluation | | | ( 20) | ( 10) | ( 10) |
| Statutory Formula Aid (Unprorated) | | $ 9,499 | $ 9,493 | $ 9,495 | $ 9,495 |

[a] Includes $10 Evaluation
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

BUDGET ISSUES:

A. CHALLENGES:

- To increase the percentage of children who enter kindergarten ready to learn.
- To assure that children with the greatest needs receive priority for services without inadvertently labeling them "at risk" in the process.
- To effectively engage hard-to-reach parents in their children's learning and total development.

B. STRATEGIES:

- Continue to collaboratively build upon existing resources to provide experiences for young children and their families that will enhance their readiness for school.
- Place additional emphasis on parent education/involvement component to prepare and support parents in fulfilling their responsibilities toward their children.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $9,505 for F.Y. 1996 and $9,505 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $9,504 in F.Y. 1996 ($1,424 for F.Y. 1995 and $8,080 for F.Y. 1996), and $9,505 in F.Y. 1997 ($1,425 for F.Y. 1996 and $8,080 for F.Y. 1997).

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0411: LEARNING READINESS PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 9,509[a] | $ 9,503[a] | $ 9,505[a] | $ 9,505[a] |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,752> | <893> |
| 3. Other Adjustments | | | | |
| Balance Forward--Evaluation Funds | <10> | 10 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 9,499 | 9,513 | 7,753 | 8,612 |
| 5. Statutory Formula Aid (Detail in Narrative) | 9,499[b] | 9,513[c] | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 9,499 | 9,513 | 7,753[a] | 8,612[a] |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds From Other Programs | | | 1,752 | 893 |
| Current Law Aid Funding Level (Line 4) | | | 7,753 | 8,612 |
| **RECOMMENDED AID ENTITLEMENT** | | | 9,505 | 9,505 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 9,506 | 9,505 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,412 | 1,426 | 1,424 | 1,425 |
| Current Year 85 Percent | 8,073 | 8,089 | 8,080 | 8,080 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 9,485 | 9,515 | 9,504 | 9,505 |

[a]Includes $10 evaluation.

[b]Includes $0 evaluation.

[c]Includes $20 evaluation

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0412 | GED TEST REIMBURSEMENT |
| CITATION: | | Laws 1993, Chap. 224, Art. 4, Sec. 44, Subd. 10 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | 0427 | Adult Basic Education |

**PURPOSE:**

To provide increased access for eligible individuals to complete the Tests of General Educational Development (GED) by paying 60% of the fees for taking the full battery of GED tests, but not more than $20 per eligible individual. The average fee for a complete GED battery in 1994 is $35.

Successful completion of the GED test battery results in the awarding of a Secondary School Equivalency Certificate by the Minnesota Department of Education. A high school diploma or GED Certificate is required by many employers and 95% of Minnesota postsecondary educational institutions require a high school credential for admission.

Most education aid programs contribute to more than one education goal. Through the process of earning the GED certificate and the possession of the GED certificate, better enabling an individual to become economically self-sufficient and progress along the path of lifelong learning, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement**: All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 14.

**DESCRIPTION:**

Effective July 1, 1992, the State began to pay 60% of the fee charged to an eligible individual for the full battery of the GED test, but not more than $20 for an eligible individual.

To be eligible for the program, an individual must meet two criteria: be a Minnesota resident and have been so for at least 90 days and not be currently enrolled in a program leading to a high school diploma. Eligible individuals applying for retesting under the reimbursement program must also verify that 30 calendar days have passed since their last examination and that additional study has been undertaken.

At the end of each fiscal quarter, each of the 64 Minnesota testing centers submits to the Minnesota Department of Education the number of eligible persons registering for the complete test batteries as well as the number taking partial tests. Based on that information, reimbursement is made to each Center in relation to a fee submitted to the Minnesota Department of Education prior to the start of the fiscal year. Total annual allocation for the program for F.Y. 1993, F.Y. 1994, and F.Y. 1995 was $180,000.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| GED Candidates | 10,631 | 9,238 | 9,700 | 10,185 | 10,690 |
| GED Graduates | 6,653 | 6,152 | 6,460 | 6,780 | 7,120 |
| Number of Sites | 64 | 64 | 64 | 64 | 64 |
| Number of Participants | 4,860 | 4,930 | 6,000 | 6,200 | 6,400 |
| Average GED Test Fee (actual $) | $ 32.50 | $ 35.00 | $ 37.50 | $ 40.00 | $ 42.50 |

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 97 | $ 99 | $ 180 | $ 124 | $ 128 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | $ 97 | $ 99 | $ 180 | $ 124 | $ 128 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 180 | $ 180 | $ 180* | $ 180* |
| Entitlement Changes Per Law: | | | | | |
| ■ Reduction in Eligible Citizens Participating in Program | | ( 81) | | ( 56) | ( 52) |
| Statutory Formula Aid (Unprorated) | | $ 99 | $ 180 | $ 124 | $ 128 |

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

0412 GED TEST REIMBURSEMENT
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | $ 99 | $ 180 | $ 124 | $ 128 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | | | 23 | 35 |
| ■ Cancellation | | 81 | | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | $ 180 | $ 180 | $ 147 | $ 163 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Increased consumer demand for GED Test reimbursement.

**B. STRATEGIES:**

- Continue to use available resources to provide GED Test reimbursement.
- Explore other sources of revenue for GED Test reimbursement.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $126 for F.Y. 1996 and $126 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $126 in F.Y. 1996, and $126 in F.Y. 1997.

The Governor recommends authority for carryover of any unexpected balance in the first year to the second year of the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0412: GED TEST REIMBURSEMENT**

| | | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|---|
| 1. | Appropriation-Implied Entitlement | $ 180 | $ 180 | $ 180 | $ 180 |
| 2. | Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <33> | <17> |
| 3. | Other Adjustments | | | | |
| | Cancellation | <81> | | | |
| 4. | CURRENT LAW AID FUNDING LEVEL | 99 | 180 | 147 | 163 |
| 5. | Statutory Formula Aid (Detail in Narrative) | 99 | 180 | | |
| 6. | Funding Excess/Deficiency | | | | |
| 7. | Funding Excess/Deficiency after Adjustments | | | | |
| 8. | CURRENT LAW LEVY | | | | |
| 9. | CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 99 | 180 | 147 | 163 |
| | **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| | 1. Reallocate Funds to Other Education Programs | | | <23> | <35> |
| | 2. Reallocate Funds Between Years | | | 2 | <2> |
| | Current Law Aid Funding Level (Line 4) | | | 147 | 163 |
| | **RECOMMENDED AID ENTITLEMENT** | | | 126 | 126 |
| | GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| | Current Law Levy (Line 8) | | | | |
| | RECOMMENDED LEVY | | | | |
| | **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 126 | 126 |
| | APPROPRIATIONS BASIS: | | | | |
| | Prior Year | | | | |
| | Current Year | 99 | 180 | 126 | 126 |
| | Transfers Per M.S. 124.14, Subd. 7 | | | | |
| | **Total-State General Funds** | 99 | 180 | 126 | 126 |

| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aids |
| | 0413 | GED COORDINATION |
| **CITATION:** | | Laws of 1993, Chap. 224, Art. 4, Sec. 44, Subd. 11 |
| **MDE ADMIN:** | 1206 | Community Collaboration |
| **FEDERAL:** | 0427 | Adult Basic Education |

**PURPOSE:**
To oversee and coordinate the activities of the statewide Tests of Educational Development (GED) program which allows eligible Minnesota residents who have dropped out of high school to earn a Secondary School Equivalency Certificate.

Each state offering GED testing is required by the GED Testing Service of the American Council on Education to provide a fully qualified GED Administrator to oversee the program.

Most education aid programs contribute to more than one education goal. Through the process of earning the GED certificate and the possession of the GED certificate, which better enables an individual to become economically self-sufficient and progress along the path of lifelong learning, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Lifework Development and Technology Competence**
- **Collaboration and Service Co-Location.**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 14.

**DESCRIPTION:**
Effective July 1, 1993, an appropriation of $60,000 by the Minnesota Legislature was applied toward the operation of the GED Testing Office in the Minnesota Department of Education.

This office is responsible for the administration of the GED testing program in Minnesota, a "second chance" opportunity for state residents who have dropped out of school before attaining a high school diploma. Successful completion of the five-part GED test battery results in the awarding of the Secondary School Equivalency Certificate by the Minnesota Department of Education.

Eligibility requirements are determined by the Minnesota State Board of Education, the Minnesota Department of Education, and the GED Testing Service in Washington, D.C.

The Minnesota Department of Education GED office is responsible for administration and development of the GED testing program; the oversight of the GED testing office; the development and coordination of the GED on TV network which televises GED instruction; training of Adult Basic Education and GED practitioners; and the coordination of the Adult Diploma program in Minnesota.

Research has consistently shown that a high school credential is an important factor in an individual's educational, occupational, and personal success. The GED equivalency certificate provides a second chance opportunity for those having dropped out of secondary education before earning a high school diploma.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| Number of Testing Sites | 64 | 64 | 64 | 64 | 64 |
| GED candidates* | 10,631 | 9,238 | 9,700 | 10,185 | 10,690 |
| GED Graduates | 6,653 | 6,152 | 6,460 | 6,780 | 7,120 |

* Individuals taking all or part of the GED test battery but not necessarily earning secondary school equivalency certificate.

NOTE: Decrease in numbers for both GED candidates and GED graduates in F.Y. 94 is attributed to two factors: (a) interruption in broadcasting of GED on TV instruction on Public Television (loss of appropriation) and (b) increasing numbers of non-high school graduates in Adult Diploma program.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 (Current Law) | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 60 | $ 60 | $ 60 | $ 60 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 11) | ( 6) |
| Current Law Aid Entitlement | -- | $ 60 | $ 60 | $ 49 | $ 54 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 60 | $ 60 | $ 60* | $ 60* |
| Statutory Formula Aid (Unprorated) | | $ 60 | $ 60 | $ 60 | $ 60 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**GOVERNOR'S RECOMMENDATION:**
The Governor recommends an aid entitlement of $52 for F.Y. 1996 and $52 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $52 in F.Y. 1996, and $52 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0413: GED COORDINATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 60 | $ 60 | $ 60 | $ 60 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <11> | <6> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 60 | 60 | 49 | 54 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 60 | 60 | 49 | 54 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 3 | <2> |
| Current Law Aid Funding Level (Line 4) | | | 49 | 54 |
| **RECOMMENDED AID ENTITLEMENT** | | | 52 | 52 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 52 | 52 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 60 | 60 | 52 | 52 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 60 | 60 | 52 | 52 |

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community Education |
| AGENCY: | | Education Aids |
| | 0414 | ALCOHOL-IMPAIRED DRIVER EDUCATION |
| CITATION: | | M.S. 123.709; 171.29, Subd. 2, Paragraph(b), Clause(4) |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

Special revenue funding for this program is provided from a portion of the drivers license reinstatement fee. The 1991 Legislature changed the distribution of the funding by allocating up to $475,000 each year of the 1992-93 biennium for programming related to alcohol-impaired driver education, and up to $225,000, plus any additional funds that are received each year, for chemical abuse prevention programs.

To increase the number and quality of educational activities provided to youth that stress the dangers of alcohol-impaired driving in an effort to reduce the violence associated with alcohol involved traffic accidents, the resulting deaths and injuries, and to reduce the incidence of alcohol-impaired driving by Minnesota youth. More specifically, the Alcohol-Impaired Driver Education program objectives are to:

- implement and support an elementary (Grade K-6) program stressing the dangers of riding with a driver who has used alcohol prior to driving;
- provide schools with a Driving Under the Influence demonstration program utilizing a mobile driver simulator to show the effects of driving while under the influence of alcohol; and
- provide grants to schools as an incentive to support youth advocacy groups to enable them to plan and conduct alcohol-impaired driver prevention programs in their schools and communities.

By providing programs that stress the dangers of using alcohol while driving, presenting alternatives and other safety measures to use in a drinking and driving situation, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 28.

**DESCRIPTION:**

The Alcohol-Impaired Driver Education program is a school-based improvement program developed and directed by the Minnesota Department of Education (MDE) and implemented in conjunction with the Department of Health and Traffic Safety at St. Cloud State University.

This program was first enacted by the 1986 legislature, and began in FY 1988. Funding for the program was provided by dedicating 25 % of the $150 driver license reinstatement fee with funds transferred monthly from the Department of Public Service to the Department of Education. Since that time, the percent dedicated for this purpose has been reduced several times, and a cap has been placed on the amount of revenue that MDE can receive for the program. For 1994-95, the program funding cap was $314,000 for each year of the 1994-95 biennium.

**PROGRAM STATUS:**

**Age of Persons Killed and Injured in 1993 Alcohol-Related Crashes**

| Age | Killed[1] | Injured[2] |
|---|---|---|
| 0-4 | 3 | 55 |
| 5-9 | 0 | 83 |
| 10-14 | 1 | 85 |
| 15-19 | 13 | 770 |
| 20-24 | 39 | 1,174 |
| 25-29 | 28 | 822 |
| 30-34 | 34 | 738 |
| 35-39 | 31 | 523 |
| 40-44 | 11 | 367 |
| 45-49 | 13 | 206 |
| 50-54 | 9 | 152 |
| 55-59 | 2 | 86 |
| 60-64 | 4 | 49 |
| 65-69 | 3 | 45 |
| 70-74 | 2 | 42 |
| 75-79 | 2 | 23 |
| 80-84 | 0 | 11 |
| 85 & Older | 1 | 17 |
| Not Stated | 0 | 197 |
| Total | 196* | 5,445 |

[1]Includes alcohol test information as well as officer's perception of alcohol noted on accident report.
[2]Includes only police officer's perception of alcohol noted on accident report.
*13 of the 196 alcohol-related fatalities were pedestrians who had been drinking. In 3 of these 13 cases, the motor vehicle driver had also been drinking.

**PROGRAM:** 04 Community Education
**AGENCY:** Education Aids

0414 ALCOHOL-IMPAIRED DRIVER EDUCATION
(Continuation)

**DWI Arrests by Age, 1984-1993**

| Age | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990* | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|---|---|---|---|---|
| 14 & Younger | 6 | 8 | 8 | 8 | 6 | 8 | 7 | 5 | 3 | 5 |
| 15 | 21 | 24 | 27 | 13 | 15 | 25 | 12 | 14 | 9 | 10 |
| 16 | 185 | 171 | 254 | 208 | 160 | 175 | 158 | 126 | 128 | 100 |
| 17 | 500 | 446 | 546 | 485 | 503 | 458 | 431 | 299 | 275 | 241 |
| 18 | 1,342 | 1,109 | 1,151 | 1,084 | 1,038 | 1,072 | 959 | 740 | 576 | 542 |
| 19 | 2,166 | 1,846 | 1,813 | 1,363 | 1,229 | 1,284 | 1,318 | 1,063 | 836 | 787 |
| 20 | 2,370 | 2,035 | 2,002 | 1,709 | 1,291 | 1,426 | 1,472 | 1,315 | 1,048 | 929 |
| Total Under 21 | 6,590 | 5,657 | 5,801 | 4,870 | 4,242 | 4,448 | 4,357 | 3,562 | 2,875 | 2,614 |
| 14 & Younger | 6 | 8 | 8 | 8 | 6 | 8 | 7 | 5 | 3 | 5 |
| 15-19 | 4,214 | 3,614 | 3,791 | 3,153 | 2,945 | 3,014 | 2,878 | 2,242 | 1,824 | 1,680 |
| 20-24 | 11,220 | 10,289 | 10,273 | 9,345 | 7,933 | 8,071 | 8,357 | 7,470 | 7,217 | 7,101 |
| 25-29 | 7,511 | 7,618 | 8,295 | 8,146 | 7,920 | 8,293 | 8,744 | 7,332 | 6,646 | 6,559 |
| 30-34 | 4,720 | 4,933 | 5,002 | 5,110 | 5,146 | 5,554 | 6,509 | 6,312 | 6,109 | 6,177 |
| 35-39 | 3,013 | 3,200 | 3,316 | 3,356 | 3,265 | 3,577 | 4,111 | 4,100 | 4,073 | 4,613 |
| 40-44 | 2,078 | 2,062 | 2,098 | 2,087 | 2,101 | 2,418 | 2,689 | 2,680 | 2,549 | 2,724 |
| 45-49 | 1,394 | 1,292 | 1,274 | 1,289 | 1,360 | 1,407 | 1,531 | 1,340 | 1,510 | 1,567 |
| 50-54 | 916 | 911 | 857 | 834 | 786 | 892 | 985 | 845 | 856 | 943 |
| 55-59 | 704 | 686 | 631 | 584 | 556 | 568 | 590 | 489 | 523 | 533 |
| 60-64 | 443 | 395 | 397 | 359 | 406 | 389 | 417 | 369 | 349 | 287 |
| 65 & Older | 419 | 375 | 448 | 393 | 403 | 371 | 441 | 390 | 314 | 329 |
| Grand Total | 36,638 | 35,383 | 36,390 | 34,664 | 32,827 | 34,562 | 37,261 | 33,574 | 31,973 | 32,518 |

* The total for 1990 includes 2 arrests where age was unknown. Information provided by the Bureau of Criminal Apprehension.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 550 | $ 314 | $ 314 | $ 314 | $ 314 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | $ 550 | $ 314 | $ 314 | $ 314 | $ 314 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 314 | $ 314 | $ 314* | $ 314* |
| Statutory Formula Aid (Unprorated) | | $ 314 | $ 314 | $ 314 | $ 314 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $314 for F.Y. 1996 and $314 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $314 in F.Y. 1996, and $314 in F.Y. 1997.

See Program Budget 0415 for budget fiscal page.

| | | |
|---|---|---|
| PROGRAM: | 04 | Community Education |
| AGENCY: | | Education Aids |
| | 0415 | CHEMICAL ABUSE PREVENTION GRANTS |
| CITATION: | | M.S. 121.8355; 171.29, Subd. 2, Paragraph(b), Clause(4) |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**

Special revenue funding for this program is provided from a portion of the drivers license reinstatement fee. The 1993 Legislature changed the distribution of the funding by allocating up to $225,000 each year of the 1994-95 biennium for programming related to chemical abuse prevention, plus any additional funds that are received each year for chemical abuse prevention programs.

The Chemical Abuse Prevention Program funds Service Colocation. This grant program complements the Family Service Collaboratives. Concrete service and system change to meet the needs of youth are the ultimate objectives of these programs. These programs work to improve the link between social service, health services, and educational services. They represent a method of improving access to services, expanding service delivery systems, and building better collaboration between schools and service providers.

Most education aid programs contribute to more than one education goal. By improving access between schools and service providers, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 28.

**DESCRIPTION:**

The Chemical Abuse Prevention grants target children and youth who experience multiple risk factors that make their learning especially challenging. The Minnesota Student Survey in 1992 and the Survey of Special Populations in 1991 reveal a high degree of environmental stressors (physical, sexual and chemical abuse) that challenge young people's ability to cope. These environmental factors often impede a student's ability to learn. Community leaders, parents, schools, social service organizations and youth have creatively come together to respond to the unique needs within their communities. Each program works to foster community and agency collaboration, involvement of the target population in the planning, implementation and evaluation of the projects, parental involvement. The MDE provides technical assistance, fiscal administration and contract management functions for these grantees.

Funding is available on a competitive annual basis to public or non-profit entities including schools, school districts, groups of school districts, regional entities, community health boards, community social service agencies, community correction agencies, parent groups, community action agencies and other community-based organizations. Both planning and implementation grants are available. Applications for funding are reviewed by a broad-based review team and recommendations for funding are made to the Commissioner of Education.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Grants: | 10 | 5 | 4 | 4 | 4 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 324 | $ 142 | $ 290 | $ 200 | $ 200 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 324 | $ 142 | $ 290 | $ 200 | $ 200 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 200 | $ 200 | $ 200* | $ 200* |
| Entitlement Changes Per Law: | | | | | |
| ■ Special revenue funds received over the appropriation basis | | $ 32 | | | |
| ■ Balance forward due to late timing of receipts | | ( 90) | $ 90 | | |
| Statutory Formula Aid (Unprorated) | | $ 142 | $ 290 | $ 200 | $ 200 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 04 Community Education
**AGENCY:** Education Aids

0415 CHEMICAL ABUSE PREVENTION GRANTS
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The complexity of creating and funding integrated education, social service and health programs is an ongoing challenge.

**B. STRATEGIES:**

- Coordinate this funding source with the Family Service Collaboratives.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $200 for F.Y. 1996 and $200 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $200 in F.Y. 1996, and $200 in F.Y. 1997.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0414: ALCOHOL IMPAIR DRIVER ED**
**0415: CHEMICAL ABUSE PREVENTION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 514 | $ 514 | $ 514 | $ 514 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| Balance Forward | <90> | 90 | | |
| Funds Received over the Appropriation Basis | 32 | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 456 | 604 | 514 | 514 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 456 | 604 | 514 | 514 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| Current Law Aid Funding Level (Line 4) | | | 514 | 514 |
| **RECOMMENDED AID ENTITLEMENT** | | | **514** | **514** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **514** | **514** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 456 | 604 | 514 | 514 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | | | |
| **Total-Special Revenue Fund** | **456** | **604** | **514** | **514** |

| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aids |
| | 0416 | OMBUDSPERSONS |
| **CITATION:** | | M.S. 257.0755; Laws 93, Chp. 224, Art. 4, Sec. 44, Subd. 18 |
| **MDE ADMIN:** | 1206 | Community Collaboration |
| **FEDERAL:** | | None |

**PURPOSE:**

This program provides funding to allow ombudspersons to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.

Most education aid programs contribute to more than one education goal. By monitoring agency compliance with all laws governing child protection and placement as they impact children of color, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 194.

**DESCRIPTION:**
The Office of Ombudsperson for Families is authorized by M.S. 257.0755 and was created in 1991. The original legislation required the office to operate independently but under the auspices of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. Each of these groups selected its own ombudsperson. In 1994, the Legislature changed the relationship between the Office and the councils by removing them from the auspices of the councils and required that they work in collaboration with the councils. Also under this legislation, the selection of the ombudsperson was changed from the councils to a community-specific board. Four community-specific boards were created. Each consists of five members. The chair of each of the four councils appoints the community-specific board. The members of the four community-specific boards are required to meet together at least four times a year to advise the ombudspersons on overall policies.

Each ombudsperson has the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.

It is the goal of the Office of Ombudspersons to ensure that all laws governing the protection of children and their families are implemented in a culturally competent manner.

The ombudspersons were originally housed with the related councils. With the clarifying language regarding the independent nature of the office and in order to better communicate between the four ombudspersons, common office space is now used.

**PROGRAM STATUS:**
The Office is funded from a transfer from the Department of Human Services, a General Fund appropriation made to the Department of Education and transferred to the Office of Ombudspersons, and direct General Fund appropriations.

Each of the ombudspersons has served on a part-time basis. The 1994 legislature approved additional funding with the intent of making the positions full-time. However, the current spending level provides basic support funding and approximately three-quarter time salary funding.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 80 | $ 0 | $ 40 | $ 40 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 7) | ( 4) |
| Current Law Aid Entitlement | -- | $ 80[a] | $ 0 | $ 33 | $ 36 |
| Proration Factor | -- | 1.000 | -- | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 80 | $ 0 | $ 40* | $ 40* |
| Statutory Formula Aid (Unprorated) | | $ 80 | $ 0 | $ 40 | $ 40 |

[a] Transferred out to various Councils per appropriation rider.
(*) Biennial appropriation of $80 allocated to F.Y. 1996 and F.Y. 1997.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $33 for F.Y. 1996 and $36 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $33 in F.Y. 1996, and $36 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0416: OMBUDSPERSONS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 80 | $ 0 | $ 40 | $ 40 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <7> | <4> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 80 | 0 | 33 | 36 |
| 5. Statutory Formula Aid (Detail in Narrative) | 80 | 0 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 80[a] | 0 | 33 | 36 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| Current Law Aid Funding Level (Line 4) | | | 33 | 36 |
| **RECOMMENDED AID ENTITLEMENT** | | | 33 | 36 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 33 | 36 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 0 | 0 | 33 | 36 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 0 | 0 | 33 | 36 |

[a]Transferred out per appropriation rider

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0417 | VIOLENCE PREVENTION EDUCATION GRANTS (Includes Chap. 326) |
| CITATION: | | M.S. 126.78 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

## PURPOSE:

To develop and implement a violence prevention program for students in grades kindergarten through 12 that can be integrated into existing curriculum. To help students learn how to resolve conflicts within their schools, families and communities in nonviolent ways.

Most education aid programs contribute to more than one education goal. By contributing to the development of violence prevention strategies and by assisting families and communities in the development of positive alternative activities for youth, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 26 and 28.

## DESCRIPTION:

This grant program makes funds available to school districts, education districts or groups of school districts which may support curriculum development and teacher training in areas of violence prevention. Local school districts and groups of school districts apply for noncompetitive funding on a yearly cycle. Progress reports are submitted annually. Onsite monitoring and technical assistance is provided to about 25% of districts annually. In addition staff provide written guidance and regional workshops on an annual basis. Staff are experiencing a high level of telephone requests for information and consultation. Special programs are developed on an ongoing basis. This year the Safe-Team project was a very successful state fair effort that extended into the schools in the fall. Districts are eligible for up to $3 per pupil unit. No matching funds are required by the school district, education districts or group of school districts. In F.Y. 1993, an additional $1,000,000 was allocated in the Juvenile Justice Bill.

The overall impact of the grants is that Minnesota schools will be free of violence, and offer nurturing, safe and disciplined environments conducive to learning, as well as promote the emotional and physical well-being of all children. During the 1993-94 school year there were 355 districts that provided a wide range of violence prevention activities such as: comprehensive training of staff, students and parents in conflict resolution, peer mediation and crisis management, community surveys and networking with community agencies to provide services for youth and families, curricular development, creation of educational plays, all-school assemblies for educational speakers and theatrical performances, policy revision and purchasing materials such as videos and books on violence prevention. Some schools engaged multiple approaches. Progress reports show that schools are experiencing increasing demands for resources in violence prevention and that they are appreciative of the funding and technical assistance that is provided for this purpose.

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Grants (Chap. 326) | $ 1,449.1 | $ 1,450.0 | $ 1,450.0 | $ 1,450.0 | $ 1,450.0 |
| Administration | 36.1 | 50.0 | 50.0 | 50.0 | 50.0 |
| Additional Grants (Chap. 224) | -- | 1,000.0 | -- | -- | -- |
| Total Funding | $ 1,485.2 | $ 2,500.0 | $ 1,500.0 | $ 1,500.0 | $ 1,500.0 |

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 1,485 | $ 2,500[a] | $ 1,500 | $ 1,500 | $ 1,500 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | $ 1,485 | $ 2,500 | $ 1,500 | $ 1,500 | $ 1,500 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

0417 VIOLENCE PREVENTION EDUCATION GRANTS (Includes Chap. 326)

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | $ 2,500 | $ 1,500 | $ 1,500* | $ 1,500* | |
| Statutory Formula Aid (Unprorated) | $ 2,500 | $ 1,500 | $ 1,500 | $ 1,500 | |

(a) Includes $1,000 per Laws 1993, Chap. 224.
(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- School districts are experiencing increases in violence in school settings.
- Calls from schools and communities requesting assistance have tripled in the past year.
- Calls seeking counsel and advice for handling violent incidents, including weapons violations, have become very complex and time-consuming strategies.

**B. STRATEGIES:**

- Combine the application process for Federal Safe and Drug Free Schools with the application process for the state Violence Prevention Education Grants activity to reduce local and state paperwork load in order to direct more staff time to technical assistance.
- Continue newsletter and training efforts.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $1,500 for F.Y. 1996 and $1,500 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $1,500 in F.Y. 1996, and $1,500 in F.Y. 1997.

The Governor recommends authority for carryover of any unexpected balance in the first year to the second year of the biennium.

Of the amount each year, $50.0 is for program administration.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0417: VIOLENCE PREVENTION EDUCATION (Laws 1993, Chapter 326)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 2,500* | $ 1,500 | $ 1,500 | $ 1,500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 2,500 | 1,500 | 1,500 | 1,500 |
| 5. Statutory Formula Aid (Detail in Narrative) | 2,500 | 1,500 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 2,500 | 1,500 | 1,500 | 1,500 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| Current Law Aid Funding Level (Line 4) | | | 1,500 | 1,500 |
| **RECOMMENDED AID ENTITLEMENT** | | | **1,500** | **1,500** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **1,500** | **1,500** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 2,500 | 1,500 | 1,500 | 1,500 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **2,500** | **1,500** | **1,500** | **1,500** |

*Includes $1000 per Laws 1993, Ch. 224

| | | |
|---|---|---|
| **PROGRAM:** | 04 | Community and Family Education |
| **AGENCY:** | | Education Aids |
| | 0418 | VIOLENCE PREVENTION COUNCILS |
| **CITATION:** | | Laws of 1993, Chap. 224, Art. 4, Sec. 44, WP. 17 |
| **MDE ADMIN:** | 1206 | Community Collaboration |
| **FEDERAL:** | | None |

**PURPOSE:**

To identify community needs and resources for violence prevention and to develop services that address community needs related to violence prevention.

Local cities, counties, schools and neighborhood organizations are eligible to apply yearly for up to $3,000 on a competitive grant funding basis. The program requirements include: establish a community council to identify needs and resources for violence prevention, develop services to address violence prevention needs and coordinate with local child abuse prevention teams.

This program is increasing the involvement of community members, including the clergy, business, civic leaders, law enforcement, service agencies and organizations.

Most education aid programs contribute to more than one education goal. By contributing to the development of violence prevention strategies and by assisting families and communities in the development of positive alternative activities for youth, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 26 and 28.

**DESCRIPTION:**

This grant program is available to cities, counties, school districts and neighborhood organizations to identify and address community needs related to violence. Grants are awarded on a competitive basis, with the average grant amount of $3,000. Grants are awarded annually and no matching funds are required to participate.

The overall impact of the grants is that Minnesota communities will be free of violence, and offer nurturing, safe and disciplined environments and promote the emotional and physical well-being of all children and the stability of families.

During the last funding cycle there were 52 communities that provided a wide range of violence prevention activities such as: 1) training; 2) printing and dissemination of prevention material; and 3) identifying community needs and locating available resources.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of grants | 55 | 67 | 70 | 70 | 70 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 250 | $ 200 | $ 200 | $ 200 | $ 200 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 37) | ( 19) |
| Current Law Aid Entitlement | $ 250 | $ 200 | $ 200 | $ 163 | $ 181 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 200 | $ 200 | $ 200* | $ 200* |
| Statutory Formula Aid (Unprorated) | | $ 200 | $ 200 | $ 200 | $ 200 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**CHALLENGES:**

- It is critical that communities and schools work together to address prevention issues.

**STRATEGIES:**

- Make certain that all other available funding sources for violence prevention, such as Family Services Collaboratives and federal Drug Free and Safe Schools programs include broad-based community prevention activities.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. The Family Services Collaboratives initiative can be utilized to further broad-based community prevention activities.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0418: VIOLENCE PREVENTION COUNCILS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 200 | $ 200 | $ 200 | $ 200 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <37> | <19> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 200 | 200 | 163 | 181 |
| 5. Statutory Formula Aid (Detail in Narrative) | 200 | 200 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 200 | 200 | 163 | 181 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <163> | <181> |
| Current Law Aid Funding Level (Line 4) | | | 163 | 181 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 200 | 200 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 200 | 200 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 04 | Community and Family Education |
| AGENCY: | | Education Aids |
| | 0419 | INTERAGENCY EARLY INTERVENTION - PART H |
| CITATION: | | M.S. 120.1701 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | 0421 | Infants and Toddlers (Part H, P.L. 102-199) |

**PURPOSE:**

To provide eligible young children with disabilities, from birth through age 2 and their families with interagency services in their local communities developed through the Individualized Family Service Plan (IFSP) process. This is accomplished through the implementation of a comprehensive, coordinated, collaborative, interagency, multi-disciplinary, early intervention system throughout Minnesota. The Part H Interagency Early Childhood Intervention Project is an interagency effort between the Minnesota Departments of Education, Health, and Human Services.

Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to program 0301, Special Education - Regular, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 102.

**DESCRIPTION:**

Minnesota receives an annual federal grant (Part H) based on the number of annual live births in Minnesota. The Part H Interagency Early Childhood Intervention Project program assists and provides funds to the 94 local interagency early childhood intervention (IEICs) committees established under M.S. 120.1701 for the development, coordination and implementation of a comprehensive system of interagency early childhood intervention services for young children with disabilities and their families.

Interagency early childhood intervention services for eligible young children with disabilities and their families generally are provided in conformity with an IFSP in the home, child care setting, or in a center based program including Early Childhood Family Education and Early Childhood Special Education.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Children Served (Birth-Age 2) | -- | 2,436 | 2,563 | 2,788 | 3,028 |

The number of infants and toddlers identified on December 1, 1993 child count was 2,436.

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID | -- | -- | -- | $ 0 | $ 679 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | -- | ( 0) | ( 64) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | -- | -- | $ 0 | $ 615 |
| Proration Factor | -- | -- | -- | -- | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | -- | $ 0* | $ 679* |
| Statutory Formula Aid (Unprorated) | | -- | -- | $ 0 | $ 679 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

The number of infants and toddlers identified on December 1, 1993 child count was 2,436.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The number of infants and toddlers eligible to receive special education services is expected to increase for the next few years, but at a slower pace.
- Recent legislation has put Minnesota into full implementation of Part H, clarifying school and county board responsibility and thus assuring the availability of Part H services throughout Minnesota.
- This activity is currently supported entirely with federal funds which will be sufficient through F.Y. 1996. However, in F.Y. 1997 an additional $2,035,477.00 in state funding will be needed to support this interagency program beyond the anticipated $6,145,720 available from federal funds. The funding for F.Y. 1997 will be provided by the Departments of Education, Health, and Human Services. This is based on projections of an increase of the number of eligible children according to the 1993 fiscal study requested by the legislature.
- Issues currently under discussion by state agencies, the ICC, and the 94 IEICs include the level and availability of early intervention services to be provided to young children and their families, the financial responsibility for providing services, procedural safeguards, quality review and

strategies for accessing health care benefits including medical assistance and other third party payment sources.

**B. STRATEGIES:**

- The Part H Infants and Toddlers program provides the resources for the development and implementation of statewide policies to ensure the availability of appropriate early intervention services for young children with disabilities and their families. The Minnesota Department of Education (MDE) has the responsibility as lead agency for the fiscal administration, and supervision and monitoring of the various programs and services provided to young children with disabilities and their families. MDE, along with representatives from Health and Human Services and the ICC define, develop, and implement interagency policies regarding definition, child identification IFSPs, service coordination, comprehensive system of personnel development (CSPD), monitoring, financial responsibility, procedural safeguards for families, dispute resolution procedures, through a state interagency agreement. The 94 local IEICs identify and coordinate resources to assure the development of individual family service plans (IFSPs) and services for eligible young children and their families.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $0 for F.Y. 1996 and $400 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $0 in F.Y. 1996, and $400 in F.Y. 1997.

Since this program is a joint venture by the Departments of Education, Health, and Human Services, each agency is funding their portion of the program. Total state funds necessary in F.Y. 1997 are projected to be $2,035 million.

The distribution of program funding between agencies was decided by the Interagency Coordinating Council based on data regarding the mix of services provided at the local level through Part H.

The Governor also recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0419: INTERAGENCY EARLY INTERVENTION--PART H (STATE COSTS)**
**Also See Federal Program 0421**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ | $ | $ 679[a] |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | <64> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | | | 615 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | | | 615 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Distribute Funds Between Agencies per ICC Recommendation[b] | | | | <215> |
| Current Law Aid Funding Level (Line 4) | | | | 615 |
| **RECOMMENDED AID ENTITLEMENT** | | | | **400** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | | **400** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | | | 400 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | | | **400** |

[a]Assumed $2,035 would be allocated evenly between MDE, the Department of Health, and the Department of Human Services.

[b]The Departments of Health and Human Services will each contribute $817.5 towards funding of this program in FY 1997.

| | | |
|---|---|---|
| PROGRAM: | 04 | Community Education |
| AGENCY: | | Education Aids |
| | 0420 | FAMILY SERVICES COLLABORATIVES |
| CITATION: | | |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

**PURPOSE:**
Family Services Collaboratives are intended to foster cooperation and collaboration and help communities come together to improve results for Minnesota's children and families. Collaboratives must include at least one school district, one county and one public health organization, as well as broad community representation. Participating agencies must agree in writing to provide coordinated services for children and youth and to commit resources. Funds provided from this program must be used to provide direct services to children and families and are intended to provide broad-based systemic changes in the service delivery system. Communities that establish collaboratives must have a comprehensive plan for serving children ages 0 to 18 that coordinates funding streams, commits resources to an integrated fund, and contains clear goals and outcome-based indicators to measure progress toward achieving the goals. Collaboratives must coordinate family and children's services to avoid duplication and overlapping assessment and intake procedures, focus primarily on family-centered services and assure accessibility of services. The Children's Cabinet provides oversight and policy direction for the Family Services Collaboratives. The current funding includes dollars from both the Departments of Education and Human Services.

Most education aid programs contribute to more than one education goal. By improving access between schools and service providers, this program contributes to four of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:** The Family Service and Community Based Collaborative grants program funded 38 planning grants and 11 implementation grants in F.Y. 1994. The projects are required to include a minimum of one school district, one county and one public health entity as well as wide community participation. Collaboratives are required to:

- establish clear goals for addressing the health, developmental, educational and family-related needs of children and youth;
- develop outcomes indicators;
- establish a comprehensive planning process;
- integrate funding sources to improve services that meet family needs;
- coordinate services to reduce overlap and duplication;
- focus on family centered services;
- identify federal, state and institutional barriers to service and articulate solutions.

The planning and implementation grants cover service areas that contain 85% of children ages 0 to 18 in Minnesota.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997* |
|---|---|---|---|---|---|
| Grant Amounts** | -- | -- | -- | $ 3,500 | $ 4,000 |
| Number of Grants** | -- | -- | -- | 17 | 22 |

* Estimated
** This represents one-half of the program; the other half is funded in the Department of Human Services.

**BUDGET ISSUES:**

**A. CHALLENGES:**
- The complexity of creating integrated education, social service and health programs is an ongoing challenge. All projects go through an extensive planning phase which involves creating a governance structure and an integrated fund.
- Services are targeted to high risk populations. At the same time projects are challenged to involve parents and consumers in the design and evaluation of the services received.
- Because of the innovative design of the projects there are many policy questions and needs for customized technical assistance.

**B. STRATEGIES:**
- Quarterly progress reports are required of all grantees.
- An interagency technical assistance team responds to requests for assistance.
- Children's Cabinet sets policy.

**GOVERNOR'S RECOMMENDATION:**
The Governor recommends an aid entitlement of $3,500 for F.Y. 1996 and $4,000 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $3,500 in F.Y. 1996, and $4,000 in F.Y. 1997.

The Governor recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0420: FAMILY COLLABORATIVES**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ ** | $ | $ | $ |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | | 0 | 0 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | | 0 | 0 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. New Initiative** | | | 3,500 | 4,000 |
| Current Law Aid Funding Level (Line 4) | | | 0 | 0 |
| **RECOMMENDED AID ENTITLEMENT** | | | 3,500 | 4,000 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 3,500 | 4,000 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | | 3,500 | 4,000 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | | 3,500 | 4,000 |

**In 1993, $4,470.0 was appropriated for the 1994-95 biennium for grants to local collaboratives. That funding was a one-time appropriation; these funds are a continuation and expansion of that program.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0421 INFANTS AND TODDLERS (Part H, PL 102-119)
The Interagency Early Childhood Intervention Project

**CITATION:** Education Consolidation Improvement Act, Chapter I (P.L. 102-119)
**MDE ADMIN:** 1206 Community Collaboration

**PURPOSE:**

To provide eligible young children with disabilities, from birth through age 2 and their families with interagency services in their local communities developed through the Individualized Family Service Plan (IFSP) process. This is accomplished through the implementation of a comprehensive, coordinated, collaborative, interagency, multi-disciplinary, early intervention system throughout Minnesota. The Part H Interagency Early Childhood Intervention Project is an interagency effort between the Minnesota Departments of Education and Health and Human Services.

Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to program 0301, Special Education - Regular, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 102.

**DESCRIPTION:**

Minnesota receives an annual federal grant (Part H) based on the number of annual live births in Minnesota. The Part H Interagency Early Childhood Intervention Project program assists and provides funds to the 94 local Interagency Early Childhood Intervention committees (IEICs) established under M.S. 120.1701 for the development, coordination and implementation of a comprehensive system of interagency early childhood intervention services for young children with disabilities and their families.

Interagency early childhood intervention services for eligible young children with disabilities and their families generally are provided in conformity with an IFSP in the home, child care setting, or in a center based program including Early Childhood Family Education and Early Childhood Special Education.

A major focus under the Federal Part H program is to enhance systems capacity and create an infrastructure through interagency collaboration and coordination. Funds for interagency cooperation/coordination provide for the following interagency state and local infrastructure components as required under Part H:

- training and technical assistance including personnel development;
- outreach activities such as child identification, a central directory, parent support and public awareness;
- data collection including state and local information capacity building;
- quality review involving procedural safeguards, mediation, complaints, dispute resolution and the quality assurance project; and the
- activities of the Governor's Interagency Coordinating Council on Early Childhood Intervention.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Children served (birth through age 2) | 2,312 | 2,436 | 2,563 | 2,788 | 3,028 |
| Aid to districts, agencies, private organizations | $ 1,979 | $ 1,979 | $ 3,275 | $ 3,600 | $ 3,600 |
| Funds for interagency cooperation/coordination | $ 78 | $ 78 | $ 1,162 | $ 1,200 | $ 1,200 |
| Total Funding | $ 2,057 | $ 2,057 | $ 4,437 | $ 4,800 | $ 4,800 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The number of infants and toddlers eligible to receive special education services is expected to increase for the next few years, but at a slower pace. Issues currently under discussion by state agencies, the Governor's Interagency Council on Early Childhood Intervention (ICC), and the IEICs include the level of services to be provided young children and their families, financial responsibility for providing services and implications of providing early intervention services throughout Minnesota.

**B. STRATEGIES:**

- The Part H Infants and Toddlers program provides the resources for the development and implementation of statewide policies to ensure the availability of appropriate early intervention services for young children with disabilities and their families. The Minnesota Department of Education (MDE) has the responsibility as lead agency for the fiscal administration, and supervision and monitoring of the various programs and services provided to young children with

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0421 INFANTS AND TODDLERS (Part H, PL 102-119)
The Interagency Early Childhood Intervention Project

(Continuation)

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disabilities and their families. MDE, along with representatives from Health and Human Services and the ICC define, develop, and implement interagency policies regarding definition, child identification, IFSPs, service coordination, comprehensive system of personnel development (CSPD), monitoring, financial responsibility, procedural safeguards for families, dispute resolution procedures, through a state interagency agreement. The 94 local IEICs identify and coordinate resources to assure the development of individual family service plans (IFSPs) and services for eligible young children and their families.

**GOVERNOR'S RECOMMENDATION:**

This activity is currently supported entirely with federal funds.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0422 EDUCATION FOR HOMELESS CHILDREN AND YOUTH

**CITATION:** P.L. 100-645
**MDE ADMIN:** 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

The purpose of this program is to assure that each homeless child or youth will have access to the same free, appropriate public education provided to the children of Minnesota residents. The Office for the Education of Homeless Children and Youth at the MDE is a federally funded initiative (P.L. 100-645).

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

MDE has developed guidelines for the distribution of P.L. 100-645 (Federal McKinney) homeless children education funds to local school districts. Eligible applicants are local school districts with strong relationships to shelters, advocates, and community agencies. Key program requirements are facilitating the enrollment, attendance and success of homeless children and youth in schools. Authorized activities include:

1. **Primary Activities.** At least 50% of amounts provided under a grant must be used to provide tutoring, remedial education services, or other education services to homeless children or youth.

2. **Related Activities.** At least 35 and not more than 50% of the amounts provided are to be used for related/support activities (i.e. evaluation, professional development, referral, transportation, early childhood, before and after-school programming, coordination, counseling, and school supplies).

The target population must be homeless children and youth. Districts are funded one year at a time. The total available for 1993 was $223,254, for 1994 was $245,473, and for 1995 is $256,680.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Students served | 4,239 | 5,003 | 5,003 | 5,003 | 5,003 |
| Grants Available | | | | | |
| Minneapolis | $ 69.6 | $ 67.0 | $ 80.0 | | |
| St. Paul | 66.3 | 62.0 | -- | | |
| Brooklyn Center | 36.0 | 36.0 | 38.6 | | |
| Bemidji | 40.0 | 40.0 | 45.0 | | |
| Owatonna | 6.4 | 5.6 | 7.5 | | |
| Lakeville | 5.0 | 5.0 | -- | | |
| Duluth | -- | 30.0 | 35.0 | | |
| Cloquet | -- | -- | 10.8 | | |
| Freshwater Ed. Dist. | -- | -- | 39.7 | | |
| Totals | $ 225.0 | $ 245.5 | $ 256.7 | $ 256.7 | $ 256.7 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Because of the 1994 Reauthorization of the McKinney Act, the Education for Homeless Children and Youth funds are available for preschool education programs as well as K-12 programs.
- Many homeless children with disabilities are not being served or are underserved. (This is approximately 25% of the homeless student population.)
- Since 1985 the homeless youth population has increased 400% (DES). 19% of homeless youth are not enrolled in school. Of those enrolled, one third are not attending on a regular basis (Wilder).

**B. STRATEGIES:**

- The Federal Stewart B. McKinney Homeless Assistance Act has been reauthorized. Congress has increased funding for the program by 3.3 million dollars (F.Y. 1994 - $25.5 million; F.Y. 1995 - $28.8 million.) Minnesota's allocation of P.L. 100-645 funds will remain at the F.Y. 1994 level ($250,000).

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0423 SCHOOL AGE CHILD CARE - DEPENDENT CARE/NETWORK GRANTS

CITATION: Dependent Care Grant (P.L. 98-558)
MDE ADMIN: 1206 Community Collaboration

**PURPOSE:**

The purpose of the School Age Child Care (SACC) Initiative is to provide supervision and recreational activities for children in grades K-6, before and after school, and on school release, vacation, and summer days.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 102.

**DESCRIPTION:**

The federal Dependent Care Grant (P.L. 98-558) provides funds enabling the School Age Child Care (SACC) Initiative to promote the growth and further development of quality School Age Child Care program options to families throughout Minnesota. It supports M.S. 121.88, Subd. 10, Extended Day Programs.

This program is funded to implement the following objectives:

a. To provide technical assistance to communities and school districts interested in starting or expanding SACC programs.
b. To increase public awareness of SACC throughout the state.
c. To establish a training network and identify resources throughout the state for staff and curriculum development opportunities for SACC providers.
d. To identify the public policy issues regarding SACC/Extended Day that need to be addressed by the State Board of Education and the State Legislature, and to coordinate a state plan.
e. To identify and encourage development of SACC models of partnership offering a broad array of enrichment, recreational, and tutorial opportunities.
f. To identify and encourage development of SACC models which meet the needs of all school age children with sensitivity to individuals and the changing family and community.

Through an interagency agreement with the Minnesota Department of Human Services (DHS), Child Care Resource and Referral agencies throughout the state are improved and expanded (in coordination with community and school based programming) providing care and education of children and youth.

Under newer federal funding from the Child Care and Development Block Grant Act, the SACC program received an additional $590,800 through an interagency agreement with the DHS. This funding supports SACC Network Mentoring grants which aim to improve the quality of SACC programming by supporting local projects based upon collaborative planning, implementation and evaluation and the MnSACC Training Network.

**PROGRAM STATUS:**

Districts/Agencies Receiving Grants:

| ($ in 000s) | F.Y. 1994 | F.Y. 1995 |
|---|---|---|
| St.Anthony/New Brighton Public Schools | $ 38.2 | $ 38.2 |
| Greater Minneapolis Day Care Association | 48.3 | 48.3 |
| Robbinsdale Area Schools | 46.0 | 46.0 |
| St. Paul Public School | 40.0 | 40.0 |
| Minneapolis Park & Rec | 40.0 | 40.0 |
| Wayzata Public Schools | 40.0 | 40.0 |
| Duluth Public Schools | 28.2 | 28.2 |
| Morris School District | 10.0 | 10.0 |
| Young People's Place, Alexandria | 20.6 | 20.6 |
| Kimball Public Schools | 20.0 | 20.0 |
| Young People's Place, Alexandria & Elbow Lake School | 40.0 | 40.0 |
| Morton Public Schools | 31.8 | 31.8 |
| Total | $ 403.1 | $ 403.1 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of SACC Network Mentoring Grants: | 13 | 14 | 13 | -- | -- |
| Average Grant Amount | $ 28.9 | $ 35.6 | $ 33.5 | -- | -- |
| Technical Assistance | $ 50.0 | $ 55.0 | $ 59.0 | $ 65.0 | $ 65.0 |
| Training Network | -- | $ 95.2 | $ 128.8 | $ 85.0 | $ 85.0 |
| Start up & Expansion Grants | -- | -- | -- | $ 500.0 | $ 500.0 |
| Total | $ 426.4 | $ 553.3 | $ 590.8 | $ 650.0 | $ 650.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

FEDERAL PROGRAMS:

0423 SCHOOL AGE CHILD CARE - DEPENDENT CARE/NETWORK GRANTS

(Continuation)

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BUDGET ISSUES:

A. CHALLENGES:

- During its six years of operation, the SACC Initiative has seen growth in the number of schools, districts, communities and families participating in SACC throughout Minnesota. The number of school districts offering SACC has grown from 40 in 1986 with 7,000 children enrolled after school, to over 150 districts in 1992 with over 20,700 children enrolled.

- Based upon a study of Minnesota parents in 1991, over 60% stated that they'd like to use a school-based SACC program. However, the study reveals that at least 1 in 8 elementary-aged child is left at home alone on a regular basis while their parents are at work.

- Training and technical assistance continues to be a primary need. The Initiative has responded to the need throughout the state for SACC programs to be more accessible to all families, particularly regarding children with disabilities. Staff continue to work with many agencies, parents and schools to provide technical assistance regarding the implementation of the Minnesota Extended Day/SACC legislation which allows school districts to levy for funds to enable children with disabilities to participate in SACC programs. This effort is attracting national attention.

- A coordinated statewide training effort has been identified as a need, and has been developed by the Initiative staff which has intensely trained SACC providers throughout the state. This SACC Training Network will train locally and regionally while integrating and collaborating with other community based training.

B. STRATEGIES:

- It is anticipated that federal funding sources will continue. Congress is currently determining funding levels.

- Plans are underway through coordination with the DHS, Minnesota SACC Alliance, as well as local and regional groups to continue to build statewide and regional structures which will integrate with other systems and provide a comprehensive, cost effective support for staff and families.

- SACC programs in Minnesota are committed to responding to changing family needs, which is reflected in the fact that Minnesota SACC programs are nationally recognized as leaders in program quality, innovation and diversity.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

FEDERAL PROGRAMS:

0424 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES

CITATION: Safe and Drug-Free Schools & Communities Act of 1994, Title IV
MDE ADMIN: 1206 Community Collaboration

PURPOSE:

**Violence and Drug Abuse Prevention** (Title IV):

To assist districts to establish, operate, and improve programs of drug abuse education and prevention and violence prevention, to eliminate the use of drugs and alcohol by youth and to reduce violence, in coordination with related community efforts and resources.

**Governor's Drug-Free Schools** (Title V, P.L. 100-278):

It is the purpose of Title V to:

- encourage establishment of drug abuse education and prevention (coordinated with related community efforts and resources) programs through the provision of Federal financial assistance and monitoring;
- provide grants to local and intermediate educational agencies and consortia to establish, operate, and improve local programs of drug abuse and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools);
- provide grants to and contracts with community-based organizations for programs of drug abuse and violence prevention, early intervention, rehabilitation referral, and education for school dropouts and other high-risk youth; and
- provide development, training, technical assistance, and coordination activities.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 28.

DESCRIPTION:

**Violence and Drug Abuse Prevention**:
This program provides funding to districts by distributing federal drug-free funds in grants to districts according to an entitlement formula based on school enrollment. Based on federal criteria, additional funds are allocated to districts which have the highest needs. The state program office reviews and approves program applications from school districts, regional education agencies and other consortia. Claims by school district grantees for reimbursement are processed and all data that are required by the federal law and regulations reporting requirements are collected by this program from districts. This program also assists districts in meeting the federal requirement that no local school district shall be eligible to receive funds or any other form of financial assistance under any federal program unless it certifies to the state education agency that it has adopted and has implemented a program to prevent the use of illicit drugs and alcohol by the students and employees.

**Governor's Safe and Drug-Free Schools**:
The Governor's Program is a multi-faceted federally funded initiative to address violence prevention and alcohol and other drug abuse problems in communities and schools. The major purpose of the Governor's Drug-Free Communities and Violence Prevention Program is to support coordinated and comprehensive community and school prevention programming. The best programming recognizes that causes of violence and substance abuse include factors at all levels of the community-individual, family, school and peers, and community. Comprehensive programs which address this spectrum hold the most promise for success in prevention. As stipulated in the federal law, some of these funds will be used to fund DARE Services. The Governor has designated the discretionary portion of this funding to support the replication of successful programs. Funding is also used for high risk youth activities, educational/vocational programs for high risk youth, services to high risk youth in correctional facilities, support to parent organizations, and technical assistance awards to the Office of Drug Policy and the Minnesota Department of Health. The Department of Education provides technical assistance, fiscal administration and contract management functions for these funds.

A wide range of prevention and intervention strategies are utilized by local programs. Programs target at-risk youth and attempt to provide comprehensive services to meet their diverse needs. Funds are awarded on a competitive basis. Eligible applicants include public or private non-profit entities which include schools, school districts, groups of school districts, regional entities, community health boards, community social service agencies, community correction agencies, parent groups, community action agencies, and other community-based organizations. Funding is for twelve months. Continuation of funding for a second year is contingent on both federal and state funding levels and project performance.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **Violence and Drug Abuse Prevention**: | | | | | |
| Program Applications approved* | 242 | 246 | 246 | 246 | 246 |
| Numbers of local school districts participating | 423 | 395 | 376 | 366 | 355 |
| Districts filing individual applications | 207 | 216 | 216 | 216 | 216 |

* Local school districts are allowed to pool money with regional educational consortia.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0424 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Districts pooling funds in consortium | 216 | 180 | 180 | 180 | 180 |
| MDE Regional Workshops conducted in drug abuse prevention | 6 | 7 | 7 | 7 | 7 |
| Grant Funding | $ 6,393 | $ 6,287 | $ 4,675 | $ 5,322 | $ 5,322 |
| **Governor's Drug-Free Schools:** | | | | | |
| High Risk Families & Youth/Coordinated Services | | | | | |
| Grants | 45 | 49 | 19.5 | 18 | 18 |
| Funding | $ 1,243.0 | $ 1,513.0 | $ 771.0 | $ 813.0 | $ 813.0 |
| Training, Eval., Admin., Technical Assistance | | | | | |
| Grants | 3 | 3 | 3 | 0 | 0 |
| Funding | $ 300.0 | $ 240.0 | $ 300.0 | $ 317.0 | $ 317.0 |
| Family Service Coll. | | | | | |
| Grants | 0 | 1 | 5 | 0 | 0 |
| Funding | 0 | 25 | 558 | 0* | 0* |
| DARE | | | | | |
| Grants | 59 | 67 | 63 | 50 | 50 |
| Funding | 176 | 178 | 162 | 133 | 133 |
| Total Funding | $ 1,762.0 | $ 1,779.0 | $ 1,629.0 | $ 1,330.0 | $ 1,330.0 |

* included in above line item under new guidelines for Safe and Drug Free Schools.

Note: Figures do not add up. Amounts *awarded* are inclusive of carryover from previous years.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

The next 2 years will represent significant changes for the program including:

- The new authorization from the federal government allows schools to use Drug Free Schools funding for violence prevention, however the funding did not increase substantially.
- There is a new federal requirement to expel for 365 days a student who brings a gun to school.
- New federal priorities include a reduction in the level of monitoring and an increase in the level of technical assistance to local school districts.

**B. STRATEGIES:**

- MDE will increase the level of technical assistance available to districts.
- MDE will combine the federal and state violence prevention programs to ensure coordination, reduce duplication and paperwork for districts.
- MDE will work with the legislature to reduce inconsistencies between state and federal reporting requirements on weapons in schools.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

The Governor recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

**PROGRAM:** 04 Community and Family Education
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0425 SERVE AMERICA (YOUTH SERVICE)

**CITATION:** P.L. 100-610
**MDE ADMIN:** 1205 Lifework Development

**PURPOSE:**

The Corporation on National and Community Service, Learn and Serve Program provides grants to states to promote youth service for youth and young adults. The grants for youth from kindergarten through the 12th grade are under the National Service Trust Act of 1993. The purpose is twofold: first, to provide opportunities for youth, especially youth at risk, to demonstrate good citizenship; and second, to contribute needed services in the community such as assistance to the elderly, tutoring for children, projects to improve the environment, and assistance to food shelves and shelters.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 94.

**DESCRIPTION:**

The Learn and Serve America Program consists of grants to local public schools, educational cooperatives and non-profit agencies to engage young people in service to their community. In Minnesota, the grants are awarded through a competitive request for proposal process which resulted in funding 25 school districts and 15 community-based organizations in rural, urban, suburban and Indian reservations areas.

Grantees are measuring the changes which occur in the youth who are engaged in community service activities as well as changes in the community. Since the programs differ widely, each has its own set of measurements; for example, one program is a peer program to prevent teen pregnancy; another is a program run jointly by the courts and school system to provide academic credit for juveniles engaged in community service; another is to establish a peer tutoring program in science in which students are engaged in measuring water quality and determining what action to take in the community; another is establishing an inter-generational program which engages both youth and senior citizens in community art projects.

**PROGRAM STATUS:**

Districts/agencies receiving grants in F.Y. 1994:

**School-based Grants:**

***In Greater Minnesota:***

Annandale Public Schools
Itasca Citizen Water Monitoring and Deer River School
Blue Earth Area Schools
Faribault/Nerstrand Schools
LeSueur/Henderson Schools
Remer/Longville Schools
Walker Public Schools
West Central Educational Service Unit
Isanti Middle School
Bemidji Public Schools
Crookston Public Schools
Lac Qui Parle Valley Schools
Pine City Schools
Rothsay Schools
Willmar Public Schools

***In Metro Area:***

Blaine High Schools
North St. Paul/Maplewood Schools
Minneapolis/Alternative Schools Service Learning Project
St. Paul/Expo for Excellence Elementary School
St. Paul/Hayden Heights Peer Leadership Program
Eden Prairie Schools
Minneapolis/Anwatin Middle School
Minneapolis/Webster Open School
St. Paul/Freshforce

**Community-Based Grants:**

***In Greater Minnesota:***

Red Wing YMCA

***In Metro Area:***

Minneapolis/Big Brothers & Big Sisters High School Mentoring Program
Minneapolis/Resource Inc.
Blaine/Give to the Earth Foundation
Minneapolis/Augsburg College - International Institute for Interracial Interaction
Minneapolis/Southside Family School
Chaska/Carver County Court Services
Minneapolis/YMCA Leadership Empowerment Program

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

FEDERAL PROGRAMS:

0424 SERVE AMERICA (YOUTH SERVICE)
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Youth Participants | 3,000 | 3,500 | 5,000 | 6,000 | 7,000 |
| Total Number of Grants | 23 | 26 | 40 | 40 | 45 |
| Total Grant Amount (School base) | $ 235.0 | $ 235.0 | $ 240.0 | $ 240.0 | $ 240.0 |
| Total Grant Amount (Community base) | -- | -- | $ 140.0 | $ 140.0 | $ 140.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- Because of the competitive nature of the Learn and Serve America program, there is uncertainty over the amount of money each state will receive, especially for the community based programs. Therefore, it is difficult to plan ahead.
- Congress will be determining the amount of funding for this program for F.Y. 1996 and beyond during the reauthorization hearings in 1995. Until then, there is uncertainty about the levels and amounts of funding.

B. STRATEGIES:

- Minnesota has been successful in the past in securing funding for this program. In 1994, Minnesota was one of 18 states to receive funding for community based programs. Therefore, the MDE will continue to make assumptions of funding based on past experience.
- MDE will inform the Minnesota Congressional delegation on the outcomes of the Learn and Serve programs currently funded and prepare other information needed during the reauthorization hearings.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

FEDERAL PROGRAMS:

0426 AIDS/HIV/STD EDUCATION

CITATION: Public Health Act, Section 301(A) M.S. 121.203
MDE ADMIN: 1206 Community Collaboration

PURPOSE:

To increase the number of schools that provide effective education to prevent the spread of HIV/AIDS/STDs among youth; to increase the number of students receiving effective AIDS/HIV/STD education; and to carry out special efforts to reach minority youth populations.

Most education programs contribute to more than one education goal. This program assists local school districts to meet the statutory requirement for HIV/AIDS/STD education.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 30.

DESCRIPTION:

The AIDS Prevention and Risk Reduction Program is a limited statewide delivery system for professional and technical assistance to the state's school districts, area learning centers, communities, community agencies, and professionals. The program has two primary sources of guidance: the state legislative mandate, and approval of specific workplan by the Centers for Disease Control (CDC) through a Public Health Services Grant.

This program, under the legislative mandate in M.S. 121.203, requires school districts to develop and implement a program to prevent and reduce the risk of Acquired Immunodeficiency Syndrome (AIDS). Under the legislative mandate each district must have a program that includes at least:

- planning materials, guidelines, and other technically accurate and updated information;
- a comprehensive, technically accurate, and updated AIDS curriculum;
- cooperation and coordination among districts and Educational Cooperative Service Units (ECSUs);
- targeting of adolescents, especially those who may be at high risk of contracting AIDS, for prevention efforts;
- involvement of parents and other community members;
- inservice training for appropriate district staff and school board members;
- collaboration with state agencies and organizations having AIDS prevention or AIDS risk reduction programs;
- very limited collaborations with local community health services, agencies and organizations having an AIDS prevention or AIDS risk reduction program; and

These 9 components represent the required elements of programs which can be tailored to the unique needs and resources of schools and communities.

Funding for this program has been provided from both federal and state funding. State funds were provided during the 1990-92 biennium through the Minnesota Department of Education (MDE) agency budget. No state funding has been allocated for the 1992-1993, and 1994-1995 biennium budgets. Federal funding is expected to continue at $250,000 through November 30, 1997.

Currently there are 2.5 F.T.E. of professional staff and 1 F.T.E. of clerical staff funded under the federal grant.

Limited consultation is available to school districts. Staff work primarily through written materials, telephone consultation and conferences to reach district staff with current information on AIDS/HIV/STD prevention.

An AIDS resource center is maintained to review, purchase, and distribute videos, curricula, and other instructional material for use in AIDS/HIV/STD education and prevention programs. Over 50% of teachers use resources from the center. A 23-member panel representing a cross section of Minnesota, and a student panel review materials for the resource center.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Districts with State Board approved policies | 95 | 95 | 96 | 97 | 97 |
| 2. a. Schools where teachers have received HIV training | 80 | 85 | 85 | 86 | 87 |
| b. Number of persons at AIDS workshops | 4,500 | 1,000 | 1,000 | 1,000 | 1,000 |
| 3. Students receiving HIV/AIDS instruction | | | | | |
| Junior High | 90 | 90 | 90 | 95 | 95 |
| Senior High | 90 | 90 | 90 | 95 | 95 |
| 4. Health teachers who report HIV/AIDS instruction in classrooms | -- | 98% | -- | -- | -- |
| 5. Districts reporting community involvement with AIDS education | 70 | 70 | 70 | 80 | 80 |
| 6. Funding | $ 262.0 | $ 257.0 | $ 329.0 | $ 250.0 | $ 250.0 |
| 7. Grants awarded to school districts | 2 | 2 | 3 | 4 | 4 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0426 AIDS/HIV/STD EDUCATION
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The recent controversies over the content of HIV/AIDS education and related issues are using a lot of staff work efforts.
- The number of persons infected with HIV/AIDS continues to grow in Minnesota at a projected annual rate of 20%. As there is not a cure or vaccine, the problem will be with us for a long time. The face of HIV/AIDS is also changing as different sectors of the population become exposed to the virus. These include a disproportionate number of babies becoming infected through their mothers. AIDS is affecting the 20-29 age group at a faster rate than any other age category. Because of the increasing length of time between exposure to the virus and the onset of symptoms (latency period) many people are becoming infected as adolescents, and this creates the challenge of educating students to avoid high risk behaviors and protect themselves from sexually transmitted diseases.

**B. STRATEGIES:**

- Participation in this program has steadily increased each year since the legislative mandate to provide AIDS prevention and risk reduction programs was passed in 1988. Most school districts are aware of the program and have taken steps to develop some components of the program.
- Most schools indicate that students in the junior and senior high schools are receiving information about HIV/AIDS; 98% of teachers reported in a 1994 survey that they are teaching AIDs/HIV Prevention.
- Approximately 50% of schools report having some connection with community-based agencies, usually the community public health agency. 65% of health teachers report attending in-service on HIV/AIDs in the last 2 years.
- The 1992 Minnesota Student Survey results show that more students would be willing to sit next to an HIV infected student in the school lunchroom.
- Although sexual activity rates among adolescents remain the same, between 1989 and 1992 the rate of 12th grade female students who talk with a partner about HIV/AIDS increased from 33% to 65% and for males the rate increased from 20% to 55%.
- The AIDS Prevention and Risk Reduction legislation provides the necessary guidelines for school districts. The ability of MDE to sustain the momentum it has achieved in providing AIDS prevention and risk reduction is dependent on federal grants. Beginning in F.Y. 1991, the regional approach to technical assistance, which has been highly successful, will not be available as a result of the elimination of state dollars and the uncertainty of sustained federal funds.
- Much of the education effort has been focused on the adolescent population, but decision-making skills and age appropriate information will need to be increasingly directed toward elementary school children in the coming years if there is to be maximum impact on adolescent behavior choices.
- As a result of changes in funding levels since F.Y. 1989, reduction of MDE staff occurred. Originally, 16 full-time professional staff provided assistance to school districts. Because of reduction in state funding in F.Y. 1991, professional staff were reduced by 50%. In F.Y. 1992, federal funding only has forced this program to be reduced to a more limited effort which continues to focus on providing resources on helping districts to fulfill the legislative mandate in M.S. 121.203 and to integrate AIDS/HIV/STD education within comprehensive school programs.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

The Governor recommends that this activity be included in the Family and Community Services function in the Department of Children and Education Services in F.Y. 1997. A detailed description of the new agency can be found in the Children and Families budget document.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0427 ADULT BASIC EDUCATION

CITATION: Adult Education Act (P.L. 91-230)
Refugee Resettlement Act (P.L. 96-212)
Immigration Reform & Control Act (P.L. 99-603)
Homeless Assistance Act (P.L. 99-603)

MDE ADMIN: 1206 Community Collaboration

**PURPOSE:**

Federal adult education funds are intended to:

- improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment;
- expand and improve the current system for delivering adult education services, including delivery of these services to adults who demonstrate basic skills equivalent to or below the 5th-grade level; and
- encourage the establishment of appropriate adult basic education programs.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to programs 0404, Adult Basic Education, 0412, GED Test Reimbursement, and 0413, GED Coordination, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 30.

**DESCRIPTION:**

Federal Adult Education funding managed through the Community and Family Education Section of the Minnesota Department of Education includes :

a) the Adult Education Act Basic Grants, Gateway Public Housing Program Grants, Staff Development Grants, Special Project Grants and Innovation Mini Grants, and
b) the National Literacy Act, Regional Adult Literacy Resource Center Grants.

(The McKinney Homeless Assistance Act, the Immigration Reform and Control Act State Legalization Assistance Grants and the Refugee Resettlement Act Adult Refugee Education Grants currently are not funded in Minnesota.)

**Adult Education Act.** Basic Grants, including Work Force Education, Family Literacy, Gateway Public Housing Adult Education Program, and Basic Adult Literacy Grants, are coordinated with the State Education Programs for Adults legislation as well as Federal JOBS (welfare reform), bilingual, vocational, Even Start, Job Training Partnership Act (JTPA), Rehabilitation, Education of the Handicapped, Indian Education, Higher Education, and Domestic Volunteer Service legislation.

Federal adult education grant funds are distributed by MDE on the basis of competitive applications submitted by public and private nonprofit agencies, including school districts, community-based organizations, Indian reservations, community and technical colleges, job training agencies, libraries, correctional facilities, and volunteer literacy tutoring groups.

Federal Adult Education Act funds must be coordinated with and supplement, not supplant or duplicate, other funds, and must be used to improve, not simply maintain, adult education programming. Allocation requirements, which are not necessarily additive, are that:

1. at least 10% of the Federal Adult Education Act grant must be used for institutionalized adults (corrections, half-way houses, etc.);
2. at least 80% must be used for adults who enter needing ESL or elementary-level adult education;
3. at least 15% must be used for staff development and special projects;
4. at least 0.5% must be used for public housing agency adult education programs;
5. no more than 5% may be used to administer the statewide program, and at least 95% of each sub-grant must be used for instructional costs; and
6. no Federal Adult Education Act funds may be used for high school diploma programming.

Other Federal requirements including providing technical assistance, monitoring and evaluating local adult education programs; developing and implementing appropriate learner assessment procedures and program effectiveness standards, and coordinating with other resource and service agencies, may be provided with Federal adult education funds. The required local match is 25%. "Maintenance of effort" requires that statewide adult education expenditures not fall below previous levels. Federal adult education allocations among states is based on census data regarding the population in need of adult basic education. Allocations based on 1990 census data, beginning in the 1993-1994 program year, resulted in a 5% decrease in federal funding in Minnesota. Another 1% decrease is expected beginning with the 1995-96 program year.

The **National Literacy Act** amendments to the Federal Adult Education Act authorize Governors of states or groups of states to develop or to expand and further develop Regional Adult Literacy Resource Centers. In partnership with the South Dakota Department of Education, the South Dakota State Library System, the North Dakota State Library System, the Minnesota Office of Library Development and Services, and the Literacy Training Network at the University of St. Thomas, the adult education office has organized a multi-state resource system that incorporates all existing resource centers, adds new resources and provides the capability for any basic skills provider, instructor or tutor to access and order any materials, for overnight delivery, from any library, college or university, technical college, or literacy tutoring or adult education program. The Federal grant amounts to $100,000 per year for Minnesota. As with all Federal adult education grants, we received a 5% cut beginning with the 1993-94 program year, and anticipate an additional 1% cut beginning with the 1995-96 program year. A soft-match of 10% the first year increases by 10% each year. Training is provided throughout the geographic area in how to access Resource Center materials, research and other adult literacy information. The first effective mechanism to link isolated communities throughout the region, as well as to provide a forum through which adult educators can share

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

FEDERAL PROGRAMS:

0427 ADULT BASIC EDUCATION
(Continuation)

their own practitioner-research findings and instructional materials, the Resource Center is expanding electronically to link literacy resources and providers throughout the entire Midwest.

PROGRAM STATUS:

Enrollment in Adult Basic Education had increased an average of 45% over the past four years as more and more adults sought to improve their basic skills, earn high school diplomas or General Educational Development (GED) certificates, master knowledge and skills needed to find or retain employment, help their children prepare for school, and enroll in and benefit from further education or training. Recent state and federal adult education budget reductions, however, have reduced enrollment and increased waiting lists.

Enrollment increases have been helped by an average increase of 95% in school district and other agencies that provide adult education and related support services. The percentage of participants who achieve their personal education plan has increased 55% over the past four years. In that time period, 5,500 adult education participants are no longer on welfare, 40,900 have obtained a job or a better job, 19,900 have enrolled in higher education, and 23,700 have earned a high school diploma or GED certificate. The percentage who leave before completing their goals has decreased by more than 7% per year. And the number of adult education professionals employed full-time has increased from less than 5% to nearly 16%.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Adult Education Basic Grants | | | | | |
| Number of Programs | 53 | 54 | 53 | 53 | 53 |
| Participating Districts and Agencies | 937 | 870 | 857 | 857 | 857 |
| Number of Learners | 54,106 | 52,766 | 47,184 | 47,184 | 47,184 |
| Federal Funding | $2,555.3 | $2,430.3 | $2,359.8 | $2,336.2 | $2,312.8 |
| Adult Education Staff Development and Special Projects | | | | | |
| Number of Grants | 8 | 7 | 10 | 8 | 8 |
| Number of Mini Grants | 0 | 0 | 12 | 8 | 8 |
| Staff Development | | | | | |
| Statewide Events | 8 | 8 | 8 | 8 | 8 |
| Participants | 1,183 | 1,128 | 1,125 | 1,125 | 1,125 |
| Regional Events | 14 | 15 | 15 | 15 | 15 |
| Participants | 915 | 855 | 850 | 850 | 850 |
| Trainer of Trainer Events | 3 | 3 | 3 | 3 | 3 |
| Participants | 130 | 144 | 140 | 140 | 140 |
| Federal Funding | $526.3 | $463.1 | $467.7 | $462.9 | $458.4 |
| Regional Adult Literacy Resource Center | | | | | |
| Federal Funding | $0.0 | $174.9 | $101.6 | $100.5 | $99.5 |
| Total Funding | $3,457.8 | $3,463.3 | $3,390.0 | $3,356.1 | $3,225.2 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- Federal funding for Adult Basic Education is declining even as federally mandated welfare reform, refugee resettlement, immigration reform and job training and retraining programs increase the demand for adult literacy services.
- Federally funded adult education is mandated to cooperate with higher education, vocational education, food stamp and Job Training Partnership Act agencies, but those programs are not required to cooperate with adult education, resulting in some duplication of services. Complying with the Federal "maintenance-of-effort" requirement at the same time that State and local adult education funding levels are declining requires that fewer learners be served.
- As more policy analysts, welfare reformers and employers, as well as the un- and under-educated adults themselves, recognize the connections between adult literacy and child literacy, worker productivity and self-sufficiency, the demand for adult education is increasing rapidly.
- Effective adult education is centered on the interests, schedules and characteristics of the individual adult participants. It requires full-time professional adult educators who can facilitate participatory, experiential adult learning in collaboration with all community resources and services. Funding shortages, the elimination of adult refugee, legalized alien and homeless adult education funding, and the end of the interagency agreement for refugee services, increase the demands on already limited State and Federal adult education funding. Yet, refugees continue to settle in Minnesota. More than 10,000 non-English-speaking children have been born to limited or non-English speaking refugee parents in Minnesota since 1985. Most adult education programs have lists of adults waiting to enroll.
- The Federal Adult Education Act and the Federal Vocational Education Act are both due to be reauthorized this year. There is some talk of defining them both exclusively as job training, moving them to the Department of Labor, and combining them in a block grant to the State.That would effectively eliminate both programs' services to marginally employed people and to others who are not new to the labor market, as well as eliminating adult education's Family Literacy programs.

PROGRAM: 04 Community and Family Education
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0427 ADULT BASIC EDUCATION
(Continuation)

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**B. STRATEGIES:**

- Increasing collaborative efforts among local providers, local regional and state governmental agencies and the private sector.
- Developing and coordinating with new investors in Adult Basic Education.
- Continuing to explore means and methods to produce maximum reesults from limited resources.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

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# EDUCATION FACILITIES/EQUIPMENT (05)

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0501 | CAPITAL EXPENDITURE - FACILITIES |
| **CITATION:** | | M.S. 124.243; 124.2442 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide revenue to school districts to acquire land, construct buildings, maintain and improve structures, and acquire fixtures, so that facilities are accessible, and the learning process and school district operations are supported. More specifically, districts may use Capital Expenditures-Facilities revenue to:

- acquire land for school purposes;
- acquire or construct buildings for school purposes, up to $400,000;
- rent or lease buildings;
- improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- pay for capital improvements on a surplus school building that is used substantially for a public non-school purpose;
- eliminate barriers or increase access by handicapped individuals;
- bring school buildings into compliance with the uniform fire code;
- remove or treat asbestos;
- clean up and dispose of PCBs (polychlorinated biphenyl);
- clean up and dispose of fuels, or make repairs related to their storage;
- perform energy audits and to make related improvements;
- improve leased buildings;
- pay special assessments levied against school property (not including service charges);
- pay principal and interest on state loans for energy conservation according to M.S. 116J.37 or loans made under the Northeast Minnesota Economic Protection Trust Fund Act;
- purchase or lease interactive telecommunications equipment; and
- make payments from the Debt Redemption Fund. The school board may, by resolution, transfer money into the Debt Redemption Fund. Each year a district may notify the Minnesota Department of Education (MDE) about the amount of Facilities revenue to be allocated to the debt reduction fund. MDE will then reduce the debt redemption levy by the amount allocated.

Most education aid programs contribute to more than one education goal. By providing state districts with revenues for the acquisition of land, construction of facilities, maintenance and improvement of facilities, and to acquire attached equipment, this program contributes to the financial health of the districts. As a result, the districts have an increased ability to provide effective educational programs that contribute to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174 and 177.

**DESCRIPTION:**

In F.Y. 1995, a district's maximum Capital Expenditure Facilities revenue equals $128 times the district's actual (weighted average daily membership) pupil units for the school year.

$$\text{Levy} = \text{Revenue} \times \frac{(1992\ \text{ANTC} / 94\text{-}95\ \text{WADM})}{9{,}026}$$

$$\text{Aid} = \text{Revenue} - \text{Levy}$$

Capital facilities revenue must be placed in a separate account, and is subject to an account balance subtraction. Districts with a reserved capital expenditure facilities account balance exceeding $675 per fund balance pupil unit incur a dollar-for-dollar reduction in facilities revenue.

In F.Y. 1995, a district's maximum levy equals the product of the maximum revenue times the lesser of one or the ratio of the district's adjusted net tax capacity (ANTC) per pupil unit to the General Education equalizing factor. (The equalizing factor for F.Y. 1995 is $9,026.) A district's maximum aid equals the maximum revenue minus the maximum levy. If a district levies less than the maximum amount, the state aid is reduced proportionately. Beginning in F.Y. 1996, a new facilities formula is phased-in over a four-year period. The new facilities allowance equals $100 times the district's maintenance cost index. The maintenance cost index equals one plus the ratio of the district's average building age to 100, but may not exceed 1.5. In addition, districts operating year-round schools are authorized revenue of $15 times the year-round pupil units.

Every school district in Minnesota must adopt or amend a school facilities program by 2/3 vote of the school board before July 1 of each year. The school board must first hold a hearing, for which 20 days notice is provided in the official newspaper. The program is to include plans for repair and restoration of existing facilities and plans for new construction. It must also include specific plans

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0501 CAPITAL EXPENDITURE - FACILITIES
(Continuation)

for correcting health and safety hazards, a schedule of work for the next five years, the estimated costs, and the proposed methods of financing.

Facilities revenue may be allocated or transferred to the debt redemption fund.

If the appropriation is insufficient to pay all districts the full amount of aid earned, each district's capital expenditure facility revenue is proportionately reduced.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Pupil Units (WADM) | | | | | |
| 1. Revenue | | | | | |
| a. Allowance/WADM | 128.00 | 128.00 | 128.00 | N/A | N/A |
| b. Initial Capital Expenditure Amount | 108,570.3 | 113,055.6 | 117,359.4 | 120,004.6 | 122,363.1 |
| c. Fund Balance Subtraction | 32.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| d. Prorated Allowance | 128.00 | 128.00 | 128.00 | N/A | N/A |
| e. Prorated Capital Expenditure Amount | 108,538.3 | 113,055.6 | 117,359.4 | 105,489.9 | 112,642.5 |
| f. Debt Service Facilities | 568.0 | 43.0 | 10.0 | 0.0 | 0.0 |
| g. Debt Service Districts | 5 | 2 | 1 | 0 | 0 |
| 2. Levy | | | | | |
| a. Initial Capital Expenditure Levy Authority | 38,272.4 | 40,862.0 | 42,479.4 | 43,053.1 | 43,236.8 |
| b. Fund Balance Subtraction | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| c. Levy Adjusted For Proration | 38,251.6 | 40,862.0 | 42,479.4 | 42,977.9 | 43,208.5 |
| d. Net Levy | 38,251.6 | 40,862.0 | 42,479.4 | 42,977.9 | 43,208.5 |
| e. Debt Service Levy | 131.1 | 10.0 | 3.0 | 0.0 | 0.0 |
| 3. State Aid | | | | | |
| a. Initial Capital Expenditure Aid | 70,297.9 | 72,193.6 | 74,880.0 | 76,951.5 | 79,126.3 |
| b. Fund Balance Subtraction | 11.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| c. Net Capital Expenditure Aid | 70,286.7 | 72,193.6 | 74,880.0 | 76,951.5 | 79,126.3 |
| d. Prorated Capital Expenditure Aid | 70,286.7 | 72,193.6 | 74,880.0 | 62,510.0 | 69,434.0 |
| e. Debt Service Facilities Aid | 436.7 | 33.0 | 7.0 | 0.0 | 0.0 |
| f. Total Aid | 70,723.4 | 72,226.6 | 74,887.0 | 62,510.0 | 69,434.0 |

NOTE: All K-12 districts participate in this program and levy the maximum amount.

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE: | $ 109,106 | $ 113,099 | $ 117,369 | $ 120,005 | $ 122,363 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 14,517) | ( 9,720) |
| Current Law Revenue | 109,106 | 113,099 | 117,369 | 105,488 | 112,643 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.879 | 0.921 |
| B. Statutory Formula LEVY: | 38,383 | 40,872 | 42,482 | 43,053 | 43,237 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | ( 75) | ( 28) |
| Current Law Levy (Line 8 on Fiscal Page) | 38,383 | 40,872 | 42,482 | 42,978 | 43,209 |
| C. Statutory Formula AID: | 70,723 | 72,227 | 74,887 | 76,952 | 79,126 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 14,442) | ( 9,692) |
| Current Law Aid Entitlement | 70,723 | 72,227 | 74,887 | 62,510 | 69,434 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 73,718 | 76,635 | 76,635* | 76,635* |
| Entitlement Changes Per Law: | | | | | |
| ■ Change in Pupil Units | | ( 1,491) | ( 1,748) | 317 | 2,491 |
| Statutory Formula Aid (Unprorated) | | 72,227 | 74,887 | 76,952 | 79,126 |
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | 72,227 | 74,887 | 62,510 | 69,434 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | 1,491 | 1,486 | | |
| ■ Portion of 15% Final Not Requested | | — | 262 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | 73,718 | 76,635 | 62,510 | 69,434 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0501 CAPITAL EXPENDITURE - FACILITIES
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The condition of school facilities in Minnesota continues to be a major financial concern for school districts. Three major factors are increasing the demand for capital expenditure-facility expenditures by district:
  - fire safety inspections
  - the Americans with Disabilities Act (ADA)
    - need to address accessibility for the disabled
  - deferred maintenance
    - because of the increasing age of school facilities, districts are experiencing an increase in maintenance costs.

**B. STRATEGIES:**

- The Department will continue to provide information and assistance to school districts in this area.
- Efforts will be made to prevent an increase in deferred maintenance required for school buildings.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $69,485 for F.Y. 1996 and $71,536 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $70,296 in F.Y. 1996 ($11,233 for F.Y. 1995 and $59,063 for F.Y. 1996), and $71,228 in F.Y. 1997 ($10,422 for F.Y. 1996 and $60,806 for F.Y. 1997).

The Governor recommends the following modifications in the capital expenditure facilities program:

1. Beginning in F.Y. 1996, the old formula facilities allowance is changed to $123 and the new formula facilities allowance is changed to $96.

2. Beginning in F.Y. 1996, compute the capital expenditure facilities levy as a uniform tax rate statewide. For F.Y. 1996, the uniform tax rate equals 1.39% of adjusted net tax capacity. Adjust the 1995 Payable 1996 levy by the difference between the amount levied for taxes payable in 1995 and the new levy authority.

3. Beginning in F.Y. 1996, make charter schools eligible to receive facilities revenue.

4. Beginning in F.Y. 1997, set the target for the capital expenditure facilities levy at 3.1% of the statewide uniform education levy (see Program 0101).

5. Beginning in F.Y. 1997, repeal the authorization for school districts to certify a portion of the capital expenditure facilities levy in the debt redemption fund. School districts may continue to transfer funds from the capital expenditure facilities account to the debt redemption fund.

6. Beginning in F.Y. 1997, repeal the reduction to facilities revenue for school districts maintaining fund balances exceeding $675 per pupil unit.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0501: CAPITAL EXPENDITURES - FACILITIES**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 73,718 | $ 76,635 | $ 76,635 | $ 76,635 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <14,125> | <7,201> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 73,718 | 76,635 | 62,510 | 69,434 |
| 5. Statutory Formula Aid (Detail in Narrative) | 72,227 | 74,887 | | |
| 6. Funding Excess/Deficiency | 1,491 | 1,486* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 40,872 | 42,482 | 42,978 | 43,209 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 114,590 | 118,855 | 105,488 | 112,643 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Eliminate Reduction Due to Insufficient Appropriation | | | 14,442 | 9,692 |
| 2. Charter School Eligibility | | | 128 | 149 |
| 3. Levy Change Due to Formula | | | 110 | 154 |
| 4. Reduction in Allowance & New Pupil Weights | | | <7,705> | <7,893> |
| Current Law Aid Funding Level (Line 4) | | | 62,510 | 69,434 |
| **RECOMMENDED AID ENTITLEMENT** | | | 69,485 | 71,536 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Formula Change | | | <110> | <154> |
| Current Law Levy (Line 8) | | | 42,978 | 43,209 |
| RECOMMENDED LEVY | | | 42,868 | 43,055 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 112,353 | 114,591 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 10,730 | 11,058 | 11,233 | 10,422 |
| Current Year 85 Percent | 62,660 | 65,140 | 59,063 | 60,806 |
| Transfers Per M.S. 124.14, Subd. 7 | <4> | | | |
| **Total-State General Funds** | 73,386 | 76,198 | 70,296 | 71,228 |

*Estimated excess of $1,748 less $262 of the Fy 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $1,486 excess in the FY 1995 current appropriation.

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0502 | CAPITAL EXPENDITURE - EQUIPMENT |
| **CITATION:** | | M.S. 124.244; 124.2442 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide revenue to school districts for the purchase of equipment. Instructional equipment provides the "tools" required for educational programs and the learning process. Non-instructional equipment provides for various needs related to facility maintenance and school district operations. More specifically, districts may use Capital Expenditure-Equipment revenue to:

- purchase or lease computers and related materials, copying machines, telecommunications equipment, and other non-instructional equipment;
- purchase or lease assistive technology or equipment for instructional programs;
- purchase textbooks;
- purchase library books; and
- purchase vehicles except those purchases charged to the bus purchase account; and
- pay capital expenditure equipment-related assessments of any entity formed under a cooperative agreement between two or more districts.

Most education aid programs contribute to more than one education goal. By providing districts with revenues for the acquisition of equipment, this program contributes to the financial health of the districts. As a result, the districts have an increased ability to provide effective educational programs that contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 204.

**DESCRIPTION:**

In F.Y. 1995, a district's maximum Capital Expenditure Equipment revenue equals $66 times the district's actual (weighted average daily membership) pupil units for the school year. Laws of 1994, Chapter 647, Article 5, Section 2 amended M.S. 124.244 increasing Capital Expenditure equipment revenue to $69 times actual pupil units for F.Y. 1996 and thereafter. $3 times the district's actual pupil units is reserved for classroom needs such as purchasing or leasing telecommunication equipment, computers, and related equipment for integrated information management systems. Classroom equipment purchases with this reserved revenue can only be used for:

1. managing and reporting learner outcome information for all students under a results-oriented graduation rule;
2. managing student assessment, services, and achievement information required for students with individual education plans; and
3. other classroom information management needs.

The equipment obtained with reserved revenue shall be utilized, to the greatest extent possible given available funding, on a per instructor or per classroom basis. A school district may supplement its reserved revenue with other capital expenditure equipment revenue, and cash and in-kind grants from public and private sources.

Revenue = $66 x 94-95 WADM

$$\text{Levy} = \text{Revenue} \times \frac{(92\ \text{ANTC} / 94\text{-}95\ \text{WADM})}{\$\ 9{,}026}$$

Aid = Revenue - Levy

A district's maximum levy equals the product of the maximum revenue times the lesser of one or the ratio of the district's adjusted net tax capacity (ANTC) per actual pupil unit to the equalizing factor. A district's maximum aid equals the maximum revenue minus the maximum levy. If a district levies less than the maximum amount, the state aid is reduced proportionately. If a district makes a debt service levy for equipment purchases under M.S. 124.2445 (see Program Budget 0508), the capital expenditure equipment levy is reduced by the amount of the debt service equipment levy. Capital expenditure equipment aid is not reduced as a result of this levy reduction.

If the appropriation is insufficient to pay all districts the full amount of aid earned, each district's capital expenditure equipment revenue is proportionately reduced.

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0502 CAPITAL EXPENDITURE - EQUIPMENT
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Pupil Units (WADM) | | | | | |
| A. Revenue | | | | | |
| 1. Allowance/WADM | 63.00 | 63.00 | 66.00* | 69.00* | 69.00* |
| 2. Gross Amount | $ 53,741.5 | $ 55,665.7 | $ 60,518.6 | $ 64,558.6 | $ 65,719.5 |
| 3. Prorated allowance | 63.00 | 63.00 | 66.00 | 59.51 | 62.40 |
| 4. Prorated amount | $ 53,741.5 | $ 55,665.7 | $ 60,518.6 | $ 55,682.0 | $ 59,429.4 |
| B. Levy | | | | | |
| 1. Capital Expenditure Levy Authority Before Proration | $ 18,607.7 | $ 19,847.0 | $ 21,647.9 | $ 22,471.6 | $ 22,338.1 |
| 2. Debt Levy for Equipment | 294.2 | 269.7 | 257.1 | 650.6 | 800.0 |
| 3. Number of Districts with Debt Levy | 10 | 6 | 4 | 10 | 12 |
| 4. Total Levy Before Proration | 18,901.9 | 20,116.7 | 21,905.0 | 23,122.2 | 23,138.1 |
| 5. Prorated Levy Amount | 18,901.9 | 20,116.7 | 21,905.0 | 23,084.6 | 23,124.0 |
| C. State Aid | | | | | |
| 1. Gross Amount | 34,839.6 | 35,549.0 | 38,613.6 | 41,436.4 | 42,581.4 |
| 2. Prorated Amount | 34,839.6 | 35.549.0 | 38,613.6 | 32,597.4 | 36,305.4 |

* $3.00 of the allowance is reserved for classroom information management needs.

NOTE: All K-12 districts participate in this program and levy the maximum.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | $ 53,742 | $ 55,666 | $ 60,519 | $ 64,558 | $ 65,720 |
| Revenue Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (8,876) | (6,290) |
| Current Law Revenue | 53,742 | 55,666 | 60,519 | 55,682 | 59,430 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.863 | 0.904 |
| B. Statutory Formula LEVY: | 18,902 | 20,117 | 21,905 | 23,122 | 23,138 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | (37) | (14) |
| Current Law Levy (Line 8 on Fiscal Page) | 18,902 | 20,117 | 21,905 | 23,085 | 23,124 |
| C. Statutory Formula AID: | 34,840 | 35,549 | 38,614 | 41,436 | 42,582 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (8,839) | (6,276) |
| Current Law Aid Entitlement | 34,840 | 35,549 | 38,614 | 32,597 | 36,306 |
| D. Aid Entitlement Reconciliation: (Line 1 on Fiscal Page) | | 36,258 | 39,481 | 40,071* | 40,071* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase Formula Allowance from $66 to $69 | | | | 2,807 | 2,857 |
| ■ Change in Pupil Units | | (709) | (867) | (1,442) | (346) |
| Statutory Formula Aid (Unprorated) | | 35,549 | 38,614 | 41,436 | 42,582 |
| E. Aid Funding Level Reconciliation: | | 35,549 | 38,614 | 32,597 | 36,306 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds | | 709 | 737 | | |
| ■ Portion of 15% Final Not Requested | | — | 130 | — | — |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | 36,258 | 39,481 | 32,597 | 36,306 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments. The base budget funding level for F.Y. 1996 and F.Y. 1997 includes a $3 increase in the formula allowance over F.Y. 1995.

**PROGRAM:** 05 Education Facilities/Equipment
**AGENCY:** Education Aids

0502 CAPITAL EXPENDITURE - EQUIPMENT
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The funding level for equipment is below the expenditures that may be charged to the capital expenditure equipment account.
- Many districts have a deficit account balance in the capital expenditure equipment account.
- Many school districts have continuing need for addressing instructional technology needs. Districts need to upgrade computer and related technology.

**B. STRATEGIES:**

- The Department will continue to provide information and technical assistance to districts for this program. The Department will continue to advocate that districts address their instructional technology needs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $39,058 for F.Y. 1996 and $39,909 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $38,992 in F.Y. 1996 ($5,792 for F.Y. 1995 and $33,200 for F.Y. 1996), and $39,781 in F.Y. 1997 ($5,858 for F.Y. 1996 and $33,923 for F.Y. 1997).

The Governor recommends the following modifications in the capital expenditure equipment program:

1. Beginning in F.Y. 1997, set the capital expenditure equipment allowance at $68.

2. Beginning in F.Y. 1996, repeal the mandate requiring school districts to reserve a portion of capital expenditure equipment revenue for classroom information management equipment.

3. Beginning in F.Y. 1996, compute the capital expenditure equipment levy as a uniform tax rate statewide. For F.Y. 1996, set the uniform tax rate at 0.74% of adjusted net tax capacity. Adjust the 1995 Payable 1996 levy by the difference between the amount levied for the taxes payable in 1995 and the new levy authority.

4. Beginning in F.Y. 1997, compute the capital expenditure equipment levy as a uniform tax rate statewide. Set the target for the capital equipment levy at 1.67% of the statewide uniform education levy (see Program 0101).

5. Beginning in F.Y. 1997, repeal the separate debt service equipment levy. Require school districts to transfer from the capital expenditure equipment account to the debt redemption fund the amount necessary to pay the principal and interest on capital notes or certificates of indebtedness for equipment purchases.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0502: CAPITAL EXPENDITURES - EQUIPMENT**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 36,258 | $ 39,481 | $ 40,071 | $ 40,071 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <7,386> | <3,765> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 36,258 | 39,481 | 32,597[a] | 36,306 |
| 5. Statutory Formula Aid (Detail in Narrative) | 35,549 | 38,614 | | |
| 6. Funding Excess/Deficiency | 709 | 737[b] | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 20,117 | 21,905 | 23,085[c] | 23,124 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 56,375 | 61,256 | 55,682 | 59,430 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Eliminate Reduction Due to Insufficient Appropriation | | | 8,839 | 6,276 |
| 2. Change in Formula Allowance and Pupil Weights | | | <2,341> | <2,640> |
| 3. Levy Change | | | <37> | <33> |
| Current Law Aid Funding Level (Line 4) | | | 32,597 | 36,306 |
| **RECOMMENDED AID ENTITLEMENT** | | | 39,058 | 39,909 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Levy Changes | | | 37 | 33 |
| Current Law Levy (Line 8) | | | 23,085 | 23,124 |
| RECOMMENDED LEVY | | | 23,122 | 23,157 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 62,180 | 63,066 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 5,279 | 5,439 | 5,792 | 5,858 |
| Current Year 85 Percent | 30,819 | 33,559 | 33,200 | 33,923 |
| Transfers Per M.S. 124.14, Subd. 7 | <20> | | | |
| **Total-State General Funds** | 36,078 | 38,998 | 38,992 | 39,781 |

[a]$32,685 adjusted for the base budget 85-15% funding level.

[b]Estimated excess of $867 less $130 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $737 excess in the FY 1995 current appropriation.

[c]Includes debt equipment levy.

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0503 | CAPITAL EXPENDITURE - HEALTH AND SAFETY |
| **CITATION:** | | M.S. 124.83 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide revenue to school districts to ensure an education environment that is free of recognized hazards, so that the learning process and school district operations are supported. This program facilitates districts in taking proactive and remedial response steps to health, safety, and environmental hazards in school facilities. The intent is to provide revenue that is designated specifically for use toward compliance with federal and state laws and regulations and for the prevention or reduction of health and safety hazards in districts.

The objectives of the program are to:

- increase school district efforts in hazard evaluation and compliance planning related to environmental, occupational, fire and life safety, and health regulations; and
- define district programs and estimated costs related to health, safety, and environmental risk management.

Most education aid programs contribute to more than one education goal. By ensuring progress toward eliminating asbestos, fire, industrial, and science lab safety and health hazards, and improving drinking water and indoor air quality in school facilities, this program contributes to the financial health of the districts. As a result, the districts have an increased ability to provide effective educational programs that contributes to three of the Department of Education's *goals*:

- **Learner Achievement** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 177.

**DESCRIPTION:**

To receive health and safety revenue, a district must submit an application to the Minnesota Department of Education (MDE) for approval by June 1 — thirteen months preceding the school year to which the health and safety revenue is attributed. The application must describe and include a cost estimate of the program adopted by the district school board. The district program must include one or more of the following plans:

- Hazardous substance plan — provisions for the removal or encapsulation of asbestos, and asbestos related repairs, fuel storage repairs, cleanup, or storage tank removal;
- Fire safety plan — removal or repair of a current fire hazard;
- Environmental Health and Safety Management; or
- Physical Hazard Control.

For F.Y. 1995, the capital expenditure health and safety aid, levy, and revenue is computed as follows:

Revenue = amount approved by MDE (Revenue will not exceed actual approved costs)

$$\text{Levy} = \text{the lesser of one or } \frac{\text{1992 ANTC/1994-95 WADM}}{\$4{,}513} \times \text{health and safety revenue}$$

Aid = health and safety revenue - health and safety levy

The amount of health and safety revenue in any given year is equal to the difference between a) the total approved cost of the district's total health and safety program approved since F.Y. 1985 through the current year, and b) the accumulated receipt of health and safety state aid and local levy plus the amount of other federal, state, or local receipts due the district from F.Y. 1985 through the prior fiscal year.

Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property, or part of a building or property, used for postsecondary instruction or administration or for a purpose unrelated to elementary and secondary education.

A district's health and safety aid is the difference between its health and safety revenue and its health and safety levy. If a district does not levy the entire amount permitted, health and safety aid is reduced proportionately.

If health and safety aid is prorated due to insufficient appropriations, a district may levy an additional amount equal to the amount not paid due to proration.

**PROGRAM:** 05 Education Facilities/Equipment
**AGENCY:** Education Aids

0503 CAPITAL EXPENDITURE - HEALTH AND SAFETY
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| Total Revenue | | | | | |
| Amount | $ 52,725.0 | $ 66,483.0 | $ 44,863.0 | $ 52,695.0 | $ 44,000.1 |
| Districts | 363 | 331 | 312 | 267 | 250 |
| Levy | | | | | |
| Amount | 41,591.0 | 56,667.0 | 27,493.0 | 36,193.0 | 32,681.1 |
| Districts | 362 | 330 | 312 | 322 | 300 |
| State Aid | | | | | |
| Amount | 11,134.0 | 9,816.0 | 17,370.0 | 16,502.0 | 11,319.0 |
| Districts | 256 | 228 | 276 | 280 | 250 |
| Management Assistance and Fire Marshal | 60 | 460 | 460 | 460 | 460 |

The increase in State Aid between F.Y. 1994 and F.Y. 1995 was due to an increase from $3,515 to $4,513 in the health and safety equalization factor and the revenue (levy and aid) adjustment for the health and safety revenue cap. F.Y. 1995 health and safety revenue is restricted to a maximum of $64,000,000 less the amount for the Alternative Bonding and Levy Program. Initially, all F.Y. 1994 projects not funded in F.Y. 1994 together with the F.Y. 1995 fire marshal projects and environmental management costs were funded for F.Y. 1995. Other F.Y. 1995 health and safety costs were not funded for F.Y. 1995. Revenue was later adjusted for revised estimates with highest priority on districts with increased estimates, for F.Y. 1995 fire marshal projects and environmental management costs that qualified for state aid. The Payable 1995 levy limitations were adjusted to reflect the revised estimates.

Six large districts are authorized funding for F.Y. 1995 under the Alternative Facilities Bonding and Levy program. These districts do not qualify for health and safety aid and may levy under health and safety for only their environmental management costs.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 (Current Law) |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula REVENUE: | $ 52,725 | $ 66,483 | $ 44,863 | $ 52,695 | $ 44,000 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Revenue | 52,725 | 66,483 | 44,863 | 52,695 | 44,000 |
| B. Statutory Formula LEVY: | 41,591 | 56,667 | 27,493 | 36,193 | 32,681 |
| Levy Change Due To Insufficient Appropriation | 335 | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | 41,926 | 56,667 | 27,493 | 36,193 | 32,681 |
| C. Statutory Formula AID: | 11,134 | 9,816 | 17,370 | 16,502 | 11,319 |
| Aid Reduction Due To Insufficient Appropriation | ( 335) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | 10,799 | 9,816 | 17,370 | 16,502 | 11,319 |
| Proration Factor | 0.970 | 1.000 | 1.000 | 1.000 | 1.000 |
| Management Assistance and Fire Marshal | 60 | 460 | 460 | 460 | 460 |
| Total Aid Entitlement | $ 10,859 | $ 10,276 | $ 17,830 | $ 16,962 | $ 11,779 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 11,698 | $ 20,189 | $ 20,271* | $ 20,271* |
| Entitlement Changes Per Law: | | | | | |
| ■ Transfer Out To Debt Service | | | ( 1,527) | | |
| ■ Lower Cost Estimates For Approved Projects | | ( 1,422) | ( 832) | ( 3,309) | ( 8,492) |
| Less Management Assistance and Fire Marshal | | ( 460) | ( 460) | ( 460) | ( 460) |
| Statutory Formula Aid (Unprorated) | | $ 9,816 | $ 17,370 | $ 16,502 | $ 11,319 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 05 Education Facilities/Equipment
**AGENCY:** Education Aids

0503 CAPITAL EXPENDITURE - HEALTH AND SAFETY
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement (Total) | $ 10,276 | $ 17,830 | $ 16,962 | $ 11,779 | |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | 1,422 | 468 | 3,273 | 6,587 | |
| ■ Portion of 15% Final Not Requested | | 354 | | | |
| ■ Prior Year Payments (M.S. 124.14, Subd. 2) | — | 10 | — | — | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | $ 11,698 | $ 18,662 | $ 20,235 | $ 18,366 | |

**BUDGET ISSUES:**

**A. CHALLENGES:**

- There is increasing public awareness and concern related to health and safety issues. We anticipate new requirements to assure that lead in water problems are eliminated as well as continuing attention to current state and federal requirements. It is anticipated that financial demands on school districts will continue.

**B. STRATEGIES:**

- Review and comment requests for new construction and major renovations reached a record level in calendar year 1994. This construction should reduce the need for expanding health and safety revenues in aging buildings and/or cover some of these costs through boarding programs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends continuation of this activity.

The Governor recommends an aid entitlement of $15,239* for F.Y. 1996 and $11,779* for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $15,629 in F.Y. 1996 ($2,606 for F.Y. 1995 and $13,023* for F.Y. 1996), and $12,298 in F.Y. 1997 ($2,216 for F.Y. 1996 and $10,082* for F.Y. 1997).

* Includes $460 each year for management assistance and fire marshall.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0503: CAPITAL EXPENDITURES - HEALTH & SAFETY AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 11,698[a] | $ 20,189[a] | $ 20,271[a] | $ 20,271[a] |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <36> | <1,905> |
| 3. Other Adjustments | | <1,527> | | |
| Transfer out to Debt Service Aid | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 11,698 | 18,662 | 20,235 | 18,366 |
| 5. Statutory Formula Aid (Detail in Narrative) | 10,276 | 17,830[a] | | |
| 6. Funding Excess/Deficiency | 1,422 | 468[b] | | |
| 7. Funding Excess/Deficiency after Adjustments | | 468[c] | | |
| 8. CURRENT LAW LEVY | 56,667 | 27,493 | 31,553 | 32,681 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 68,365 | 45,801 | 51,788 | 51,047 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | <4,996> | <6,587> |
| Current Law Aid Funding Level (Line 4) | | | 20,235 | 18,366 |
| **RECOMMENDED AID ENTITLEMENT** | | | 15,239 | 11,779 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | 31,553 | 32,681 |
| RECOMMENDED LEVY | | | 31,553 | 32,681 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 46,792 | 44,460 |

(Continued on next page)

[a]Includes $460 for management assistance and fire marshal

[b]Estimated excess of $2,359 less $1,527 transferred to Debt Service Aid, less $354 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement, less $10 prior year payments per M.S. 124.14, Subd. 2: = $468.

[c]Estimated excess of $832 less $354 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement, less $10 prior year payments per M.S. 124.14, Subd. 2: = $468.

| | | | | |
|---|---|---|---|---|
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,256 | 1,694 | 2,606 | 2,216 |
| Current Year 85 Percent | 10,004 | 15,703[d] | 13,023[a] | 10,082[a] |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **11,260** | **17,397** | **15,629** | **12,298** |

[d]Excludes $1,527 transfer out to Debt Service Aid

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0504 | MAXIMUM EFFORT SCHOOL LOAN (Information Only) |
| **CITATION:** | | M.S. 124.36 - 124.477 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

The Maximum Effort School Loan program (MESL) provides the following financial support to school districts through limited use of the state's credit:

- capital bonding needs that are greater than the local property tax base can reasonably support and/or greater than the maximum bonding limitation;
- debt service property tax relief to districts with a high debt service tax rate; and
- state general fund appropriations for payment of principal and interest on state bonds to the extent repayments from the districts are inadequate to make the required state bond fund payments.

Most education aid programs contribute to more than one education goal. By providing school districts with revenues for capital expenditures and debt service tax relief, this program contributes to the financial health of the districts. As a result, the districts have an increased ability to provide effective educational programs that contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174 and 177.

**DESCRIPTION:**

The state bonding authorized in statute provides funds for making loans on favorable terms to school districts. Also, funds remaining from district loan repayments after the state debt service obligations on outstanding state school loan bonds are met can be used to provide funds for new debt service loans. The two types of loans are capital loans for new construction projects and debt service loans to reduce the district levy required for debt service on bonded indebtedness. A district may qualify for either or both types of loan.

A. Capital Loans.

A state capital loan can be used only for the replacement of facilities that 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. The process and criteria for a school district to receive a capital loan include the following:

1. receive a favorable review and comment for the project from the Commissioner of Education;
2. receive a favorable recommendation from the State Board of Education for a loan;
3. receive approval in statute for the loan; and
4. receive approval from the voters in the district for the project.

For qualifying districts, the capital loan is equal to the eligible project costs plus the district's previously existing bonded indebtedness less 305% of the district's adjusted net tax capacity (ANTC). A district must also have a projected net debt service levy greater than 20% times the district's adjusted net tax capacity.

B. Debt Service Loans.

A school district may obtain a debt service loan from the state if its adjusted net debt service levy is at least 10% or $5,000 greater than the maximum effort debt service levy amount. This is a loan to reduce the amount that a district must levy for debt service.

For qualifying districts, the debt service loan is equal to the lesser of:

1. the difference between the adjusted net debt service levy and the maximum effort debt service levy;
2. 1% of the district's net debt; or
3. the amount requested.

C. Maximum Effort Debt Service Levy.

Each district having an outstanding capital loan or debt service loan must levy the greater of the maximum effort debt service levy or the required debt service levy less any reduction for a debt service loan and debt service aid. The maximum effort debt service levy is equal to:

1. 20% of the district's ANTC for districts with an outstanding debt service loan but no capital loan.
2. 20% of the district's ANTC for districts with an outstanding capital loan and granted the loan after January 1, 1990.
3. 18.42% of the district's ANTC for all other districts with an outstanding capital loan.

In no event will the maximum effort debt service levy be greater than the amount needed to retire the outstanding state loans.

The required debt service levy for any year is the amount specified in the district bond schedule established and certified at the time the bonds were issued.

D. Repayment of Capital and Debt Service Loans.

Any excess balance as of November 20 in the district's debt redemption fund is remitted to the state on or before December 15 of each year. Payments received by the state are used in the following sequence:

1. for interest payments on the debt service loans;
2. for interest payments on the capital loans;
3. for principal payments on the debt service loans; and finally,
4. for principal payments on the capital loans.

Interest on capital loans and debt service loans is due in December of each year. Any unpaid interest is added to the principal of the loan. If the capital loan is not retired within 50 years from the date of issue, it is canceled and the district's liability ceases.

E. State Bonding Authority.

Since 1959, about $184.4 million in state bonding authority has been provided for the MESL program. There are currently 20 school districts with outstanding capital loans, and 14 districts with outstanding debt service loans.

F. State Accounting.

Minnesota Statutes provide a maximum effort school loan fund to account for proceeds from state bond sales and resulting loans and related loan repayments from school districts. The fund is divided into 3 accounts. Minnesota Statutes also provide a general fund account for the state appropriations that are provided to augment school district loan repayments. The accounts are described below:

1. Debt Service Loan Account - This account consists of the proceeds of the sale of any state school loan bonds, all income from the investment of bond proceeds, and any monies transferred from the loan repayment account for new debt service loans.

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

3. Loan Repayment Account - This account receives all principal and interest paid by school districts to the state for 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 making debt service or capital loans. Monies can be transferred to the debt service loan account for new debt service loans to the extent a balance remains in the loan repayment account after the required transfers have been made to the State Bond Fund to meet debt service obligations on outstanding state school loan bonds. Also, the state's cost of administering the maximum effort school loan law, not to exceed $10,000 per year, is paid out of this account.

4. General Fund Account - If there is not on hand a sufficient amount in the school loan bond account for the payments on state school loan bonds, then monies shall be paid out of the state general fund. For F.Y. 1996 and F.Y. 1997 there will not be sufficient resources in the school loan bond account.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. State Loans Outstanding | | | | | |
| Capital | $ 107,656.7 | $ 127,033.1 | $ 150,000.0 | $ 160,000.0 | $ 170,000.0 |
| Debt service | 1,748.7 | 1,399.7 | 1,300.0 | 1,300.0 | 1,300.0 |
| School construction | 1,082.0 | 1,027.0 | 972.0 | 917.0 | 862.0 |
| Total outstanding | 110,487.4 | 129,459.8 | 152,272.0 | 162,217.0 | 172,162.0 |
| 2. State Receipts | | | | | |
| Loan repayments from schools | 17,003.0 | 11,609.4 | 617.2 | 1,000.0 | 1,000.0 |
| Investment income | 431.4 | 734.2 | 387.6 | 349.3 | 350.6 |
| Total receipts | 17,434.4 | 12,343.6 | 1,004.8 | 1,349.3 | 1,350.6 |

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0504 MAXIMUM EFFORT SCHOOL LOAN
(Information Only)

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 3. Requirements | | | | | |
| Existing Debt Service Requirement* | 12,349.0 | 15,591.6 | 15,730.3 | 14,586.3 | 13,868.3 |
| New Debt Service Requirement on | | | | | |
| 8,570,000 issue 3/95 | 0 | 0 | 0 | 1,800.6 | 865.6 |
| 2,970,000 issue 8/95 | 0 | 0 | 0 | 375.9 | 291.5 |
| Total Requirement* | 12,349.0 | 15,591.6 | 15,730.3 | 16,762.8 | 15,025.4 |
| Amount Needed from General Fund | 0 | 0 | 0 | 8,269.4 | 10,759.1 |

* Total Debt Service Requirement for each year is for a 19-month period from December 1 to the second following July 1.

With the implementation of the debt service equalization aid program, it was in many districts' best financial interest to refund their capital loan. The capital loan refunding is the primary reason why F.Y. 1993 and F.Y. 1994 loan repayment receipts for each year are over $10 million. With the current debt service equalization funding formula, no capital loan refunding is projected for F.Y. 1995, F.Y. 1996 or F.Y. 1997.

The General Fund obligation for this program amount has been incorporated in the required amount for the General Fund debt service appropriation. The amount of outstanding Maximum Effort School Loan debt will also be included in the overall calculation of the state's debt capacity.

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| | | |
|---|---|---|
| PROGRAM: | 05 | Education Facilities/ Equipment |
| AGENCY: | | Education Aids |
| | 0505 | DESEGREGATION CAPITAL IMPROVEMENT GRANTS (Information Only) |
| CITATION: | | M.S. 124C.55 - 124C.58; Laws 1989, Chap 300, Art 2, Sec 6-10; Laws 1992, Chap 558, Sec 7, Subd. 9 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To provide facilities and equipment for implementing and operating a desegregation plan approved by the Commissioner of Education.

A goal of the State Board of Education and the Minnesota Department of Education (MDE) is to revise and strengthen policies and rules that promote effective desegregation/integration programs throughout the state. The Commissioner of Education may award grants to eligible school districts for constructing, enlarging or modifying school buildings. It must be determined that the costs are directly related to reducing or eliminating racial imbalance and are part of a desegregation plan.

Magnet schools, specialty schools, and pairing of schools are methods used to achieve desegregation/integration in schools. Many of the existing school facilities need substantial remodeling and/or improvements to provide quality education. The financial burden of achieving school desegregation/integration must not be solely a local responsibility. State bond funds are used for this program.

Most education aid programs contribute to more than one education goal. The attraction of magnet schools and other specialized programs has a positive impact on student learning and racial balance. This program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**
- **Integration/Desegregation/ Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

School districts required to have a comprehensive desegregation plan approved by the Commissioner of Education are eligible to apply for up to 50% of the costs of remodeling or improving a facility related to its desegregation plan. Districts unable to meet the 50% match with local funds, including local bond issues as necessary, are not eligible to receive a grant. Currently, Duluth, Minneapolis, and St. Paul are eligible. School districts applying must also comply with the review and comment provisions of M.S. 121.15.

**PROGRAM STATUS:**

The Legislature provided $2 million in bonding authority in 1989, and $4 million in 1992 for this program. The following distribution of grant funds has occurred:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Duluth | $ 560.0 | $ 0.0 | $ 0.0 | | |
| Minneapolis | 0.0 | 0.0 | 1,840.0 | | |
| St. Paul | 0.0 | 1,600.0 | 0.0 | | |
| | $ 560.0 | $ 1,600.0 | $ 1,840.0 | $ 0.0 | $ 0.0 |

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0506 | COOPERATIVE SECONDARY FACILITIES GRANTS (Information Only) |
| **CITATION:** | | M.S. 124.491, 124.495, 124.494 |
| **MDE ADMIN:** | 1302 | Facilities/Organization/Alternatives |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide incentives for two or more school districts to cooperatively improve existing, acquire, or build new secondary school facilities. The specific objectives of the Cooperative Secondary Facilities Grant Act (CSFGA) are to:

- promote the development of secondary schools in Greater Minnesota that will provide more equitable and improved quality programs and services that meet and exceed State Board of Education and local requirements;
- create cooperative school district organizations in Greater Minnesota that will remain more viable in terms of long-term operations;
- improve/replace rural secondary school facilities which are outmoded for educational, health and safety, and operational purposes; and
- accomplish all of the above in a cost-efficient manner.

The intent of this incentive grant program, is to encourage smaller rural school districts with common needs to improve secondary school facilities, programs, and services through cooperative efforts. The 1994 legislature expanded this program to include remodeling grants to combined or consolidated districts that have continuing facility needs. Funds are provided through state bonding authority.

Most education aid programs contribute to more than one education goal. By providing incentive funds for the creation of cooperative secondary facilities, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174 and 177.

**DESCRIPTION:**

School districts with outmoded, underutilized secondary schools have, through their cooperative joint efforts, created state-of-the-art high schools with vastly improved conditions for more effective teaching and learning. These physically modern, technologically superior school buildings afford a high quality physical environment for interaction among and between students, teachers, and community members. Greater student numbers and expanded staffs enable more class offerings that afford greater student opportunities to explore more areas of interest in junior and senior high curricula, and better prepare students for postsecondary education and the world of work. Because larger schools provide for more teaching specialization, teacher preparations have been reduced dramatically, enabling teachers to better prepare for the instruction of students. Expanded teaching staffs have enabled the districts to more effectively develop curriculum, learner outcomes, and plan staff development activities. Counseling and other support services are more readily available. These schools have become a magnet for after school activities of students and the broader school community.

Interested school districts must meet minimum criteria and prepare a Cooperative Secondary Facilities project grant application. The CSFGA and State Board of Education Rules, Parts 3545.3000 to 3545.3024, govern the application and award process.

The application is for an incentive grant in an amount not to exceed the lesser of $6 million or 75% of the approved construction costs of a cooperative secondary education facility. Grant applications are reviewed on a competitive basis by Minnesota Department of Education (MDE) staff. All requirements of the law, State Board of Education Rules, and the grant application must be met to qualify for grant award consideration by the Commissioner of Education. Criteria and requirements for grant award consideration include the following:

- two or more school districts together must have a minimum average enrollment of at least 66 students per secondary grade. No applicant district may have more than 1,200 students in Grades K-12;
- the districts must form a joint powers board to govern the proposed cooperative secondary facility;
- an educational plan must be prepared. Features of the plan include the following:
  a. a statement of the inadequacies of the present secondary facilities;
  b. time lines for selecting one superintendent for the joint powers district;
  c. input from professional staff and community members;
  d. a combined seniority list of secondary teachers;
  e. optional provisions for early retirement and severance pay for teachers and administrators;
  f. a detailed description of the improved learning opportunities and expanded course offerings to be made available to students, and procedures to assess learning outcomes and student performance;
  g. a plan to provide for the co-location of health and human services within the cooperative facility
- a positive review and comment under M.S. 121.15 must be received for the proposed project;
- the grant application must be received by the MDE by November 1 or April 15 for grant award consideration by January 1 or July 1 respectively;

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0506 COOPERATIVE SECONDARY FACILITIES GRANTS (Information Only)

(Continuation)

- within 180 days of receiving notification of a grant award, the districts must have a referendum on the question of borrowing additional funds for the portion of the proposed secondary facility cost not covered by the grant. A majority of those residents of the joint powers district voting in the affirmative is needed for approval; and
- within four years after the grant award is made, the districts must hold a combination referendum.
- The 1994 legislature added the secondary facilities remodeling grant program. $ 778,000 was appropriated from state bonding revenue to provide grants for up to $200,000 to school districts that had combined or consolidated and had continuing needs for facility improvement and/or expansion. Four districts have been awarded grants by the Commissioner from this revenue.

**PROGRAM STATUS:**

Since 1987, state bonding authority of $19.88 million has been provided for this program. Three groups of school districts have received grant awards as follows:

| School Project ($ in 000s) | Number of Districts | Project Cost | Award Amount |
|---|---|---|---|
| 1. Lac Qui Parle Valley | 4 | $ 11,900.0 | $ 8,000.0 |
| 2. Tri-District Coop | 3 | 16,500.0 | 6,000.0 |
| 3. Blue Earth Area | 4 | 8,900.0 | 5,881.0 |
| 4. Grant County | 5 | 10,877.7 | 6,000.0 |
| 5. Atwater, Cosmos and Grove City (ACGC) | 3 | 13,375.0 | 6,000.0 |
| 6. Dilworth-Glyndon-Felton* | 2 | 10,000.0 | 2,000.0 |
| 7. Secondary Facility Grants | 4 | | 778.0 |

* Laws 1992, Ch. 558, Sec. 7 authorizes a $2,000,000 grant to Dilworth (ISD 147) and Glyndon-Felton (ISD 145) after voters approve a referendum to combine.

Note: The Sibley East group of three districts also applied for and was awarded a grant of $8 million, but the local referendum failed and the grant award was canceled.

The figures below include a) the $5.88 million grant to Blue Earth Area in F.Y. 1993, b) grants of $6.0 million to Grant County School Districts in F.Y. 1994, c) $6 million to Atwater, Cosmos, and Grove City, and d) $2 million to Dilworth-Glyndon-Felton in F.Y. 1995.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 |
|---|---|---|---|
| Grant Awards | $ 5,881.0 | $ 6,000.0 | $ 8,000.0 |

Secondary Facilities Remodeling Grants ($778,000 provided by the 1994 Bonding Bill, Chap. 643, Sec. 14)

| School District Name | ISD Number | Date Consolidated | Amount Requested | Brief Description of Project |
|---|---|---|---|---|
| Lake Crystal Wellcome Memorial | 2071 | 7/1/91 | $ 200,000 | Septic, move modular, remodel gym, etc. |
| Martin County West | 2448 | 7/1/92 | $ 200,000 | Expand Junior High and Trimont |
| Granada Huntly East Chain | 2536 | 7/1/92 | $ 200,000 | 4 new classrooms |
| Janesville-Waldorf-Pemberton | 2835 | 7/1/91 | $ 200,000 | Media center redesign |

17 Districts submitting grant applications Total requested: $ 4,928,120

**BUDGET ISSUES:**

**CHALLENGES:**

- The state fire marshal visitations are helping school districts identify serious health and safety hazards in school facilities. These inspections help motivate districts to consider options for upgrading or replacing outmoded school facilities.
- For many older buildings, the cost of remodeling or renovation is almost as much as replacement.
- Continuing school district reorganization requires facility modifications.

**STRATEGIES:**

- Costs of upgrading and replacing existing secondary facilities may be prohibitive and districts are considering an affordable alternative to selectively upgrade and/or replace an existing single building that can be used for several districts cooperatively.
- State financial incentives through the CSFGA will encourage and facilitate these efforts.

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities/Equipment |
| **AGENCY:** | | Education Aids |
| | 0507 | MISCELLANEOUS CAPITAL EXPENDITURE LEVIES |
| **CITATION:** | | M.S. 124.91 Subd 1,2,3,4,5,6; 124.82; 124.84; 122.533; |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide funds to school districts for various capital expenditure purposes, including leasing of buildings, energy conservation, building construction down payment, etc. (See DESCRIPTION for specific objectives of these levies).

Most education aid programs contribute to more than one education goal. By providing districts with authority to levy for certain capital programs, these programs contribute to the overall financial health of districts. As a result, the districts have an increased ability to provide effective educational programs that contribute to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

1. Building and Land Lease (M.S. 124.91, Subd. 1). Districts may levy to rent or lease a building or land for instructional purposes if the district determines that the capital expenditures facilities revenues authorized under section M.S. 124.243 are insufficient for this purpose. The levy authority and amount must be approved by the Commissioner of Education. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy for the purpose of leasing or renting a district-owned building to itself.

2. Lease Purchase (M.S. 124.91, Subd. 2 and 3). School districts are permitted to continue to levy for lease purchase agreements approved by the Commissioner of Education prior to July 1, 1990. In addition, certain districts with a desegregation plan may levy for lease purchase costs of acquiring facilities.

3. Energy Conservation (M.S. 124.91, Subd. 6). A school district may annually levy, the amount needed to repay the annual principal and interest of energy conservation loans and other loans received pursuant to M.S. 216C.37 and M.S. 298.292 to 298.298.

4. Building Construction Down Payment (M.S. 124.82). A school district may levy the tax rate approved by a majority of the electors voting on the question of providing funds for a down payment for an approved building construction project. A referendum for a project receiving an unfavorable review and comment by the Commissioner of Education must be approved by at least 60% of the voters at the election. The election must take place no more than 5 years before the estimated commencement date of the project. All proceeds from the levy must be deposited in the capital expenditure fund and transferred to the down payment account in the building construction fund.

5. Cooperative Building Repair (M.S. 124.91, Subd. 4). A school district that has a cooperative agreement according to M.S. 122.535 or 122.541 may levy for the repair costs, as approved by MDE, of a building located in another district that is a party to the agreement.

6. Disabled Access Levy (M.S. 124.84). The 1990 Federal Americans with Disabilities Act (ADA) facilitates the removal of architectural barriers for persons with disabilities in public schools and enables school districts to make modifications in school buildings based on inspection by the staff of the State Fire Marshal. A school district may levy up to $300,000 to provide disabled accessibility for all facilities. Some newly consolidated districts have maximum levy authority of $450,000 or $600,000. The levy amount must be approved by the Commissioner of Education. The approved amount may be levied over five or fewer years.

7. Transition Levy (M.S. 122.533). A school district may levy for the capital expenditure transition costs due to consolidation or dissolutionment.

8. Alternative Facilities Bonding and Levy (M.S. 124.239). Large school districts with over 1,850,000 square feet of space, an average age of building space of 20 years or older, and a ten-year facility plan approved by the Commissioner, may issue bonds or have capital expenditure levy authority to provide funds for projects specified in the ten-year facility plan. The ten-year facility plan contains the projects and project costs under the following areas:

   1. health and safety,
   2. disabled access, and
   3. deferred capital expenditures and maintenance (necessary to prevent further erosion of facilities). The school district must annually update the plan. Once every two years the school district must submit a facility maintenance plan. The proceeds from their capital expenditure levy shall be transferred to the building construction fund.

Note: The non-miscellaneous capital expenditure levies are facilities, equipment, health and safety, and interactive T.V.

PROGRAM: 05 Education Facilities/Equipment
AGENCY: Education Aids

0507 MISCELLANEOUS CAPITAL EXPENDITURE LEVIES
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 91 PAY 92 | F.Y. 1994 92 PAY 93 | F.Y. 1995 93 PAY 94 | Current Law F.Y. 1996 94 PAY 95 | Current Law F.Y. 1997 95 PAY 96 |
|---|---|---|---|---|---|
| A. Capital Expenditure Fund | | | | | |
| 1. Building lease | | | | | |
| Amount | $ 6,840.0 | $ 8,715.1 | $ 10,036.6 | $ 13,356.8 | $ 13,757.5 |
| Districts | 96 | 109 | 118 | 123 | 125 |
| 2. Lease purchase* | | | | | |
| Amount | $ 4,065.8 | 6,062.4 | * | * | * |
| Districts | 9 | 8 | * | * | * |
| 3. Energy conservation* | | | | | |
| Amount | $ 3,709.3 | $ 3,776.0 | * | * | * |
| Districts | 152 | 155 | * | * | * |
| 4. Building construction down payment | | | | | |
| Amount | $ 1,287.5 | $ 1,037.6 | $ 1,097.7 | $ 785.8 | $ 1,157.7 |
| Districts | 5 | 5 | 6 | 4 | 4 |
| 5. Cooperative building repair | | | | | |
| Amount | $ 0.0 | $ 0.0 | $ 12.0 | $ 0.0 | $ 12.0 |
| Districts | 0 | 0 | 1 | 0 | 1 |
| 6. Disabled Access | | | | | |
| Amount | $ 0.0 | $ 17,645.8 | $ 14,160.2 | $ 9,723.1 | $ 8,000.0 |
| Districts | 0 | 189 | 179 | 123 | 90 |
| 7. Transition Levy | | | | | |
| Amount | $ 0.0 | $ 51.4 | $ 0.0 | $ 225.9 | $ 0.0 |
| Districts | 0 | 3 | 0 | 3 | 0 |
| 8. Alternative Facilities Levy | | | | | |
| Amount | $ 0.0 | $ 0.0 | $ 5,400.0 | $ 5,900.0 | $ 6,077.0 |
| Districts | 0 | 0 | 2 | 2 | 2 |

* Starting with 93 Payable 94 these components are debt service levy components.

## BUDGET ISSUES:

### A. CHALLENGES:

- The Americans with Disabilities Act (ADA) guidelines have become a major concern for school districts in their facility management plans.
- Because of the increasing age of the majority of school facilities, districts are experiencing increasing costs for maintaining lighting, electrical, heating-ventilation, and roofs of schools. Districts will continue to rely on these levies.
- For the larger school districts, because of the high costs of installing elevators and other accessibility modifications, the current levy limit of $300,000 over five years per district is not sufficient to address accessibility issues in all their facilities.

### B. STRATEGIES:

- Continuation of these levies will enable districts to access revenue needed or permitted in these areas of financial need.
- The amount permitted for disabled access will not meet the need for improvements in the larger districts. A portion of this need can be funded from other capital expenditure revenue sources. Data will be collected to assess the differential between need and funding available so that objectives may be established.
- Miscellaneous Capital Expenditure Levies continue to serve various needs of Minnesota school districts. All funds generated through these levies are anticipated to be fully utilized.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of this activity.

| | | |
|---|---|---|
| **PROGRAM:** | 05 | Education Facilities and Equipment |
| **AGENCY:** | | Education Aids |
| | 0508 | DEBT SERVICE EQUALIZATION |
| **CITATION:** | | M.S. 124.95; 124.97; 124.243, Subd. 9; 124.494; 124.2445; 475.61 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide funds to school districts for debt service purposes including debt service equalization aid to districts with a high debt burden relative to the district tax base and a high burden relative to the District's tax base per pupil unit. By providing debt service equalization aid to school districts, this program contributes to the overall financial health of the districts and promotes greater equity for taxpayers.

Most education aid programs contribute to more than one education goal. By providing districts with debt service equalization aid this program contributes to the overall financial health of districts. As a result, the districts have an increased ability to provide effective educational programs that contribute to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174 and 177.

**DESCRIPTION:**

1. Required Debt Service Levy (M.S. 124.97; 475.61). A school district must levy an amount at least 5% in excess of the amount needed for the principal and interest payments on its general obligations. The required debt service levy for all years is established and approved by the local school board at the time that bonds are sold.

2. Maximum Effort Debt Service Levy (M.S. 124.37, subd. 7). Districts with an outstanding state capital loan must levy for debt service a minimum of:
   a. 20% of the latest ANTC for districts granted a capital loan after January 1, 1990 or that have incurred additional bonded debt since January 1, 1990,
   b. 20% of the latest ANTC for districts without a capital loan but with an outstanding debt service loan, or
   c. 18.42% of the latest ANTC for other districts having an outstanding capital loan. However, the maximum effort debt service levy shall not exceed the amount over the required debt service levy that is needed to retire all outstanding state loans.

   The greater of the eligible required debt service levy or maximum effort debt service levy is used in the computation of debt service equalization aid. If the required debt service levy less the debt service equalization aid is less than the maximum effort debt service levy, then the district will be required to have an additional maximum effort debt service levy equal to the difference. The additional maximum effort debt service levy is not equalized.

3. Debt Redemption Portion of Facilities Levy (M.S. 124.243, Subd. 9). A school district may allocate a portion of its capital expenditure facilities revenue to the debt redemption fund. The Minnesota Department of Education (MDE) must calculate the aid and levy for each fund and reduce the debt service levy of the district by the amount of the levy allocated to the debt redemption fund. This allocation reduces debt service equalization revenue which is used in computing debt service equalization aid.

4. Purchase of Certain Equipment (M.S. 124.2445). If a school district issues long-term (over 1 year) certificates of indebtedness or capital notes to buy equipment, then the school district must levy the amount needed to retire the certificates of indebtedness or capital notes issued to purchase vehicles other than school buses, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of the certificates or notes. The certificates or notes must be payable in not more than 5 years. The district's capital expenditure equipment levy must be reduced by the amount of the debt service levy certified for this purpose. This levy is not included for computing debt service equalization aid.

5. Cooperative Secondary Facilities Levy (M.S. 124.494, Subd. 5; 475.61). The joint powers districts must make a debt service levy for retirement of bonds issued under the Cooperative Secondary Facilities Grant Act. This levy is not included for computing debt service equalization aid.

6. Bonds for Certain Capital Facilities (M.S. 124.2455). A school district, with the approval of the Commissioner, may issue bonds, without voter approval, to provide funds for capital improvements to facilities enumerated in the law. This bond issue is subject to a reverse

referendum. The bonds authorized under this section shall be retired by funds annually transferred from the capital expenditure facilities account but in an amount not to exceed the lesser of the amount necessary to make principal and interest payments or 50% of the current year's facilities revenue. If the transfer is not sufficient, then funding the difference shall be an obligation of the debt redemption fund. The bonds shall be redeemed within 10 years of issuance. This levy is not included in the required debt service levy, when computing debt service equalization aid.

7. Alternative Facilities Bonding and Levy (M.S. 124.239). Large school districts with over 1,850,000 square feet of space, an average age of building space of 20 years or older, and a ten-year facility plan approved by the Commissioner, may issue bonds or have capital expenditure levy authority to provide funds for the projects specified in the ten-year facility plan. The ten-year facility plan contains the projects and project costs under the following areas:
   1. health and safety,
   2. disabled access, and
   3. deferred capital expenditures and maintenance (necessary to prevent further erosion of facilities). The school district must annually update the plan. Once, every two years, the school district must submit a facility maintenance plan. The bond issue authorized by this section does not require voter approval. This levy is included in the required debt service levy when computing debt service equalization aid.

8. Energy Conservation (M.S. 124.91, subd. 6). School districts have levy authority for the amount needed to repay the annual principal and interest on energy conservation loans and other loans received pursuant to M.S. 216C.37 and M.S. 298.292 to 298.298. Prior to the 1993 Payable 1994 levy, this component was listed as a capital expenditure levy limitation component. Since energy loans are recorded in the long-term debt group of accounts and this component is eligible for debt service equalization aid, this component, starting with the 1993 Payable 1994 levy, is listed as a debt service levy limitation component.

9. Lease Purchase (M.S. 124.91, subd. 2 and 3). School districts have levy authority for the annual amount needed for payments on the lease purchase agreements approved by the Commissioner of Education prior to July 1, 1990. In addition, certain districts with a desegregation plan have levy authority for lease purchase costs for more recent facility acquisitions. Prior to the 1993 Payable 1994 levy, this component was listed as a capital expenditure levy limitation component. Since lease purchases are recorded in the long-term debt group of accounts and this component is eligible for debt service equalization aid, this component, starting with the 1993 Payable 1994 levy, is listed as a debt service levy limitation component.

10. Debt Excess (M.S. 475.61, subd. 3). With the approval of the Commissioner, some districts are authorized to retain all or a portion of the debt excess in the debt redemption fund. The net debt excess in the net debt redemption fund is certified by the Commissioner to the County Auditor. The County Auditor reduces the debt service levy by the amount of the debt excess certified. The debt excess, other than for capital loan districts, reduces the revenue eligible for debt service equalization aid. Districts with outstanding capital are required to remit, unless authorized to be retained, the debt excess amount to the Commissioner as payment on their state loans.

11. Debt Service Loan (M.S. 124.42). School districts with a very large debt service levy relative to their tax base may qualify for a debt service loan. The amount of the loan reduces the debt service levy of the district. Districts receiving a debt service loan are required to levy an amount at least equal to the maximum effort debt service levy until the loan is retired.

12. Debt Service Equalization Aid (M.S. 124.95).

The following portions of a district's required debt service levy qualify for debt service equalization:

a. debt service for repayment of principal and interest on bonds issued before 7-2-92;

b. debt service for bonds or state loans refinanced after 7-2-92, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

c. debt service for bonds issued after 7-2-92 for construction projects that have received a positive review and comment according to section 121.15, if the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

   (i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or
   (ii) is eligible for sparsity revenue.

Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2 to qualify.

For fiscal years 1995 and later, the debt service equalization revenue of a district equals (the greater of the eligible required debt service levy or maximum effort debt service levy) plus the energy conservation loan levy and the eligible lease purchase levy minus the debt excess and the amount raised by a levy of 10% times the adjusted net tax capacity of the district. For fiscal year 1993, debt service equalization revenue equals one-third of this amount, and for fiscal year 1994, debt service equalization revenue equals two-thirds of this amount.

The debt service levy is a mandatory levy. The unadjusted equalized debt service levy is equal to the district's debt service equalization revenue times the lesser of one or the ratio of:

PROGRAM: 05 Education Facilities and Equipment
AGENCY: Education Aids

0508 DEBT SERVICE EQUALIZATION
(Continuation)

1. the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the second year prior to the year the levy is certified; to

2. 50% of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. A district's debt service equalization aid may be prorated. If prorated, the equalized debt service levy is increased for the aid proration.

Districts eligible for debt service equalization must notify the Department of their F.Y. 1997 debt service levy for bonds sold before 7-2-95 and their F.Y. 1996 debt service excess by 7-2-95. The Department will use these data to compute the final F.Y. 1997 debt service aid for each district prior to certification of 1995 payable 1996 levy limits.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Required Debt Service Levy | | | | | |
| Amount | $185,096.5 | $203,257.8 | $263,743.9 | $284,293.7 | $317,000.0 |
| Number of Districts | 255 | 249 | 245 | 244 | 240 |
| Amount Eligible | $183,790.2 | $201,793.6 | $233,848.7 | $265,372.8 | $297,000.0 |
| Amount Not Eligible | $ 1,306.3 | $ 1,752.1 | $ 29,895.2 | $ 18,920.9 | $ 20,000.0 |
| 2. Maximum Effort Debt Service Levy | | | | | |
| Amount | $ 17,001.1 | $ 14,662.1 | $ 9,271.0 | $ 8,745.2 | $ 8,700.0 |
| Number of Districts | 35 | 35 | 24 | 21 | 20 |
| Initial Amount Above Required | $ 0.0 | $ 0.0 | $ 0.0 | $ 110.7 | $ 120.0 |
| Number of Districts | 0 | 0 | 0 | 1 | 1 |
| Additional Amount | $ 0.0 | $ 1,861.3 | $ 412.6 | $ 1,178.2 | $ 1,200.0 |
| Number of Districts With Additional Amount | 0 | 29 | 13 | 16 | 16 |
| 3. Facilities Adjustment to Debt Service | | | | | |
| Levy | $ 131.3 | $ 10.0 | $ 3.0 | $ 0.0 | $ 0.0 |
| Aid | $ 436.7 | $ 33.0 | $ 7.0 | $ 0.0 | $ 0.0 |
| Revenue | $ 568.0 | $ 43.0 | $ 10.0 | $ 0.0 | $ 0.0 |
| Number of Districts | 5 | 2 | 1 | 0 | 0 |
| 4. Debt Service Equipment Levy | | | | | |
| Levy | $ 294.2 | $ 269.7 | $ 257.1 | $ 650.6 | $ 800.0 |
| Number of Districts | 10 | 6 | 4 | 10 | 12 |
| 5. Cooperative Secondary Facilities Debt Service Levy (Included Under 1. Required Debt Service-Amount Not Eligible) | | | | | |
| Amount | $ 1,306.3 | $ 1,532.0 | $ 971.1 | $ 1,714.2 | $ 300.0 |
| Number of Joint Power Districts | 2 | 3 | 3 | 4 | 1 |
| Number of Districts | 7 | 11 | 10 | 13 | 3 |
| 6. Bonds for Certain Capital Facilities (Excluded From 1. Required Debt Service) | | | | | |
| Amount | $ 121.6 | $ 123.2 | $ 119.2 | $ 120.0 | $ 120.4 |
| Number of Districts | 1 | 1 | 1 | 1 | 1 |
| 7. Alternative Facilities Bonding (Included under 1. Required Debt Service) | | | | | |
| Amount | $ 0.0 | $ 0.0 | $ 13,936.7 | $ 13,748.0 | $ 15,000.0 |
| Number of Districts | 0 | 0 | 4 | 4 | 4 |

PROGRAM: 05 Education Facilities and Equipment
AGENCY: Education Aids

0508 DEBT SERVICE EQUALIZATION
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 8. Energy Conservation* | | | | | |
| Amount | $ 3,709.3 | $ 3,776.0 | $ 4,404.9 | $ 3,985.6 | $ 3,600.0 |
| Number of Districts | 152 | 155 | 156 | 143 | 130 |
| 9. Lease Purchase* | | | | | |
| Amount | $ 4,065.8 | $ 6,062.4 | $ 7,373.2 | $ 12,178.6 | $ 15,000.0 |
| Number of Districts | 9 | 8 | 7 | 7 | 7 |
| Eligible Amount | $ 0.0 | $ 0.0 | $ 7,317.2 | $ 12,122.1 | $ 14,943.5 |
| Ineligible Amount | $ 4,065.8 | $ 6,062.4 | $ 56.0 | $ 56.5 | $ 56.5 |
| 10. Debt Excess | | | | | |
| Gross Excess | $ 28,000.5 | $ 13,925.5 | $ 7,405.4 | $ 8,570.2 | $ 8,700.0 |
| Net Excess | $ 20,227.2 | $ 10,169.8 | $ 6,346.2 | $ 7,739.1 | $ 8,000.0 |
| Number of Districts With Net Excess | 153 | 106 | 86 | 80 | 80 |
| 11. Debt Service Loan | | | | | |
| Amount | $ 1,490.7 | $ 180.9 | $ 0.0 | $ 0.0 | $ 0.0 |
| Number of Districts | 25 | 3 | 0 | 0 | 0 |
| 12. Debt Service Equalization Aid | | | | | |
| Full Equalized Revenue | $ 35,318.9 | $ 46,818.4 | $ 65,839.5 | $ 70,897.0 | $ 80,000.0 |
| Gross Aid Entitlement | $ 6,238.6 | $ 14,445.0 | $ 27,527.2 | $ 30,248.3 | $ 37,500.0 |
| Proration Factor | 0.9618 | 0.9704 | 1.0000 | 1.0000 | 1.0000 |
| Net Aid Entitlement | $ 6,000.0 | $ 14,018.0 | $ 27,527.2 | $ 30,248.3 | $ 37,500.0 |
| Districts Participating | 109 | 113 | 132 | 140 | 150 |

* Prior to 1993 Payable 1994 these components were capital expenditure levy limitation components. Starting with 1993 Payable 1994 these components are included in computing the debt service levy limitation.

For F.Y. 1993, the net appropriation is $3,000.0 ($6,000.0 in M.S. 124.9601 less $3,000.0 required cancellation in M.S. 124.9602). The additional $3,000.0 necessary to fund the F.Y. 1993 prorated entitlement is to be appropriated in F.Y. 1994.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Debt Service Budget | | | | | |
| Eligible Required | $183,790.2 | $201,793.6 | $233,848.7 | $265,372.8 | $297,000.0 |
| Maximum Effort Greater Than Required | $ 0.0 | $ 0.0 | $ 0.0 | $ 110.7 | $ 120.0 |
| Facilities Adjustment | ( 131.1)* | ( 43.0) | ( 10.0) | $ 0.0 | $ 0.0 |
| Energy Loan | $ 3,709.3 | $ 3,776.0 | $ 4,404.9 | $ 3,985.6 | $ 3,600.0 |
| Eligible Lease Purchase | $ 0.0 | $ 0.0 | $ 7,317.2 | $ 12,122.1 | $ 14,943.5 |
| Debt Service Loan | ( 1,490.7) | ( 180.9) | $ 0.0 | $ 0.0 | $ 0.0 |
| Net Debt Excess | ( 20,227.2) | ( 10,169.8) | ( 6,346.2) | ( 7,739.1) | ( 8,000.0) |
| Statutory Revenue | $165,650.5 | $195,175.9 | $239,214.6 | $273,852.1 | $297,663.5 |

* Levy Component of Facilities Adjustment

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE | $ 165,651 | $ 195,176 | $239,215 | $273,852 | $297,664 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Revenue (Line 9 on Fiscal Page) | $ 165,651 | $ 195,176 | $ 239,215 | $ 273,852 | $ 297,664 |
| B. Statutory Formula LEVY | $ 159,412 | $ 180,731 | $ 211,688 | $ 243,604 | $ 260,164 |
| Levy Change Due To Insufficient Appropriation | 239 | 427 | 0 | 0 | 8,869 |
| Current Law Levy (Line 8 on Fiscal Page) | $ 159,651 | $ 181,158 | $ 211,688 | $ 243,604 | $ 269,033 |
| C. Statutory Formula AID | $ 6,239 | $ 14,445 | $ 27,527 | $ 30,248 | $ 37,500 |
| Aid Reduction Due To Insufficient Appropriation | ( 239) | ( 427) | ( 0) | ( 0) | ( 8,869) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | 6,000 | 14,018 | 27,527 | 30,248 | 28,631 |
| Proration Factor | 0.962 | 0.970 | 1.000 | 1.000 | 0.763 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 14,018 | $ 26,000 | $ 31,600* | $ 31,600* |
| Entitlement Changes Per Law: | | | | | |
| ■ Growth in Debt Service Obligations | | 427 | 1,527 | | |
| ■ Change in Debt Service Obligations From Level Assumed in Setting the Statutory Appropriation | | | | ( 1,352) | 5,900 |
| Statutory Formula Aid (Unprorated) | | $ 14,445 | $ 27,527 | $ 30,248 | $ 37,500 |

PROGRAM: 05 Education Facilities and Equipment
AGENCY: Education Aids

0508 DEBT SERVICE EQUALIZATION
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| E. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | $ 14,018 | $ 27,527 | $ 30,248 | $ 28,631 | |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | — | — | 328 | — | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | $ 14,018 | $ 27,527 | $ 30,576 | $ 28,631 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Debt service levies have grown steadily in recent years, and will continue to grow as some school districts require additional space to house growing enrollments, while other districts replace or upgrade aging facilities.

**B. STRATEGIES:**

- This program provides greater financial equity among districts than the various capital grant and loan programs and is therefore a preferable model.
- The state should continue to fully fund the debt service equalization formula to ensure that the commitments made to taxpayers at the time of the bond elections are carried out.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $30,248 for F.Y. 1996 and $37,500 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $30,248 in F.Y. 1996 ($0 for F.Y. 1995 and $30,248 for F.Y. 1996), and $31,875 in F.Y. 1997 ($0 for F.Y. 1996 and $31,875 for F.Y. 1997).

The Governor recommends the following modifications in the debt service equalization program:

1. Beginning in F.Y. 1997, change the debt service and payment schedule to 30% before September 15, 30% before December 15, 25% before March 15, and 15% final payment on July 15 of the following fiscal year.
2. Beginning in F.Y. 1997, authorize the Commissioner of Education, with the approval of the Commissioner of Finance, to transfer funds from the capital expenditure health and safety appropriation to the debt service equalization aid appropriation to correct for changes in debt service aid after November 1 of the year the debt service levy is certified.
3. Beginning in F.Y. 1997, repeal the debt service equipment levy and require school districts to transfer from the capital expenditure equipment account the amount necessary to pay the principal and interest on capital notes or certificates of indebtedness for equipment purchases.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0508: DEBT SERVICE EQUALIZATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 14,018 | $ 26,000 | $ 31,600 | $ 31,600 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,024> | <2,969> |
| 3. Other Adjustments | | | | |
| Transfer from Health & Safety | | 1,527 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 14,018 | 27,527 | 30,576 | 28,631 |
| 5. Statutory Formula Aid (Detail in Narrative) | 14,445 | 27,527 | | |
| 6. Funding Excess/Deficiency | <427> | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 181,158 | 211,688 | 243,604 | 269,033 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 195,176 | 239,215 | 274,180 | 297,664 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | <328> | |
| 2. Eliminate Aid Reduction Due to Insufficient Appropriation | | | | 8,869 |
| Current Law Aid Funding Level (Line 4) | | | 30,576 | 28,631 |
| **RECOMMENDED AID ENTITLEMENT** | | | **30,248** | **37,500** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Eliminate Aid Reduction Due to Insufficient Appropriation | | | | <8,869> |
| Current Law Levy (Line 8) | | | 243,604 | 269,033 |
| RECOMMENDED LEVY | | | 243,604 | 260,164 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **273,852** | **279,926** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 3,000 | | | |
| Current Year 85 Percent | 14,018 | 27,527 | 30,248 | 31,875* |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **17,018** | **27,527** | **30,248** | **31,875** |

*Beginning in FY 1997, this aid is paid 85-15% basis.

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# EDUCATION ORGANIZATION/COOPERATION (06)

| | | |
|---|---|---|
| **PROGRAM:** | 06 | Education Organization/Cooperation |
| **AGENCY:** | | Education Aids |
| | 0601 | COOPERATION AND COMBINATION |
| **CITATION:** | | M.S. 124.2725 |
| **MDE ADMIN:** | 1302 | Facilities/Organization/Alternatives |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide incentives for groups of school districts to provide improved conditions for learning and instruction that will better ensure the success of all learners. Through expanded curriculum programs and support services for students, enlarged teaching staffs with fewer teaching preparations, and more cost efficient combined operations, educational opportunities for learners will be increased and curriculum and learner outcomes will be more systematically developed.

The program also ensures the involvement of all staff and parents/citizens in the development and implementation of a comprehensive plan for Cooperation and Combination, and provides alternative means of dealing with issues that often prevent permanent school district reorganization, such as new school board formation and operational debt.

The intent of Cooperation and Combination is to facilitate through cooperative efforts the creation of more opportunities for student success, staff and curriculum development, cost-effective school district operations, and supportive school communities, all of which will help convince local school communities that continued cooperation and the pooling of resources through a permanent combination is in the best interest of students, staff, and members of those communities.

Most education aid programs contribute to more than one education goal. By promoting the creation of combined school districts, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 124, 126 and 135.

**DESCRIPTION:**

Interested school districts must meet qualifying criteria outlined below and prepare a Cooperation and Combination Plan. The plan is submitted to the State Board of Education for review and comment, and the State Board must approve the proposed plan for cooperation and combination revenues to be received. Criteria and requirements for approval of the Cooperation and Combination Plan include the following:

- two or more school districts with a combined enrollment of 400 or more students in Grades 7-12, or two school districts who qualify for sparsity revenue before or after the proposed combination, or two districts any of which is located on a state border, or three or more school districts;
- school boards must pass a resolution to provide at least secondary instruction cooperatively for one or two years, and to combine into one district after cooperating;
- develop a Cooperation and Combination Plan that includes the following:
  a. description of academic program improvements such as secondary course offerings and the development of learner outcomes;
  b. a plan to involve school staff and community in the development and implementation of plan, with time lines;
  c. a plan for a new combined district school board, including election districts and elementary advisory board, if desired;
  d. procedures to combine teacher and other collective bargaining units, and to select one superintendent;
  e. early retirement, severance pay, and health insurance benefits to be offered to licensed and non-licensed staff, if desired;
  f. procedures for a referendum on combining the districts prior to or in year one or two of cooperation;
  g. estimated Cooperation and Combination revenue budgets for five years; and
  h. if less than 400 students in Grades 7-12, provide rationale that the proposed combination is educationally sound and will enable them to meet requirements of rule and law.
- Cooperation and Combination Plans are reviewed by the Minnesota Department of Education (MDE) staff. All requirements of law and the guidelines of the State Board and MDE must be satisfied for the applicant districts to receive a positive review and comment on their plan, and levy authority for any of the levies;
- if the required public referendum(s) on the question of combination fail or the plan is not implemented, there is a provision for the recapture of cooperation and combination revenues received in excess of $60 per pupil unit a year;
- school districts with an approved Cooperation and Combination Plan may receive revenue equal to $100 per pupil unit served up to a maximum of $200,000 for each of the first four years of

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0601 COOPERATION AND COMBINATION
(Continuation)

the program. The revenue is equalized at a percentage of the equalizing factor used for the General Education program. The percentage of the equalizing factor used is 100%, 75% 50%, and 25%, respectively, for the first, second, third, and fourth years of the program. In addition to the equalized revenue, school districts also receive $100 per pupil unit served in additional aid in the first year of cooperation and in the first year of combination; and

- in addition to cooperation and combination revenue, the school districts levy for transition expenses, operating debt, and severance or early retirement incentives as desired. (For further information see Program 0811.)

PROGRAM STATUS:

Since its enactment in 1989, the Cooperation and Combination program has attracted considerable interest from school districts. Nineteen groups made up of 44 school districts with approved cooperation and combination plans are involved in various stages of cooperation and combination in F.Y. 1993. Since F.Y. 1991, 23 districts have passed combination referendums, combining into 12 new school districts, and three groups involving 6 districts have discontinued their cooperation and combination plans.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| New C & C Plans | 7 | 7 | 9 | 5 | 5 |
| Total Active C & C Plans | 19 | 27 | 30 | 27 | 25 |
| Member School Districts* | 44 | 62 | 69 | 59 | 54 |
| Pupil Units Served (WADM) | 26,878 | 36,143 | 43,280 | 40,191 | 35,738 |
| Total Revenue | $ 4,746.9 | $ 5,636.7 | $ 6,183.5 | $ 5,412.5 | $ 5,192.8 |
| Levy | $ 890.7 | $ 1,805.5 | $ 1,946.1 | $ 2,070.7 | $ 2,071.1 |
| State Aid Entitlement | $ 3,856.2 | $ 3,831.2 | $ 4,237.4 | $ 3,341.8 | $ 3,121.7 |
| Proration Factor | 1.0 | 1.0 | 0.8531174 | 0.9737 | 1.0 |
| Prorated Entitlement | $ 3,856.2 | $ 3,831.2 | $ 3,615.0 | $ 3,254.1 | $ 3,121.7 |

* Number of districts prior to combination.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula | | | | | |
| REVENUE: | $ 4,747 | $ 5,637 | $ 6,183 | $ 5,413 | $ 5,193 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 622) | ( 88) | ( 0) |
| Current Law Revenue | 4,747 | 5,637 | 5,561 | 5,325 | 5,193 |
| B. Statutory Formula LEVY: | 891 | 1,806 | 1,946 | 2,071 | 2,071 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | 891 | 1,806 | 1,946 | 2,071 | 2,071 |
| C. Statutory Formula AID: | 3,856 | 3,831 | 4,237 | 3,342 | 3,122 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 622) | ( 88) | ( 0) |
| Current Law Aid Entitlement | 3,856 | 3,831 | 3,615 | 3,254 | 3,122 |
| Proration Factor | 1.000 | 1.000 | 0.853 | 0.974 | 1.000 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | 3,831 | 3,615 | 4,074* | 4,074* |
| Entitlement Changes Per Law: | | | | | |
| ■ Change in Appropriation-Implied Entitlement Per 1994 Legislation | | | | ( 459) | ( 459) |
| ■ Revenue Increase: | | | | | |
| Change in Pupil Units | | | 12 | | |
| Change in Early Combinations | | | 143 | | |
| Change in Participation | | | 429 | ( 186) | ( 406) |
| ■ Levy (Increase): | | | | | |
| Change in Pupil Units, Tax Capacities (ANTC), and Program Participation | | — | 38 | ( 87) | ( 87) |
| Statutory Formula Aid (Unprorated) | | $ 3,831 | $ 4,237 | $ 3,342 | $ 3,122 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments. The base budget funding level for F.Y. 1996 and F.Y. 1997 is the F.Y. 1995 implied entitlement *before* the transfer of funds to F.Y. 1994 in Laws 1994, Chap. 647, Art. 6, Sec. 35.

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0601 COOPERATION AND COMBINATION
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | $ 3,831 | $ 3,615 | $ 3,254 | $ 3,122 | |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | — | — | — | 569 | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | $ 3,831 | $ 3,615 | $ 3,254 | $ 3,691 | |

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The more equitable and improved programs and services for students that result from cooperative efforts are well documented by participating districts. Lacking such cooperation and combination, small districts have great difficulty in maintaining or expanding educational programs and services without burdensome excess levy referendums.
- The cost of expanding programs and services to provide equal educational opportunities for all students in Greater Minnesota school districts as presently organized would be prohibitive. School districts therefore are encouraged to voluntarily reorganize to help achieve the same.
- Districts currently participating in this program have made commitments which are binding on the district.
- The program has been in operation for 6 years. Districts have had opportunities to participate if they chose to do so.

**B. STRATEGIES:**

- The state needs to keep its commitment to the districts which recognized the need to begin the cooperation and combination process.
- Districts which in the future determine that they are unable to provide quality programs for their students will need to initiate collaborative efforts using other revenue sources.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $3,242 for F.Y. 1996 and $1,727 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $3,298 in F.Y. 1996 ($542 for F.Y. 1995 and $2,756 for F.Y. 1996), and $1,954 in F.Y. 1997 ($486 for F.Y. 1996 and $1,468 for F.Y. 1997).

The Governor recommends continuation of funding for school districts currently participating in this activity. No funding is provided for new participants.

Districts seeking financial assistance in consolidating are able to use the Consolidation Transition Aid Program (0603).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0601: COOPERATION/COMBINATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 3,831[a] | $ 3,615[a] | $ 4,074 | $ 4,074 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <751> | <383> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 3,831 | 3,615 | 3,354[b] | 3,691 |
| 5. Statutory Formula Aid (Detail in Narrative) | 3,831 | 4,237 | | |
| 6. Funding Excess/Deficiency | | <622> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | 1,806 | 1,946 | 2,071 | 2,071 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 5,637 | 5,561 | 5,325 | 5,762 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Discontinue New Participation After FY 1996 | | | | <1,342> |
| 2. Reallocate Funds to Other Education Programs | | | | <569> |
| 3. Change in Pupil Weights | | | <12> | <53> |
| Current Law Aid Funding Level (Line 4) | | | 3,254 | 3,691 |
| **RECOMMENDED AID ENTITLEMENT** | | | 3,242 | 1,727 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Discontinue New Participation After FY 1996 | | | <6> | <358> |
| Current Law Levy (Line 8) | | | 2,071 | 2,071 |
| RECOMMENDED LEVY | | | 2,065 | 1,713 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 5,307 | 3,440 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 591 | 574 | 542 | 486 |
| Current Year 85 Percent | 3,257 | 3,073 | 2,756 | 1,468 |
| Transfers Per M.S. 124.14, Subd. 7 | <81> | | | |
| **Total-State General Funds** | 3,767 | 3,647 | 3,298 | 1,954 |

[a]After the transfer of funds from FY 1995 to FY 1994 per legislation in 1994.

[b]$3,323 adjusted for the base budget 85-15% funding level.

| | | |
|---|---|---|
| **PROGRAM:** | 06 | Education Organization/Cooperation |
| **AGENCY:** | | Education Aids |
| | 0602 | DISTRICT COOPERATION REVENUE |
| **CITATION:** | | M.S. 124.2727 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide revenue to schools to purchase goods and services from entities formed for cooperative purposes or to provide educational services in a cooperative manner for students enrolled in special education and secondary vocational education classes. The intent of this program is to move school districts toward a market-driven system of purchasing goods and services, and to increase cooperative ventures between school districts so that operating efficiency increases and quality services are available to students participating in special education and secondary vocational courses and services.

Most education aid programs contribute to more than one education goal. By encouraging school districts to collaborate in the delivery of services to students, this program contributes to two of the Department of Education's goals:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

This program also contributes to the following current priorities of the Minnesota Department of Education (MDE):

- **Lifework Development and Technological Competence**
- **Education Facilities Improvement**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 124, 126, and 135.

**DESCRIPTION:**

District Cooperation revenue is equal to the greater of $67 times the district's actual pupil units or $25,000.

To receive district cooperation revenue, a district may levy an amount equal to the district's cooperation revenue multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable to $3,500.

District Cooperation Aid is the difference between its district cooperation revenue and its district cooperation levy. If a district does not levy the entire amount permitted, aid must be reduced in proportion to the actual amount levied. If the appropriation is insufficient to pay all districts the full amount of aid earned, the Department must proportionately reduce the $67 allowance and the $25,000 minimum to the level that spends the amount available. The reduction is made first from the district's aid and then from levy.

Districts must place the district cooperation revenue in a reserved account and may only use the revenue for purposes set forth in this statute.

In the 1994 legislative session several changes to the district cooperation revenue statute were made: 1) district cooperation revenue was increased from $50 to $67 per pupil unit beginning in F.Y. 1995; 2) a 1994 payable 1995 levy adjustment was authorized for the increase in F.Y. 1995 revenue with the full amount recognized as revenue in F.Y. 1995; 3) there was no aid penalty for underlevy on the F.Y. 1995 adjustment. In addition, the Legislature authorized that $230,000 of the F.Y. 1995 appropriation be used for a hold harmless aid in F.Y. 1995 for districts that were a member of intermediate school district 287. The hold harmless aid for the eligible districts is equal to the cooperation revenue formula allowance times the sum of (1) average per pupil allocation of the regional reporting subsidy grant received by the regional management information center in F.Y. 1994, (2) the average per pupil allocation of ECSU state aid received by the ECSU in which the district was a full member, and (3) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993.

The districts that were members of an intermediate district on July 1, 1994 are required to place in a reserve account an amount equal to the product of the intermediate district's Pay 94 special education/secondary vocational levy per pupil unit times the district's F.Y. 1995 pupil units. 5/11th of the reserved revenue must be used for special education and 6/11th must be used for secondary vocational programs. The district must demonstrate that revenue is being used to provide the full range of special education and secondary vocational services available to each child served by the intermediate district.

Districts that were not members of an intermediate district on July 1, 1994 are required to spend at least $9 per pupil unit of their district cooperation revenue on secondary vocational education.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| District Coop Revenue | -- | -- | $ 61,541.7 | $ 63,286.4 | $ 64,440.8 |
| Hold Harmless Revenue | -- | -- | $ 230.0 | -- | -- |
| Total Revenue | -- | -- | $ 61,771.7 | $ 63,286.4 | $ 64,440.8 |

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0602 DISTRICT COOPERATION REVENUE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Levy | -- | -- | $ 47,949.8 | $ 49.859.1 | $ 51,866.2 |
| State Aid Entitlement | -- | -- | $ 13,591.9 | $ 13,427.3 | $ 12,574.7 |
| Hold Harmless | -- | -- | $ 230.0 | -- | -- |
| Total | -- | -- | $ 13,821.9 | $ 13,427.3 | $ 12,574.7 |
| A. Statutory Formula REVENUE | $ 0 | $ 0 | $ 61,772 | $ 63,286 | $ 64,441 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 2,613) | ( 0) |
| Current Law Revenue | $ 0 | $ 0 | $ 61,772 | $ 60,673 | $ 64,441 |
| B. Statutory Formula LEVY | $ 0 | $ 0 | $ 47,950 | $ 49,859 | $ 51,866 |
| Levy Change Due To Insufficient Appropriation | 0 | 0 | ( 0) | ( 979) | ( 0) |
| Current Law Levy (Line 8 on Fiscal Page) | $ 0 | $ 0 | $ 47,950 | $ 48,880 | $ 51,866 |
| C. Statutory Formula AID | $ 0 | $ 0 | $ 13,822 | $ 13,427 | $ 12,575 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 1,634) | ( 0) |
| Current Law Aid Entitlement | 0 | 0 | 13,822 | 11,793 | 12,575 |
| Proration Factor | -- | -- | 1.000 | 0.878 | 1.000 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | $ 14,458 | $ 14,458* | $ 14,458* |
| Entitlement Changes Per Law: | | | | | |
| ■ Revenue Increases: Growth in Pupil Units | | -- | ( 834) | 680 | 1,835 |
| ■ Levy (Increases): Growth in Pupil Units and Tax Capacities (ANTC) | | -- | 267 | ( 1,642) | ( 3,649) |
| ■ Other Change in Assumptions Used in Setting the F.Y. 1995 Appropriation | | -- | ( 69) | ( 69) | ( 69) |
| Statutory Formula Aid (Unprorated) | | -- | $ 13,822 | $ 13,427 | $ 12,575 |
| E. Aid Funding Level Reconciliation | | | | | |
| Current Law Aid Entitlement | | -- | $ 13,822 | $ 11,793 | $ 12,575 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds (Not Allocated) | | | 541 | | 524 |
| ■ Portion of 15% Final Not Requested | | | 95 | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | | $ 14,458 | $ 11,793 | $ 13,099 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 95-15% funding basis or other relevant adjustments.

F.Y. 1995 was the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Minnesota districts face differing challenges. Priorities in districts vary based on their needs.
- Districts face challenges in terms of how to provide efficient, high quality services for students and their families.
- Districts have utilized this program in providing cooperative services for special education students. No changes regarding district responsibility are being proposed.
- With the implementation of Graduation Standards, the continuing need for cost-effective means of developing, implementing, and maintaining programs and services will increase, not lessen.
- Some districts provide their own secondary vocational programs and find the requirement for cooperation too restrictive.
- Holding districts accountable for results when resources are scarce is more difficult.

**B. STRATEGIES:**

- Districts should have access to a revenue source to initiate or expand programs based on their priorities.
- When revenue is scarce, districts need enhanced flexibility to be able to address the needs of learners.
- Because many districts experience significant cost savings and improved efficiency through cooperative programs for special education, secondary vocational education, and other activities, districts will continue to participate in cooperation when it is economically feasible to do so.

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0602 DISTRICT COOPERATION REVENUE
(Continuation)

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends that funding for this activity be discontinued beginning in F.Y. 1997. School districts may use resources from the general education program (see Activity 0101) or the new learner improvement program (see Activity 0718) for cooperative purposes.

The Governor recommends the following modifications in the District Cooperation Revenue program:

1. That there be no change to the district cooperation formula.

2. That the pupil weights be changed (see general education program, Activity 0101).

3. That F.Y. 1996 funding be prorated at 88%.

The Governor recommends an aid entitlement of $11,435 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $11,793 in F.Y. 1996 ($2,073 for F.Y. 1995 and $9,720 for F.Y. 1996), and $1,715 in F.Y. 1997 ($1,715 for F.Y. 1996 and $0 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0602: DISTRICT COOPERATION REVENUE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 14,458 | $ 14,458 | $ 14,458 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <2,665> | <1,359> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 14,458 | 11,793 | 13,099 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 13,822 | | |
| 6. Funding Excess/Deficiency | | 541* | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | 47,950 | 48,880 | 51,866 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 62,313 | 60,673 | 64,965 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Education Programs | | | | <524> |
| 2. Change in Pupil Weights | | | <358> | <389> |
| 3. Use District Coop. Revenue for Learner Improvement Rev. | | | | <12,186> |
| Current Law Aid Funding Level (Line 4) | | | 11,793 | 13,099 |
| **RECOMMENDED AID ENTITLEMENT** | | | **11,435** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Use District Coop. Revenue for Learner Improvement Rev. | | | | <51,866> |
| Current Law Levy (Line 8) | | | 48,880 | 51,866 |
| RECOMMENDED LEVY | | | 48,880 | 0 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **60,315** | **64,052** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 2,073 | 1,715 |
| Current Year 85 Percent | | 12,290 | 9,720 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **12,290** | **11,793** | **1,715** |

****The 85% share of the FY 1997 entitlement, equal to $10,358, is being used for "Learner Improvement Revenue" in FY 1997. See Program 0718 for more information.**

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*Estimated excess of $636 less $95 of the FY 1996 prior year final account that does not have to be appropriated due to the lower estimated entitlement: = $541 excess in the FY 1995 current appropriation.

| | | |
|---|---|---|
| **PROGRAM:** | 06 | Education Organization/Cooperation |
| **AGENCY:** | | Education Aids |
| | 0603 | CONSOLIDATION TRANSITION AID |
| **CITATION:** | | M.S. 124.2726 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide incentives for school districts that have been reorganized and that have not received Cooperation and Combination Revenue under M.S. 124.2725 to improve conditions for learning and instruction that will better ensure the success of all learners. By consolidating, school districts are able to expand curriculum programs and support services for students, enlarged teaching staffs with fewer teaching preparations, be more cost efficient through combined operations, and increase educational opportunities for learners.

The program also ensures that the reorganized school district has sufficient resources to fund early retirement incentives for staff members due to the reorganization and to address operating debt as defined in 122.23. This program provides alternative means of dealing with fiscal issues that often prevent permanent school district reorganization such as staff reduction due to increased staff utilization and operational debt.

The intent of Consolidation Transition Revenue is to provide fiscal assistance to combining school districts so that the newly combined district can have the fiscal means to create more opportunities for student success, increase cost-effective school district operations, and to encourage district combination when district consolidation is in the best interest of students, staff, and members of those communities.

Most education aid programs contribute to more than one education goal. By promoting the creation of combined school districts, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual Performance Report, September 1994, pages 14, 18, 124, 126 and 135.

**DESCRIPTION:**

A school district that has been reorganized under the consolidation statute (M.S. 122.23) after June 30, 1994, and has not received revenue under the Cooperation and Combination Program (M.S. 124.2725) is eligible to participate in this program.

Revenue is equal to the sum of state aid plus authorized levy authority. State Aid is equal to $200 times the number of actual pupil units in the newly created district in the year of consolidation and $100 times the number of actual pupil units in the second year. The number of pupil units used in the calculation of state in either year can not exceed 1,000. If the state aid provided is insufficient to cover the early retirement incentive costs of the district under M.S. 122.23, Subd. 20, the district may levy the difference over a period of time not to exceed three years.

Revenue must be used to cover district costs for the early retirement incentives granted by the district under M.S. 122.23, Subdivision 20. Any remaining revenue must be used to reduce operating debt as defined in M.S. 121.915. If any additional funds remain after the reduction of operating debt, the balance must be deposited into the district's general fund. This revenue shall not be included in the determination of the general fund operating fund balance reduction in M.S. 124A.26.

Retirement incentives allowable for funding under this program are for both licensed and nonlicensed staff and may include:

- payment of employer pension plan contributions for a specific period of time for individuals with at least ten years of allowable service;
- extended leaves of absences under M.S. 125.60;
- severance payment incentives; and
- employer payment of premiums for continued health insurance coverage up to age 65 or until the employee is eligible for health insurance coverage form a new employer.

Eligible school districts may offer these incentives beginning on the day the consolidation is approved under M.S. 122.23 subdivision, or, if an election is called under section M.S.122.23, Subdivision 9 or 10, on the day the plat is approved by the commissioner of education. A school board may offer these incentives until June 30 following the effective date of the consolidation.

If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0603 CONSOLIDATION TRANSITION AID
(Continuation)

reorganized are counted for aid purposes. If two districts consolidate and both districts had previously received transition aid within six years of the effective date of the consolidation, only one quarter of the pupil units in the newly created district are used to determine consolidation transition aid.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| A. Groups of districts | -- | -- | 3 | 7 | 8 |
| B. Unprorated Aid Entitlement | -- | -- | $ 532.2 | $ 882.6 | $ 1,070.0 |
| C. Estimated Proration* | -- | -- | 0.9488 | 0.4666 | 0.4275 |
| D. Reduced Entitlement | -- | -- | $ 505.0 | $ 411.9 | $ 457.5 |
| E. Levy (a) | -- | -- | | $ 37.6 | $ 130.0 |
| F. Districts using levy authority (b) | -- | -- | 1 | 1 | 1 |
| G. Total Revenue D+E | -- | -- | $ 505.0 | $ 449.5 | $ 587.5 |

* F.Y. 1996 and F.Y. 1997 prorated per Laws '93, Chap. 224, Art. 15, Sec. 3
(a) 94 Pay 95 Levy - first levy year for this program.
(b) ISD #2171 - $37.6 levy each year for three years

F.Y. 1995 is the first year for this program

Districts Participating in F.Y. 1995 are:

| District Number | District Name |
|---|---|
| 2170 | Motley-Staples |
| 2171 | Hallock-Kennedy |
| 2176 | Olso-Warren |

Projection for F.Y. 1996 and F.Y. 1996 assumes an additional 4 new groups of districts will participate in both each year, with an average student membership of 950.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | -- | -- | $ 532 | $ 921 | $ 1,140 |
| Revenue Reduction Due To Insufficient Appropriation | -- | -- | (27) | (474) | (552) |
| Current Law Revenue (Line 9 on Fiscal Page) | -- | -- | 505 | 447 | 588 |
| B. Statutory Formula LEVY: | -- | -- | 0 | 35 | 70 |
| Levy Change Due To Insufficient Appropriation | -- | -- | 0 | 0 | 60[a] |
| Current Law Levy (Line 8 on Fiscal Page) | -- | -- | 0 | 35 | 130 |
| C. Statutory Formula AID: | -- | -- | 532 | 886 | 1,070 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | (27) | (474) | (612) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | -- | 505 | 412 | 458 |
| Proration Factor | -- | -- | 0.949 | 0.465 | 0.428 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | 505 | 505* | 505* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase in Pupil Units | | | 27 | | |
| ■ Increased Number of Districts Participating | | | | 381 | 565 |
| Statutory Formula Aid (Unprorated) | | -- | 532 | 886 | 1,070 |

[a] Assumes only 2 of 4 districts receiving aid in F.Y. 1996 will levy in Pay 1996 for the excess retirement costs resulting from the aid proration.

**PROGRAM:** 06 Education Organization/Cooperation
**AGENCY:** Education Aids

0603 CONSOLIDATION TRANSITION AID
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The Consolidation Transition Aid program provides needed incentives for school districts to create improved conditions for the success of learners and for more effective instruction. The more equitable and improved programs and services for students that result from such cooperative efforts are well documented by participating districts. Small districts have great difficulty in maintaining or expanding educational programs and services without excess levy referendums which are frequently difficult to pass.

- The local cost of expanding programs and services to provide equal educational opportunities for all students in Greater Minnesota school districts as presently organized would be prohibitive. A realistic option is to encourage voluntary school district reorganization to help achieve the same.

**B. STRATEGIES:**

- With the recommended funding of cooperation and combination in F.Y. 1996 and F.Y. 1997 and the Consolidation Transition Aid program, school districts in Greater Minnesota will continue to expand, maintain and enhance educational programs and services for students as outlined in their approved consolidation plan and budget.
- The state needs to keep its commitment to the districts which are currently involved in this program.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends maintaining commitments to districts receiving aid in F.Y. 1995. New districts will be funded with remaining funds.

The Governor recommends an aid entitlement of $883 for F.Y. 1996 and $918 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $826 in F.Y. 1996 ($75 for F.Y. 1995 and $751 for F.Y. 1996), and $913 in F.Y. 1997 ($132 for F.Y. 1996 and $781 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0603: CONSOLIDATION TRANSITION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 505 | $ 505 | $ 505 | $ 505 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <93> | <47> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 505 | 412 | 458 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 532 | | |
| 6. Funding Excess/Deficiency | | <27> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | 35 | 130 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 505 | 447 | 588 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | 471 | 460 |
| Current Law Aid Funding Level (Line 4) | | | 412 | 458 |
| **RECOMMENDED AID ENTITLEMENT** | | | **883** | **918** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | 35 | 130 |
| RECOMMENDED LEVY | | | 35 | 130 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **918** | **1,048** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 75 | 132 |
| Current Year 85 Percent | | 430 | 751 | 781 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **430** | **826** | **913** |

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| | | |
|---|---|---|
| PROGRAM: | 06 | Education Organization/Cooperation |
| AGENCY: | | Education Aids |
| | 0604 | SPECIAL CONSOLIDATION AID |
| CITATION: | | M.S. 124.2728 |
| MDE ADMIN: | | Office of Education Funding |
| FEDERAL: | | None |

**PURPOSE:**

To allow recently reorganized districts that experience a sudden drop in Early Childhood Family Education and Community Education revenue as a result of a district reorganization, the ability to continue quality educational opportunities at the same level as before the reorganization through the Early Childhood Family Education (ECFE) and Community Education programs by phasing down the decrease in revenue over three years.

Most education aid programs contribute to more than one education goal. By providing additional revenue to recently combined school districts for Early Childhood Family Education (ECFE) and Community Education programs, this program contributes to five of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**
- **Collaboration and Service Co-Location**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 124, 126 and 135.

**DESCRIPTION:**

This program is limited to school districts that reorganized under M.S. 12.23 or M.S. 122.241 to 122.248 effective on or after July 1, 1994. The intent of this program is to provide a phase-down of ECFE and Community Education revenue to districts that have reorganized so that programs have sufficient time to adjust to the new funding levels in the reorganized districts and to avoid severe reductions in ECFE and Community Education programs as a result of the reorganization. Participation in this program is limited to three years.

Special Consolidation Aid is calculated by computing the sum of:

1. the difference between the total amount of ECFE revenue under M.S. 124.2711 to the district involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of ECFE revenue available to the reorganized district in the current year; and
2. the difference between the total amount of Community Education revenue under M.S. 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of Community Education revenue available to the reorganized district in the current year.

The additional revenue that this program provides to reorganized districts is phased-out over three years. In the first year of reorganization, Special Consolidation Aid is equal to the aid calculated times 100%. In the second fiscal year, Special Consolidation Aid is equal to the aid calculated times 67%. In the third year, Special Consolidation Aid is equal to the aid calculated times 33%.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Districts | -- | -- | 12 | 15 | 18 |
| Average State Aid Entitlement Per District | -- | -- | $ 9.1 | $ 6.2 | $ 3.1 |

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Education Aids

0604 SPECIAL CONSOLIDATION AID
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 109 | $ 93 | $ 56 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 27) | ( 26) | ( 0) |
| Current Law Aid Entitlement | -- | -- | $ 82 | $ 67 | $ 56 |
| Proration Factor | -- | -- | 0.752 | 0.720 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 82 | $ 82* | $ 82* |
| Entitlement Changes Per Law: | | | | | |
| a. Budget Variables | | | | | |
| ■ Change in Population and Participation | | -- | $ 27 | $ 30 | $ 60 |
| b. Legislation Becoming Effective | | | | | |
| ■ Phase-out of Aid | | -- | -- | ( 19) | ( 86) |
| Statutory Formula Aid (Unprorated) | | -- | $ 109 | $ 93 | $ 56 |
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | -- | $ 82 | $ 67 | $ 56 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds | | -- | -- | -- | $ 18 |
| Current Aid Funding Level | | -- | $ 82 | $ 67 | $ 74 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- This program provides needed revenue for school districts so that ECFE and Community Education programs in recently consolidated programs do not experience sudden large reductions in service.
- Districts that utilize this program need to make necessary adjustments in their programs to adjust to the phasing out of the funding without severely damaging the programs.

**B. STRATEGIES:**

- Because this program makes a significant contribution to learner readiness and school readiness, recently combined districts will continue to provide services offered through this program.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends continuation of funding for school districts currently participating in this activity. No funding is provided for new participants.

The Governor recommends an aid entitlement of $73 for F.Y. 1996 and $36 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $75 in F.Y. 1996 ($12 for F.Y. 1995 and $63 for F.Y. 1996), and $40 in F.Y. 1997 ($9 for F.Y. 1996 and $31 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0604: SPECIAL CONSOLIDATION AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 82 | $ 82 | $ 82 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <15> | <8> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 82 | 67 | 74 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 109 | | |
| 6. Funding Excess/Deficiency | | <27> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 82 | 67 | 74 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds from Other Education Programs | | | 6 | |
| 2. Phase Down Activity in FY 1997 | | | | <38> |
| Current Law Aid Funding Level (Line 4) | | | 67 | 74 |
| **RECOMMENDED AID ENTITLEMENT** | | | 73 | 36 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 73 | 36 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 12 | 9 |
| Current Year 85 Percent | | 70 | 63 | 31 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 70 | 75 | 40 |

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| | | |
|---|---|---|
| PROGRAM: | 06 | Education Organization/Cooperation |
| AGENCY: | | Education Aids |
| | 0605 | CAPITAL FACILITY GRANTS FOR C&C |
| CITATION: | | M.S. 124C.60 |
| MDE ADMIN: | 1302 | Facilities/Organizational Alternatives |
| FEDERAL: | | None |

**PURPOSE:**

To provide additional funding for facility improvement for districts that have recently consolidated under M.S. 122.23 or combined under M.S. 122.41 to 122.248. Grants are awarded on a competitive basis with a maximum grant of $100,000.

The intent of the capital facility grant program for districts that have consolidated or combined is to facilitate improvement of school facility sites in efforts to create more student opportunities, cost efficient operations, and to help districts address facility concerns that are the result of the pooling of resources that occurred in the cooperation and combination process.

Most education aid programs contribute to more than one education goal. By promoting the creation of combined school districts and by providing resources to recently combined school districts to improve educational facilities, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 174 and 177.

**DESCRIPTION:**

Interested school districts must meet qualifying criteria outlined below and submit an application to the State Board of Education. Criteria and requirements for this competitive grant process include the following:

1. Two or more districts that have consolidated under section 122.23 or combined under sections 122.41 to 122.248 are eligible for a capital facilities grant of up to $100,000 under this section;
2. the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124,243, subdivision 1;
3. the changes to the proposed facility must be needed to accommodate changes in the educational program due to the reorganization;
4. the utilization of the facility for educational programs is at least 85% of capacity; and
5. the grant will be used only to remodel or improve existing facilities.

Capital Facility Grants for C&C may only be used for capital expenditures specified in section M.S. 124.243, subdivision 6, clauses (4), (6), (7), (8), (9), and (10):

1. to improve and repair school sites and buildings, and equip or re-equip school buildings with permanent attached fixtures;
2. to eliminate barriers or increase access to school buildings by individuals with a disability;
3. to bring school buildings into compliance with the uniform fire code adopted according to M.S. 299F;
4. to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
5. to clean up and dispose of polychlorinated biphenyls found in school buildings; or
6. to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in M.S. 296.01.

In awarding grants in F.Y. 1995, the State Board of Education gave priority to:

- districts that have not previously received incentive facility grants resulting from consolidation or cooperation combination;
- districts that consolidated or combined in 1994; and
- districts which demonstrate the highest level of financial need.

**PROGRAM:** 06 Education Organization/Cooperation
**AGENCY:** Education Aids

0605 CAPITAL FACILITY GRANTS FOR C&C
(Continuation)

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**PROGRAM STATUS:**

| ISD Number | District Name | Date Consolidated | Amount Awarded | Brief Description of Project |
|---|---|---|---|---|
| 2164 | Dilworth/Glyndon-Felton | 7-1-94 | $ 42.0 | Add on to Senior high school gym, media networking |
| 2167 | Lakeview | 7-1-94 | $ 42.0 | Media/tech Center for Cottonwood |
| 2168 | NRHEG (New Richland) | 7-1-94 | $ 100.0 | Buy additional 22 acres for Athletic Fields |
| 2170 | Staples-Motley | 7-1-94 | $ 100.0 | Expand Motley, Health and Safety issues, add to Staples Elementary |
| 2171 | Kittson Central | 7-1-94 | $ 36.5 | Storage for media center; art lab |
| 2176 | Warren-Alvarado-Oslo | 7-1-94 | $ 100.0 | Walls to separate classrooms |
| 2180 | MACCRAY Schools | 7-1-94 | $ 79.5 | Remodel for computer lab and media center |
| | TOTAL | | $500.0 | |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 500 | $ 500 | $ 500 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 92) | ( 47) |
| Current Law Aid Entitlement | -- | -- | $ 500 | $ 408 | $ 453 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 500 | $ 500* | $ 500* |
| Statutory Formula Aid (Unprorated) | | -- | $ 500 | $ 500 | $ 500 |

F.Y. 1995 was the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- When school districts combine the following needs often exist:
  a. facility modifications to accommodate different age/grades within the facility;
  b. expansion of space to accommodate larger groups in media centers, science labs, music rooms, etc.; and
  c. existing accessibility and health and safety issues need remediation.
- Current levy authorities and the financial condition of districts inhibits the ability of newly combined districts from finding funding solutions.

**B. STRATEGIES:**

- Districts with facility needs as a result of reorganization will need to use other revenue sources for this purpose.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity in F.Y. 1997.

With the phase-out of the Cooperation and Combination activity beginning F.Y. 1997, the Governor recommends an aid entitlement of $408 for F.Y. 1996 and $0 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $408 in F.Y. 1996, and $0 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0605: FACILITIES GRANTS FOR COOPERATION & COMBINATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 500 | $ 500 | $ 500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <92> | <47> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 500 | 408 | 453 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 500 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 500 | 408 | 453 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs in FY 1997 | | | | <453> |
| Current Law Aid Funding Level (Line 4) | | | 408 | 453 |
| **RECOMMENDED AID ENTITLEMENT** | | | **408** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **408** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 500 | 408 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **500** | **408** | **0** |

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| | | |
|---|---|---|
| PROGRAM: | 06 | Education Organization/Cooperation |
| AGENCY: | | Education Aids |
| | 0606 | TRANSITION AID FOR INFORMATION SUPPORT |
| CITATION: | | Laws 94, Chapter 647, Article 6, Section 41 |
| MDE ADMIN: | 1307 | Informational Technologies |
| FEDERAL: | | None |

**PURPOSE:**

Ensures an orderly transition from a state supported regional computer system designed for reporting data to separate stand-alone computer systems that are based at the district or independent regional level.

This money supports the preparation of data for administrative decision making through this transition process. It also supports the development of the capability to electronically transmit administrative data to and from the Department. This data is used to determine and allocate approximately $3 billion annually; to comply with civil rights reporting requirements; to assist the legislature in their planning process by producing budget simulations and computer runs.

Most education aid programs contribute to more than one education goal. By providing resources for a data management system to capture and electronically transmit school district information, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 202 and 204.

**DESCRIPTION:**

This funding provides for a) the training of district staff, software vendors and service providers on MDE data reporting requirements; b) ongoing monitoring of software vendors for MDE reporting compliance; c) creating the capability for school districts to report data using an electronic capture mechanism; and d) creating the capability for school districts to directly transmit administrative data to the Department of Education via INTERNET. The support of these efforts is critical to the fiscal accountability of the school districts as well as the state.

The funding also ensures that state-of-the-art approaches to technology are deployed in transmitting data to and from school districts. $150,000 of the F.Y. 1995 appropriation is for additional INTERNET support in school districts. (Refer to Program 0717, Internet (InforMNs), for details on other expenditures for INTERNET.) Up to $300,000 of the F.Y. 1995 appropriation is for the maintenance of the state supported software so that state reporting requirements are met.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| MDE Staff & Equipment | -- | -- | $ 350.0 | $ 286.0 | $ 226.0 |
| INTERNET support | -- | -- | $ 150.0 | 122.0 | -- |
| ESV software support | -- | -- | $ 300.0 | -- | -- |
| Total | -- | -- | $ 800.0 | $ 408.0 | $ 226.0 |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | -- | -- | $ 800 | $ 500 | $ 250 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 92) | ( 24) |
| Current Law Aid Entitlement | -- | -- | $ 800 | $ 408 | $ 226 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 800 | $ 500* | $ 250* |
| Statutory Formula Aid (Unprorated) | | -- | $ 800 | $ 500 | $ 250 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

$300,000 funding for ESV software is phased out effective July 1, 1995. The $150,000 funding for INTERNET is phased out effective July 1, 1996.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Ensure consistent, accurate and timely reporting of school district financial, student, and staff data to the Department.
- With the transition to a free market approach for districts to purchase services directly, the Department will need to ensure that software vendors comply with state reporting requirements that include features needed to correctly calculate aid payments as well as auditing and expansion

capabilities. The Department will also need to ensure software vendors and regional service centers are providing the needed support so the districts, in turn, may provide accurate and timely data to the Department.

**B. STRATEGIES:**

- Develop criteria and set data element standards for reporting.
- Develop the capability and prepare school districts to report data directly to the Department using INTERNET and other current technology.
- Develop the capability for school districts to electronically capture data and obtain state reports.
- Provide training to school district staff, software vendors, and regional services providers on MDE reporting requirements and the continuing development of reporting procedures.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $500 for F.Y. 1996 and $250 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $500 in F.Y. 1996, and $250 in F.Y. 1997.

**0606: TRANSITION AID FOR INFORMATION SUPPORT**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 800 | $ 500 | $ 250 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <92> | <24> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 800 | 408 | 226 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 800 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 800 | 408 | 226 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Restore Apps. Limits Reduction | | | 92 | 24 |
| Current Law Aid Funding Level (Line 4) | | | 408 | 226 |
| **RECOMMENDED AID ENTITLEMENT** | | | **500** | **250** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **500** | **250** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | | 800 | 500 | 250 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **800** | **500** | **250** |

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# ACCESS TO EXCELLENCE (07)

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0701 | AREA LEARNING CENTERS |
| CITATION: | | M.S. 124C.45 - 124C.49 |
| MDE ADMIN: | 1302 | Facilities/Organization/Alternatives |
| FEDERAL: | | None |

**PURPOSE:**

State funding is provided to assist Area Learning Centers (ALCS) in the expansion of programming opportunities directed toward learner skill development for lifelong learning and good citizenship. Learner skill development is unique for each learner; many times it first involves both the removal of barriers to leaning and other barriers to life in general. ALCs are designed to create and control the conditions for successful learning to help ensure that all individuals can learn successfully. Primary emphasis for ALC grant programs for F.Y. 1996 and F.Y. 1997 will be on assisting school districts having high dropout rates, high race/ethnicity dropout rates, and learners suspended or expelled for violent behavior.

More specifically, ALCs will:

- refine and demonstrate a results-based education system to better assess learner progress and to further develop learning strategies and assessments that deal with the whole learner;
- facilitate interagency collaboration opportunities and the cooperation of other groups to better meet learner needs and possibly the needs of entire families;
- expand cooperative programming efforts between elementary schools, middle schools/junior high schools and ALCs in dropout prevention efforts for learners ages 5 through 15.

Most education aid programs contribute to more than one education goal. By increasing education readiness, school achievement, and decreasing the high school dropout rate, this program contributes to three of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Graduation Standards**
- **Lifework Development and Technology Competence**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 22 and 18.

**DESCRIPTION:**

School districts are encouraged to establish an ALC, individually or in cooperation with other organizational entities. Area Learning Centers must serve learners from two or more districts, with the exception of cities of the first class, and must operate year-round programs. Eligible students do not need the consent of the district of residence to enroll. An eligible student (age 5-20) under the High School Graduation Incentive Program (M.S. 126.22) is one who:

- is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or
- is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation; or
- is pregnant or is a parent; or
- has been assessed as chemically dependent; or
- has been excluded or expelled according to sections 127.26 to 127.39; or
- is a victim of physical or sexual abuse; or
- has experienced mental health problems; or
- has experienced homelessness any time within a six-month period prior to the date of requesting a transfer to an eligible program; or
- is referred by a district as being at risk of not graduating.

An eligible adult is one who:

- is a dislocated homemaker and worker; or
- needs basic educational and social services.

In addition, the ALC may provide programs for elementary and secondary students, not attending the center, to assist them in completing high school. They may also provide services to elementary students referred by a district as being at risk of not graduating.

This competitive grant program provides funds to the fiscal host of each ALC for program development purposes and for demonstration of effective education practices to school districts, alternative programs and other ALCs.

All ALCs are notified of the grant process and biennial priorities by Minnesota Department of Education (MDE) staff. Application materials and priority descriptions are provided. Grant awards for 1996-97 will allow up to $20,000 to provide greater demonstration efforts by better ALC programs. A team of readers recommends projects to be funded. MDE staff also provide technical

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0701 AREA LEARNING CENTERS
(Continuation)

assistance and demonstration coordination. End of the year program results and budget expenditures are reported by ALCs to the MDE.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Area Learning Center | | | | | |
| Number Designated | 43 | 44 | 46 | 48 | 50 |
| Secondary students served (ages 12-20) | 16,000 | 24,150 | 26,000 | 28,000 | 30,000 |
| Adults served 2,600 | 3,000 | 3,2000 | 3,200 | 3,200 | |
| Elementary students served | 300 | 400 | 1,500 | 2,500 | 3,000 |
| Funding Grants | | | | | |
| Exemplary sites | | | | | |
| Demonstration/replication sites | 25 | 8 | 9 | 10 | 10 |

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 133 | $ 150 | $ 150 | $ 150 | $ 150 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 28) | ( 14) |
| Current Law Aid Entitlement | $ 133 | $ 150 | $ 150 | $ 122 | $ 136 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 150 | $ 150 | $ 150* | $ 150* |
| Statutory Formula Aid (Unprorated) | | $ 150 | $ 150 | $ 150 | $ 150 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

BUDGET ISSUES:

A. CHALLENGES:

Numerous factors influence the operation and performance of area learning centers and public alternative programs. Some of the factors include the level of learner needs, changes in law or policy, grants available, cooperation of other agencies, the ability to learn about promising practices of other centers and programs, and the funding provided by the sponsoring school district. These factors and other factors all contribute to the following major challenges facing area learning centers, public alternative programs and school districts during fiscal years 1996 and 1997:

- Increasing the percentage of learners continuing in education centers until graduating while requiring rigorous standards for graduation.
- Implementing a results-based education program based on State Board of Education Graduation Standards.
- Providing alternative education services to learners exhibiting violent behaviors while maintaining a safe and violence-free environment for all other learners.
- Decreasing at-risk factors of elementary and middle level learners to retain more learners in regular high school programs.

B. STRATEGIES:

The MDE will provide leadership to this effort:

- A center or two to implement a results-based education program based on State Board of Education Graduation Standards with emphasis on the support services needed to assist learners in successfully attaining the graduation standards within a reasonable time period.
- A continuation of technical assistance consisting of workshops, visitations and mailings to staff of districts and alternative education providers by previous Area Learning Center Demonstration Sites. Technical assistance will emphasize implementation of graduation standards, learner support services, collaboration efforts, cooperative alternatives for violent learners, and exemplary elementary, middle level, senior high and adult programs and practices.
- Assistance from other centers to develop a statewide Learner/Peer Leadership, Responsibility and Support Program will be initiated.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0701: AREA LEARNING CENTERS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 150 | $ 150 | $ 150 | $ 150 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <28> | <14> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 150 | 150 | 122 | 136 |
| 5. Statutory Formula Aid (Detail in Narrative) | 150 | 150 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 150 | 150 | 122 | 136 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <122> | <136> |
| Current Law Aid Funding Level (Line 4) | | | 122 | 136 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 150 | 150 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 150 | 150 | 0 | 0 |

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PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0702 SUMMER PROGRAM SCHOLARSHIPS (HECB)

CITATION: M.S. 126.56
MDE ADMIN: None
FEDERAL: None

**PURPOSE:**

This activity provides summer scholarships to eligible Minnesota secondary students (Grades 7-12) who attend summer academic programs sponsored by Minnesota postsecondary institutions. The program is designed to:

- encourage students to enrich their learning beyond those academic experiences now provided by their schools;
- provide academic instruction for student enrichment in curricular areas including, but not limited to: communications, humanities, social studies, social science, science, mathematics, computer science, fine or performing arts, and foreign languages;
- provide financial assistance to students of need who are interested in attending summer academic programs sponsored by postsecondary institutions; and
- encourage minority students and students from low and lower middle income families to participate in summer enrichment programs.

**DESCRIPTION:**

The Summer Scholarships for Academic Enrichment Program administered by the HECB provides scholarships of up to $1,000 to eligible junior and senior high school age students who have completed 7th grade, but have not graduated from high school. The scholarship covers tuition and other costs of attendance, such as transportation.

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.

In order to be eligible for a scholarship, a student must:

- be a Minnesota resident;
- attend an eligible program;
- have completed at least one year of secondary school (Grade 7), but not have graduated from high school;
- have earned at least a "B" average during the semester or quarter prior to application in the subject area applicable to the summer program the student wishes to attend; and
- demonstrate need for financial assistance. Financial need is determined by taking into account costs of attending the program, and household adjusted gross income.

An eligible program must be approved by the State Board of Education (SBE) 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 SBE in approving eligible programs and assists the HECB in planning, implementing, and evaluating the scholarship program. The HECB is responsible for developing and disseminating information about the program. The HECB and the SBE determine the time and manner for scholarship applications, awards, and program approval.

All scholarship 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.

**PROGRAM STATUS:**

Commencing Summer 1992, only students from families with adjusted gross incomes *less than* $18,000 for the prior income tax year were eligible for summer scholarship awards. This made it possible to ensure a commitment to fully fund students from families with the lowest family incomes, including many minority students, who would most likely not be able to attend these programs unless they were fully funded.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Institutions participating | 25 | 24 | 25 | 25 | 25 |
| Programs offered | 61 | 64 | 67 | 67 | 67 |
| Number of awards | 392 | 306 | 342 | 280 | 310 |
| Total awards | $ 207.0 | $ 176.1 | $ 214.0 | $ 175.0 | $ 194.0 |
| Average award (actual dollars) | $ 528 | $ 576 | $ 625 | $ 625 | $ 625 |

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0702 SUMMER PROGRAM SCHOLARSHIPS (HECB)
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 213 | $ 214 | $ 214 | $ 214 | $ 214 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 39) | ( 20) |
| Current Law Aid Entitlement | $ 213 | $ 214 | $ 214 | $ 175 | $ 194 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 214 | $ 214 | $ 214* | $ 214* |
| Statutory Formula Aid (Unprorated) | | $ 214 | $ 214 | $ 214 | $ 214 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The summer scholarship program has been operational since Summer, 1986. From 1986 to 1992, the number of scholarship recipients increased from 239 to 397 -- an increase of 40%. This increase was due primarily to intensified efforts to improve participation in these summer academic programs by low income and minority students meeting the scholarship eligibility requirements.
- Commencing Summer, 1993, the income eligibility requirements were lowered due to inadequate program funding, which has resulted in additional needy students not being eligible for scholarship awards. This need is substantiated by information provided by postsecondary institutional representatives handling summer programs. Under the lower income cut-off, students from families with adjusted gross incomes of more than $18,000 are not eligible for an award from this program. In addition, many of the summer enrichment programs attract "high risk students" who need additional support services when they attend such programs. There are many "needy" students who could benefit from attending summer enrichment programs, but are unable to receive awards due to limited scholarship funding. Some of the most needy students, including minority youth, who do qualify for scholarship awards are now having their needs met through other types of programs through the city, county, and school districts, which have been created over the last two years. This explains the slight drop in money expended for F.Y. 1994 awards. However, the need for scholarship assistance for students of families with adjusted gross incomes greater than $18,000 but less than $30,000 with multiple children continues to grow. It is estimated that with the new programs helping some of the clientele of this program, the income cut-off level should be raised to $25,000.

**B. STRATEGIES:**

- Efforts will be made to maintain existing levels of programs and services given available funding.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing funding for this activity within the K-12 omnibus bill. Funding for this activity, in the amount of $214.0 a year, has been included in the Governor's recommendations for the Higher Education Coordinating Board for F.Y. 1996-97.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0702: SUMMER SCHOLARSHIPS (HECB)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 214 | $ 214 | $ 214 | $ 214 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <39> | <20> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 214 | 214 | 175 | 194 |
| 5. Statutory Formula Aid (Detail in Narrative) | 214 | 214 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 214 | 214 | 175 | 194 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Discontinue K-12 funding; in HECB Budget Recommendation | | | <175> | <194> |
| Current Law Aid Funding Level (Line 4) | | | 175 | 194 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 214 | 214 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 214 | 214 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0703 | ADVANCED PLACEMENT (AP) AND INTERNATIONAL BACCALAUREATE (IB) |
| CITATION: | | M.S. 126.239 |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

To provide financial incentives for schools to begin or expand their Advanced Placement and International Baccalaureate offerings and to promote rigorous, challenging courses of study as part of the regular offerings for students in secondary schools. This program increases the ability of some schools to provide Advanced Placement or International Baccalaureate courses by providing funding for teacher training, new courses, all exam fees for economically disadvantaged students, and some exam fee assistance for all other students.

This program is specifically intended to provide:

- training and services for teachers of Advanced Placement and International Baccalaureate courses;
- support for teachers working with advanced learners; and
- subsidies for student examination fees for Advanced Placement and International Baccalaureate courses.

The Advanced Placement and International Baccalaureate Programs support the Graduation Standards and Goals 2000, which promote demonstrated competency in challenging subject matter and academic excellence to enable the state to take its place as a leader in the global economy in the following ways:

- Advanced Placement and International Baccalaureate courses help students learn to use their minds well, so that they may be prepared for responsible citizenship, further learning, and productive employment in our Nation's modern economy.
- Advanced learners, as future leaders, are among those most likely to provide creative solutions to complex problems of tomorrow's society.
- This initiative will encourage capable students who might otherwise underachieve, drop out, or socially withdraw. More learners will continue to excel in courses designed to motivate learning and promote high levels of accomplishment.
- The intent of these programs is that students should learn how to learn, how to analyze, and how to reach considered conclusions about people, their languages and literature, their ways in society, and the scientific forces of the environment.

Most education aid programs contribute to more than one education goal. By increasing student opportunities for academic skills and advanced education, and by providing additional academic opportunities for the academically gifted, this program contributes to the following Department of Education *goal*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Graduation Standards**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 20 and 124.

**DESCRIPTION:**

The Advanced Placement and International Baccalaureate Program funding was increased to $750,000 in F.Y. 1995. Of this amount, $550,000 is for examination fee subsidies. The remaining $200,000 is used for teacher training and to support new and existing Advanced Placement and International Baccalaureate Programs throughout the state. The program has three major components:

1. Teacher Training

This component provides for information dissemination and preparation of teachers to offer Advanced Placement and International Baccalaureate courses to secondary students interested in challenging, in-depth learning opportunities. The funding will pay tuition, room, and board for Advanced Placement and International Baccalaureate training offered by the College Board, International Baccalaureate of North America, and at qualified higher education institutions.

MDE responsibilities are to:

- determine application procedures and select teachers to participate in the training;
- ensure that Advanced Placement and International Baccalaureate courses will be available in all parts of the state;
- ensure that a variety of course offerings are available in school districts; and
- work with colleges to provide training essential to teaching AP/IB courses.

2. Teacher Support

The intent of this activity is to provide support during the school year for teachers who are working with advanced learners and teaching Advanced Placement or International Baccalaureate courses. Funding will provide for costs related to the support activities, e.g., travel, substitute teachers, classroom resources.

MDE responsibilities are to:

- provide related training and technical assistance in, e.g., long-distance learning, making connections to graduation standards, and administrative support;
- arrange content networks/seminars to support teachers in learning new strategies and to share ideas/materials;
- encourage on-site visits among schools for new teachers of AP or IB courses; and
- provide support for new courses and updating of materials/resources for current courses.

3. Subsidies for Student Exam Fees

The intent of this activity is to assist public and nonpublic students pay the costs for exam fees related to AP/IB courses. This will involve development of a fee schedule for payment of fee subsidies for all students and that may allow payment of the entire fee for low-income families. The F.Y. 1995 appropriations indicates, "the Commissioner shall pay for the fee for one AP/IB examination for the first exam each student takes," and to the extent possible a percent of the fee for each additional exam.

MDE responsibilities are to work with the State Board of Education to:

- communicate opportunities for exam fee subsidy to all AP/IB students;
- adopt a schedule for Advanced Placement and International Baccalaureate exam fee subsidies for low-income families;
- adopt a schedule for AP and IB exam fee subsidies for all other candidates of public and non-public schools; and
- work with districts and local program coordinators for payment of exam fees.

**PROGRAM STATUS:**

The AP and IB programs are expanding to meet the intent of the legislation to make available rigorous, challenging courses of study in all parts of the state and a variety of course offerings within school districts. Program growth is indicated in the following ways:

- The number of teachers receiving scholarships increased by 14% for AP and decreased 1% for IB. All teachers who applied were able to receive scholarships.
- Carleton College provided 18 and Bemidji State University provided 6 AP course offerings for teacher training. A full-range of course offerings for IB is provided at Armand Hammer World College in Albuquerque, New Mexico.
- The number of new course offerings increased by 22% for AP and by 32% for IB students.
- On-site visits were made to 15 schools to assist in starting or expanding an AP or IB program.
- General statewide conferences with follow-up training or networking opportunities in all content areas were attended by 325 AP and 110 IB teachers.
- A specific two-day seminar in Calculus Using Graphing Calculators was attended by 35 participants.
- IB teachers attended follow-up training for curriculum updates in four content areas in New York, San Francisco, Montezuma, and New Orleans.
- Schools received $500 in start-up monies for each of 109 new AP/IB courses being offered throughout Minnesota.
- The number of students taking AP exams increased by 9% and the number of exams taken increased by 11%. The number of students taking IB exams remained the same, but the number of exams taken decreased by 4%.
- The number of exams subsidized for economically disadvantaged students increased by 14% for AP and 42% for IB students.

| | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | F.Y. 1994 |
|---|---|---|---|---|
| **Advanced Placement** | | | | |
| Schools Funded | -- | -- | 71 | 86 |
| Total AP Schools | 149 | 147 | 165 | 167 |
| Students Taking Exams | 3,425 | 3,830 | 4,434 | 4,890 |
| Exams Taken | 4,306 | 4,847 | 5,794 | 6,491 |
| Low Income Exams | -- | -- | 189 | 220 |
| Exams Per Student | | | | 1.3 |
| Teacher Scholarships | -- | -- | 112 | 129 |
| New Courses Offered | -- | -- | 63 | 81 |
| **International Baccalaureate** | | | | |
| Schools Funded | | | 9 | 10 |
| Total IB Schools | 9 | 9 | 10 | 11 |
| Students Taking Exams | -- | -- | 504 | 504 |
| Exams Taken | -- | -- | 844 | 813 |
| Diplomas Earned | 15 | 16 | 31 | 25 |
| Low Income Exams | -- | -- | 15 | 26 |
| Exams Per Student | | | | 1.6 |
| Teacher Scholarships | -- | -- | 50 | 47 |
| New Courses Offered | -- | -- | 19 | 28 |

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0703 ADVANCED PLACEMENT (AP) AND INTERNATIONAL BACCALAUREATE (IB)

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Teacher Training | $ 104.7 | $ 94.7 | $ 160.0 | | |
| Teacher Support, Implementation | $ 84.8 | $ 54.5 | $ 100.0 | | |
| Student Exam Subsidies | $ 10.7 | $ 14.8 | 550.0 | | |
| 0.5 MDE Complement | $ 25.7 | $ 31.1 | 32.0 | | |
| Program Administration/ Training | $ 21.0 | $ 2.3 | $ 10.6 | | |
| Unprorated State Aid | $ 246.9 | $ 197.4 | $ 852.6 | $ 612.0 | $ 680.0 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 247 | $ 197 | $ 853 | $ 750 | $ 750 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 138) | ( 70) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 247 | $ 197 | $ 853 | $ 612 | $ 680 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 300 | $ 750 | $ 750* | $ 750* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward to Fund Staff Development Activities Planned in F.Y. 1994 But Offered Early in F.Y. 1995 | | ( 103) | $ 103 | | |
| Statutory Formula Aid (Unprorated) | | $ 197 | $ 853 | $ 750 | $ 750 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## A. CHALLENGES:

As the AP and IB programs continue to grow, there is an ongoing need to provide services for advanced learners who are underserved and for support of teachers working with this level of student and for support of schools initiating or expanding their programs. Challenging, rigorous learning opportunities are essential to an effective system that is setting standards for learning and for graduation. Specific challenges include:

**Fiscal Planning**

- *AP/IB Program Timelines.* The major program activities (student testing and teacher training) occur the last two months of the fiscal year - making it difficult to get actual numbers until June/July. This impacts budgeting for other activities throughout the year in order to allow ample monies for the two major activities during the last two months of the fiscal year.
- *Specific Allocations for Exam Fee Subsidies.* Limited flexibility in use of funds between components of the program makes it difficult to maximize expenditures, particularly if monies remain after the year-end accounting when it is too late to adjust the payment schedule.

**Setting the Exam Fee Subsidy Schedule**

- *Making Projections for Payment Schedule.* Fall surveys from AP Program coordinators provide only rough estimates of numbers of students taking exams, making it difficult to set an exam fee subsidy schedule for amounts to be paid. This situation also impacts payment options - the state can make a subsidy payment to schools or schools can deduct exam costs through Educational Testing Service, whom they already pay for other AP exams. There are advantages and issues of concern for both options.
- *Insufficient Funds to Pay the First Exam.* Survey results indicate a 50% increase in numbers of interested AP students and a 10% increase in IB students taking at least one exam.

**Getting AP/IB Programs or Courses Started**

- *Lower School Enrollment.* It is difficult to provide AP/IB courses in small schools when there are only one-two sections of a course in the Category 6 schools (1-499 pupils) or Category 5 schools (500-999 pupils).
- *Low Course Enrollment.* This can be a problem in any size school when the enrollment for an AP/IB course is lower than school policy allows in order to offer the course.

**Providing for Curriculum Needs**

- *Cost of Materials.* Starting a new course often requires purchasing new or additional materials. Science courses, in particular, require specific, costly lab equipment. Schools offering new courses currently receive $500 for curriculum materials, if money is available at the end of the fiscal year.
- *Content Updates.* On a 4-5 year cycle, the College Board and International Baccalaureate Organization revise and update curriculum, which frequently requires new or additional resources/equipment.

## B. STRATEGIES:

- Provide for flexibility in use of the funds between the three program components to reduce possibility of monies not being used due to specific allocation of monies for exam fee subsidies.
- Encourage more students to take the exams. (Some students fear advanced placement in college

courses, not realizing that the rigor of their high school AP/IB course has prepared them well for higher level courses.)

- Assure that teachers are well trained to teach the challenging AP/IB courses and to prepare students for the rigorous exams so they don't back out in May.
- Provide support for curriculum resources needed for new courses and to update curriculum materials for existing courses.
- Continue promotion of the AP/IB Program to increase number of schools participating in the program, number and variety of courses being offered, and number of students participating in the courses.
- Continue working with Minnesota's postsecondary institutions to develop placement and credit policies to assist students in making more informed choices about the college they wish to attend and in receiving credit for exams taken.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of Learner Improvement Revenue (Program 0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0703: ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 300 | $ 750 | $ 750 | $ 750 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <138> | <70> |
| 3. Other Adjustments | | | | |
| Balance Forward | <103> | 103 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 197 | 853 | 612 | 680 |
| 5. Statutory Formula Aid (Detail in Narrative) | 197 | 853 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 197 | 853 | 612 | 680 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <612> | <680> |
| Current Law Aid Funding Level (Line 4) | | | 612 | 680 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 197 | 853 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 197 | 853 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0704 | INTERACTIVE TELEVISION (ITV) AID AND LEVY |
| CITATION: | | M.S. 124.91, Subd. 5 |
| MDE ADMIN: | 1307 | Informational Technologies |
| FEDERAL: | | None |

**PURPOSE:**

To provide funds for the construction, maintenance, and lease costs of an interactive television system for instructional purposes so that small districts have more program offerings for students.

Most education aid programs contribute to more than one education goal. This program contributes at least one of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 18 and 124.

**DESCRIPTION:**

A school district located outside economic development region 11 may apply for revenue up to the greater of 0.5% of the adjusted net tax capacity or $25,000. A district maximum levy equals the product of the maximum revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to the equalizing factor. A district's maximum aid equals the maximum revenue minus the maximum levy. If a district levies less than the maximum amount, the state aid is reduced proportionately. If capital expenditure ITV aid is prorated, there is no adjustment to the levy for the proration.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Amount | -- | -- | $ 4,603.2 | $ 5,878.4 | $ 6,219.5 |
| Prorated Amount | -- | -- | $ 4,448.8 | $ 4,363.7 | $ 4,757.6 |
| Number of Districts | -- | -- | 186 | 208 | 220 |
| **Levy** | | | | | |
| Amount | -- | -- | $ 1,294.8 | $ 1,791.0 | $ 1,900.0 |
| **Aid** | | | | | |
| Amount | -- | -- | $ 3,308.4 | $ 4,087.4 | $ 4,319.5 |
| Proration Factor | -- | -- | 0.9533 | 0.6294 | 0.6615 |
| Prorated Aid | -- | -- | 3,154.0 | $ 2,572.7 | $ 2,857.6 |
| A. Statutory Formula REVENUE: | -- | -- | $ 4,603 | $ 5,878 | $ 6,220 |
| Revenue Reduction Due To Insufficient Appropriation | -- | -- | ( 154) | ( 1,514) | ( 1,462) |
| Current Law Revenue (Line 9 on Fiscal Page) | -- | -- | $ 4,449 | $ 4,364 | $ 4,758 |
| B. Statutory Formula LEVY: | -- | -- | $ 1,295 | $ 1,791 | $ 1,900 |
| Levy Change Due To Insufficient Appropriation | -- | -- | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | -- | -- | $ 1,295 | $ 1,791 | $ 1,900 |
| C. Statutory Formula AID: | -- | -- | $ 3,308 | $ 4,087 | $ 4,320 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 154) | ( 1,514) | ( 1,462) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | -- | 3,154 | 2,573 | 2,858 |
| Proration Factor | -- | -- | 0.953 | 0.630 | 0.662 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | $ 3,154 | $ 3,154* | $ 3,154* |
| Entitlement Changes Per Law: | | | | | |
| ■ Increase in School District Participation and Growth of ANTC | | -- | 154 | 933 | 1,166 |
| Statutory Formula Aid (Unprorated) | | -- | $ 3,308 | $ 4,087 | $ 4,320 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

0704 INTERACTIVE TELEVISION (ITV) AID AND LEVY
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Small schools continue to have fewer program offerings than larger school districts.
- Network technology will continue to provide opportunities for all schools to benefit from this program.
- MDE will continue to provide technical assistance to participating districts.

**B. STRATEGIES:**

- Broaden this program to allow districts greater flexibility in the purchase and maintenance of instructional technology.
- Districts need revenue to wire buildings to create local area and wide area networks that can allow teachers and students to communicate with each other within school buildings, between school buildings, and throughout the state and country. A broader program will allow for shared learning and professional development to ensure the development and implementation of the best teaching and learning practices and materials.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends expansion of this program beginning in F.Y. 1997 to include not only construction, maintenance and lease costs of an interactive television system for instructional purposes in small schools, but also to include funds for the purchase, maintenance, professional development and support of instructional technologies to enable all schools in Minnesota the ability to implement and improve technology.

The realignment of this program, to allow participation of all districts regardless of location and expanding the use of funds to include instructional technology items, will provide the resources to districts to purchase computer hardware and software for teachers and student use for instructional purposes and to track student assessment data and other information relating to the graduation standards.

F.Y. 1997 instructional technology revenue is equal to the greater of $9 times the districts actual pupil units or $25,000.

To receive instructional technology revenue in F.Y. 1997 and thereafter a district may levy an amount equal to the lesser of the district's instructional technology revenue or 0.204% of the district's adjusted net tax capacity.

Instructional technology aid is the difference between instructional technology revenue and the instructional technology levy.

Districts must place the instructional technology revenue in the capital equipment account and may only use the revenue for these purposes.

If a district levies less than the maximum amount, state aid is reduced proportionately.

The Governor recommends an aid entitlement of $2,470 for F.Y. 1996 and $7,572 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $2,573 in F.Y. 1996 ($473 for F.Y. 1995 and $2,100 for F.Y. 1996), and $6,807 in F.Y. 1997 ($370 for F.Y. 1996 and $6,437 for F.Y. 1997).

In keeping with this program expansion, the Governor recommends the program name be changed to Instructional Technology Revenue, beginning in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0704: INTERACTIVE TV LEVY AID/INSTRUCTIONAL TECHNOLOGY**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 3,154 | $ 3,154 | $ 3,154 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <581> | <296> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 3,154 | 2,573 | 2,858 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 3,308 | | |
| 6. Funding Excess/Deficiency | | <154> | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | 1,295 | 1,791 | 1,900 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 4,449 | 4,364 | 4,758 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Educ. Programs; Increase Funding | | | <103> | 4,714 |
| Current Law Aid Funding Level (Line 4) | | | 2,573 | 2,858 |
| **RECOMMENDED AID ENTITLEMENT** | | | **2,470** | **7,572** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Program Growth & Emphasis Change | | | | 4,000 |
| Current Law Levy (Line 8) | | | 1,791 | 1,900 |
| RECOMMENDED LEVY | | | 1,791 | 5,900 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **4,261** | **13,472** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | 473 | 370 |
| Current Year 85 Percent | | 2,681 | 2,100 | 6,437 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **2,681** | **2,573** | **6,807** |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0705 | EDUCATIONAL EFFECTIVENESS |
| CITATION: | | M.S. 121.608 |
| MDE ADMIN: | 1201 | Teacher Improvement |
| FEDERAL: | | None |

**PURPOSE:**

The Minnesota Educational Effectiveness Program (MEEP) is a research referenced education change and improvement effort designed to create school environments which respond to the changing needs of all learners. The mission of the program is:

*The mission of the Minnesota Educational Effectiveness Program is to prepare schools for implementation of the Graduation Standards and Goals 2000.*

The Minnesota Educational Effectiveness Program, through the utilization of fifteen research referenced characteristics:

- develops the competence for and facilitates the involvement of families and other stakeholders in site-based decision making processes;
- focuses on organizational modification to support improved learning for all;
- focuses on results-oriented instructional processes;
- creates a systemic view of the school as an interdependent system which addresses organization (structures and people), curriculum (what is taught), and instruction (assessment of need, planning, implementation and evaluation);
- creates a comprehensive understanding, for all stakeholders, of the relationship of the educational processes to and with other systems which impact the lives of children; and
- provides research referenced material to families, school staff members and other stakeholders.

School participating in MEEP have the research base from which necessary systemic change will be made to address the implementation of the Graduation Standards. In addition, MEEP schools have the important component of process training, which allows for smooth integration of change.

This program contributes to the national educational "Goals 2000" by:

- preparing students with the appropriate knowledge, skills and attitudes to succeed in school;
- increasing community and family involvement in the systemic change process and in planning/implementing workbased programs;
- increasing collaborative efforts and interdisciplinary teaching among staff members;
- targeting climate issues which further conflict resolution among students and staff; and
- targeting the need to use data in decision-making processes.

Most education aid programs contribute to more than one education goal. By improving school environments which respond to the changing needs of learners, thereby increasing basic academic skills and increasing school readiness, this program contributes to two of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Graduation Standards**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 46 and 137.

**DESCRIPTION:**

MEEP is a state-funded program developed, directed and implemented by the Minnesota Department of Education (MDE) which works with site and district teams.

As a basis for any significant change, MEEP provides structures and processes which enable site-based teams to be the facilitators of change within their buildings. Through the research base, the program can create the climate within a school building to translate a program into action and create the requisite changes in behavior. The research base is organized into 15 characteristics which describe effective schools.

Participation begins with the identification and training of a school leadership team composed of parents, community members, other stakeholders, teachers, the principal and a representative from the central office. This week-long clinical workshop develops the team's knowledge of the program's research base, develops their competence in the implementation processes, and develops a team which can focus on involving staff in site-based decision-making. It is these skills which the team uses to relate to other critical issues such as curriculum articulation, flexible grouping, high expectations, instructional delivery, staff development, and family/community involvement.

MEEP schools operate with an understanding of and commitment to change over the long term. Sites apply to participate and commit time and fiscal resources to comply with program expectations. MEEP training results in the implementation of improved practices as "standard operating procedure" in the school because decision-making processes utilize a research base in the areas of teaching, learning, change and effective organization.

At the district level, MEEP provides aid for staff development planning, curriculum articulation/improvement and implementation of the Graduation Standards. MEEP conducts summer training

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0705 EDUCATIONAL EFFECTIVENESS
(Continuation)

programs for district level teams. Through regional coordinators district readiness for the Standards is assessed and plans for implementation made.

PROGRAM STATUS:

Beginning with 26 pilot sites in 1984, the program has grown to a present level of 850 participating sites. It also serves every district in the state with support services.

Site and district teams are supported by a cadre of MDE regional coordinators housed in multiple locations. The main tasks of the regional coordinators include: 1.) ongoing communication and training for all school staffs, parents and community on the Graduation Standards, 2.) support for staff development planning/implementation, 3.) support for curriculum articulation/improvement, 4.) access by school sites to the research base, and 5.) facilitation for local problem solving and improvement planning.

The regional coordinators have access to other regional consultants who have been trained to present on the Graduation Standards, assessment specialists, certified vendors, and best practice networks. The regions have networks of teachers, administrators, staff developers and curriculum developers who disseminate information and gather data.

Evaluation data each year indicated that the regional and statewide network that has been established is a key element of success of the program. The regional coordinator role of providing direct assistance to participating schools and establishing and maintaining the regional networks has been a major factor in maintaining the integrity of the program.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of schools: | 750 | 800 | 850 | 900 | 950 |
| Number of Facilitators (not FTE): | 16 | 16 | 16 | 18 | 20 |
| MDE Staff (full time): | 3 | 3 | 3 | 4 | 4 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 831 | $ 870 | $ 870 | $ 870 | $ 870 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 160) | ( 82) |
| Current Law Aid Entitlement | $ 831 | $ 870 | $ 870 | $ 710 | $ 788 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 870 | $ 870 | $ 870* | $ 870* |
| Statutory Formula Aid (Unprorated) | | $ 870 | $ 870 | $ 870 | $ 870 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

BUDGET ISSUES:

A. CHALLENGES:

- The implementation of Graduation Standards across Minnesota becomes a challenge of educating all stakeholders. In particular, all districts which are not Pilot Sites must have intensive training on the Graduation Standards. Education Effectiveness staff must develop training programs for superintendents, principals, site teams and district teams, so that the Graduation Standards may be fully implemented. Beyond training challenges is the long term challenge of monitoring and compliance for standards. Continuous improvement of instruction and student learning in districts under the Graduation Standards combine existing Planning, Evaluation and Reporting (PER) programs and Staff Development initiatives, both under this program. This program is challenged to take existing compliance measures into a continuous framework under the Graduation Standards.

B. STRATEGIES:

- The Education Effectiveness program will continue to serve the needs of school site decision making teams, by offering initial team process training (750 sites have been trained, leaving another 750 as candidates) and through site team facilitation. This program has initiated programs to disseminate Graduation Standards training beyond Tier II pilot sites through district interview, superintendents' training, principals' training, Tier II pilot site selection/training, and district team training. Plans for monitoring and compliance to the Standards are in the planning stages. The Education Effectiveness program and the Graduation Standards units at MDE continue to strategize collaborative ways to disseminate Standards information.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $749 for F.Y. 1996 and $749 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $749 in F.Y. 1996, and $749 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0705: EDUCATIONAL EFFECTIVENESS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 870 | $ 870 | $ 870 | $ 870 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <160> | <82> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 870 | 870 | 710 | 788 |
| 5. Statutory Formula Aid (Detail in Narrative) | 870 | 870 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 870 | 870 | 710 | 788 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 39 | <39> |
| Current Law Aid Funding Level (Line 4) | | | 710 | 788 |
| **RECOMMENDED AID ENTITLEMENT** | | | 749 | 749 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 749 | 749 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 870 | 870 | 749 | 749 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 870 | 870 | 749 | 749 |

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|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0706 | ACADEMIC EXCELLENCE FOUNDATION/PARTNERS FOR QUALITY |
| CITATION: | | M.S. 121.612 |
| MDE ADMIN: | 1208 | Minnesota Academic Excellence Foundation |
| FEDERAL: | 0722 | Byrd Scholarship Program |

**PURPOSE:**

The Minnesota Academic Excellence Foundation (MAEF), by charter from the Minnesota Legislature and through private sector and community based partnerships, is the primary advocate for promoting and recognizing the importance of academic excellence in all of Minnesota's elementary and secondary students, schools, and communities.

Strategic priorities to move student learning to world class standards include:

- facilitating systemic change to increase student learning and enhance educator practice;
- creating values in society that demand academic achievement by and for all learners; and
- increasing students' and families' expectations and opportunities for students to learn, and for students to learn to think; to achieve; and to go beyond what has traditionally been a common standard of learning.

For Minnesota to maintain its qualify of life, it must provide a world class education for all of its citizens. What was a sufficient education 10 or 20 years ago no longer assures a competitive edge in today's world economy. To live and work in the Twenty-First Century, all students need more, but often different, learning experiences in all academic areas. Transforming our education system to use quality principles to manage and continuously improve all components of the system is necessary.

Most education aid programs contribute to more than one education goal. This program increases basic academic skills and school readiness by sponsoring initiatives that improve student learning and by helping to create school and community environments that respond to the changing needs of learners. The program contributes to five of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Coalition for Education Reform and Accountability**
- **Education Facilities Improvement**
- **Graduation Standards**
- **Integration/Desegregation/Educational Diversity**
- **Lifework Development and Technology Competence**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 124, 126, 128, and 130.

**DESCRIPTION:**

MAEF is a nonprofit, public-private partnership created in 1983 by statute (M.S. 121.612) to promote and recognize academic excellence in Minnesota's elementary and secondary schools. MAEF is administered by a Board of Directors appointed by the Governor to represent various private sector groups (60%) and education groups (40%). It additionally receives input from several ongoing committees and task forces. MAEF provides a neutral forum where members of the education, government, and private sectors can take action on issues, ideas, and activities that result in improved academic learning. MAEF is funded by legislative appropriation, private gifts and donations, fees for services, and a small endowment through the Friends of MAEF. MAEF directly provides services to communities, schools, students, government and the private sector in a variety of ways. Specific systemic initiatives include:

**Academic League** which coordinates academic challenges to expand student learning and assists communities in gaining local support for academic achievement. This continuing initiative has more student participation than some sports activities. More schools/communities now have Math Masters and Knowledge Bowl teams than have hockey teams. 240 school districts (90% of the K-12 population) are now active in the Academic League. MAEF provides assistance in creating academic recognition programs in schools and in increasing participation in academic challenges and competitions. Schools are assisted in creating policies, standards, and a strategic plan for increasing academic learning by participating in statewide recognition and awards programs and enrichment activities for students with all ability levels and interests, teachers, and others. To coordinate and deliver these services, MAEF was mandated in 1989 to create and implement an Academic League. The Academic League has a structure for membership by schools and districts. Members are served through Regional Services Consultants in Mankato, St. Cloud, and Duluth, regional training events, clearinghouse information and standards for over 80 academic challenges, recognitions and

enrichment activities for students with all ability levels and interests. Assistance provided to schools includes how to establish academic teams and coaches, booster clubs, academic lettering programs, and fundraisers. Over 80 academic challenges are promoted through MAEF and receive coordination and support from MAEF.

**Minnesota Goals 2000** which assists communities and citizens, including students, in defining and deploying solutions to challenges facing students and schools in their communities. Minnesota Goals 2000 provides technical assistance to local groups to organize their communities and focus resources toward achieving the National Education Goals. This initiative works closely with Partners for Quality, Academic League, Action for Children (Minnesota Planning), Goals 2000 (MDE), and other related activities which provide resources to communities to support their improvement efforts. About 50 communities are presently active in this initiative. (This initiative is funded only with private donations.)

**Partners for Quality** (formerly Schools of Excellence) which directly assists schools in transforming their learning, management, and measurement systems for continuous quality improvement toward achieving world class performances, customer responsiveness, and problem prevention. Partners for Quality involves all education customers and stakeholders in the local and state level process for continuous improvement. Partners for Quality provides a framework for communities and state policy leaders to align their social and academic objectives and resources toward meeting the National Education Goals and preparing to implement the Minnesota graduation standards. Sixteen pilot sites were operational and giving feedback in F.Y. 1992; 65 additional sites were added in F.Y. 1993 and F.Y. 1994. Each site engages business, education, and community members.

The 1990 Legislature requested that MAEF develop a Schools of Excellence program to improve school performance. A MAEF task force of education, business, and community leaders developed a program plan—Partners for Quality—which was piloted in 1991-92 in sixteen sites with the cooperation of the Minnesota Council for Quality, the Higher Education Coordinating Board, and 12 businesses. In 1993-94, it was expanded to 42 sites with 50 businesses. The pilot participants recommended that the program be implemented statewide with training and technical assistance provided to elementary and secondary schools. The participants also recommended that the participating schools be recognized for their efforts toward continuous quality improvement. A Commissioner's Award and a Governor's Award were established for improving sites. For schools attaining world class standards of performance, an education category of the Minnesota Quality Award was developed. MAEF provides technical assistance and direct services, training, business partners, clearinghouse information, benchmarking data and best practices to school site teams and staff. Additionally, Partners for Quality assists site teams in developing and deploying a staff development/human resources plan focused on improving student learning. An Information and Analysis Assessment Task Force has matched 12 school districts and 12 businesses to pilot a technology-based measurement and benchmarking process. All 12 districts will measure activities, using common indicators, in four key process areas. This initiative works closely with the Education Performance Improvement Grants, the Graduation Standards work groups, the Coalition for Education Reform and Action for Children. New program partners were added in F.Y. 1994 -- Carlson School of Management and Alexandria Technical College -- to increase MAEF's capacity to support school teams and to train educators and policy leaders. MAEF assists schools in completing an assessment of their institution against criteria in seven categories. Schools then use this information to adopt or accelerate a comprehensive quality management system that is fact-based, prevention-oriented, and demonstrates continuous improvement. The Partners for Quality total systems approach assists education in organizing delivery patterns to improve student achievement and the use of resources. It also assists educators in aligning their participation in other education programs such as MEEP, PER, Shared Decisions and others to achieve specific results.

**Minnesota Governor's Scholars** initiative which provides Minnesota with a cadre of young leaders trained to use culturally sensitive and sensible approaches to creating communities which value all people. Governor's Scholars provides a year-long learning experience to about 100 high school seniors via independent study materials, two residential institutes and service projects focusing on leadership, continuous quality improvement, community organization and problem solving and cultural awareness. It also serves the hundreds of Governor's Scholars Alumnae. Both groups design and deliver local and state-level service projects which focus on **One Minnesota** and **Minnesota Milestones**.

**Regional Education Discussion Groups/Education Days/Community and Business Partnerships/Statewide Conferences and Rallies** which focus public attention on academic achievement; assist families, communities and the private sector in developing partnerships to advance student learning; create increased expectations and foster innovation in stakeholder collaborations; and assist the media in reporting about academic excellence. These public awareness/advocacy/outreach activities are delivered via service clubs, employers, and with the seven regional community foundations where MAEF has invested its endowment funds. Specific activities include the Academic Heroes media campaign, the annual Gathering of Champions to recognize Minnesota's academic all-stars, the June Gills Inspiration Award, a new MAEF Speakers Bureau, statewide student conferences, and regional workshops. The Discussion Group topic for this biennium is "What is the role of the community in creating the expectations and support for high academic achievement?" These initiatives are implemented to close the gap between public expectations for student learning, student expectations, and what policy leaders believe is needed for success in the future.

Each of these systemic initiatives was initiated in response to citizen/community requests. MAEF customers and stakeholders participated in the design of each initiative and participate in steering committees to manage ongoing operations.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0706 ACADEMIC EXCELLENCE FOUNDATION/PARTNERS FOR QUALITY

(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| A. Program delivery | | | | | |
| Initiatives delivered | 10 | 11 | 8 | 8 | 10 |
| Partners for Quality sites | | | | | |
| Enrolled sites (cumulative) | 42 | 63 | 200 | 250 | 300 |
| Commissioner's Award level | 0 | 11 | 50 | 75 | 125 |
| Governor's Award level | 0 | 0 | 2 | 10 | 20 |
| Minnesota Quality Award level | 0 | 2 | 2 | 4 | 4 |
| Assessment sites | 0 | 0 | 5 | 10 | 15 |
| Business partners | 50 | 60 | 100 | 100 | 100 |
| Minnesota Goals 2000 | | | | | |
| Enrolled sites | 89 | 52 | 50 | 50[1] | 50[1] |
| Academic League | | | | | |
| Member districts | 203 | 227 | 250 | 250 | 260 |
| % state students (impact) | 85% | 90% | 95% | 95% | 95% |
| % state students (participate) | NA | 27% | 27% | 30% | 32% |
| Activities | 60 | 80 | 75 | 70 | 70 |
| Students served | | | | | |
| Governor's Scholars/Alumnae | 65/20 | 70/40 | 75/200 | 75/300 | 75/400 |
| Lettering for Excellence Schools/Students | 200/4,500 | 230/5,000 | 250/5,500 | 250/5,500 | 250/5,500 |
| Gathering of Champions | 350 | NA | 1200+ | 1500 | 1500 |
| Special populations | 14% | 17% | 15% | 20% | 20% |
| Awareness campaigns | 0 | 1 | 2 | 2 | 2 |

[1] These sites will be folded into other MAEF and MDE initiatives in F.Y. 1996.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Media coverage | | | | | |
| Print articles | N/A | 370 | 400 | 400 | 400 |
| Broadcast | N/A | 12 | 10 | 10 | 10 |
| B. Fund Development and Private/Public Partnership | | | | | |
| Fundraising Campaigns | 3 | 4 | 4 | 4 | 4 |
| Annual fund | $ 4 | $ 7 | $ 10 | $ 15 | $ 20 |
| Endowment (Cumulative) | $ 298 | $ 352 | $ 400 | $ 465 | $ 540 |
| Endowment interest | $ 4 | $ 6 | $ 15 | $ 17 | $ 20 |
| Program partners | $ 83 | $ 145 | $ 125 | $ 135 | $ 150 |
| Inkind | $ 135 | $ 328 | $ 400 | $ 400 | $ 400 |
| C. State Funding | | | | | |

## PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 264 | $ 473 | $ 575 | $ 525 | $ 525 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (97) | (49) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 264 | $ 473 | $ 575 | $ 428 | $ 476 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 525 | $ 525 | $ 525* | $ 525* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward Due to Timing of Program Events and Administrative Support Costs | | (50) | $ 50 | | |
| ■ Cancellation | | (2) | | | |
| Statutory Formula Aid (Unprorated) | | $ 473 | $ 575 | $ 525 | $ 525 |
| C. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | $ 473 | $ 575 | $ 428 | $ 476 |
| Adjustments Per Law: | | | | | |
| ■ Cancellation | | $ 2 | | | |
| Current Aid Funding Level | | $ 475 | $ 575 | $ 428 | $ 476 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

0706 ACADEMIC EXCELLENCE FOUNDATION/PARTNERS FOR QUALITY

(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- MAEF has been asked by the private sector for assistance in focusing their investments in education (personnel, inkind gifts, foundation funding) toward achieving high-performing, results-oriented partnerships. Reduced levels of corporate resources and a new interest in results rather than activities drives this opportunity.
- MAEF assists schools in aligning existing resources toward achieving increases in student learning and implementing the graduation standards. Caps on funding and rising costs have led educators to use MAEF's quality assessment approach to reengineer and improve their delivery systems.
- A wide gap exists between what the general public expects and what education officials recognize as basic rigor in meeting the needs for high performance in the world marketplace. The private sector outcry for better prepared workers has fueled the need to transform education delivery systems toward achieving learning results which meet the needs for the global economy. Communities need support to recognize and understand these changes and to plan how to support local education systems in this transformation.
- Educators and policy leaders need a focused framework for re-aligning systems, programs and initiatives toward gaining and measuring results. Incremental programs and funding streams, characteristic of an input-driven system, are barriers to gaining improved outputs. MAEF has begun to assist educators in being able to assess what activities add value and what activities detract from continuous improvement efforts as Minnesota shifts to output-driven education systems.
- Most education sites lack capacity to become good managers of a results-driven system. A recent MAEF survey revealed that:
  - Sites have data but lack information.
  - They lack information and technology strategies to collect and manage information for decision-making.
  - The technology used presently was designed for instructional practice rather than assessment and analysis.
  - Management and instructional staff need training to learn how to develop, collect, analyze and use data.
  - Districts, schools, and units within these schools and districts lack common technologies and software, a fact which strangles communications.
  - Significant data is available outside of districts, but is not readily catalogued, easily accessed, or user friendly.
- The Coalition for Education Reform, Education Performance Improvement Contracts, and other emerging results-oriented funding proposals will create a sharp need for a means to reengineer education systems toward achieving and measuring results.

**B. STRATEGIES:**

- At its present level of funding, MAEF has been able to accelerate and improve its level of service to students, schools, and communities. MAEF continues to respond quickly and well to customer needs, and the increased capacity has allowed MAEF to transition to a customer-response, prevention-oriented, volunteer-driven program. MAEF is a small operation with large upside potential. A small investment in MAEF leverages important results, and its services will be more critically demanded in F.Y. 1996 and F.Y. 1997. MAEF's highest priority will be to continue to deliver good services to students, schools, communities, and businesses. Specific strategies include:
  - Accelerating fundraising efforts to add donors, partners, and dollars and to improve MAEF's revenue mix.
  - Developing a possible membership/affiliation option for businesses who request assistance from MAEF. Exploratory work is presently underway with the National Alliance of Business and the Minnesota Business Partnership.
  - Continuing the transition to a volunteer-driven organization by increasing opportunities for volunteers to serve students, schools, and communities. MAEF will coordinate these efforts with the National Association of Partnerships in Education, the Minnesota Chamber, and local service groups.
  - Continuing to work closely with like-minded groups to leverage output and avoid duplication of services.
  - Adjusting the cash flow of private gifts, if possible, to offset initial budget reductions.

  In F.Y. 1993 and F.Y. 1994, MAEF downsized its program offerings to eliminate investments which did not directly contribute to its goals. This is not a useable strategy for F.Y. 1995 or F.Y. 1996.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $452 for F.Y. 1996 and $452 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $452 in F.Y. 1996, and $452 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0706: MINNESOTA ACADEMIC EXCELLENCE FOUNDATION (MAEF)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 525 | $ 525 | $ 525 | $ 525 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <97> | <49> |
| 3. Other Adjustments | | | | |
| Balance Forward | <50> | 50 | | |
| Cancellation | <2> | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 473 | 575 | 428 | 476 |
| 5. Statutory Formula Aid (Detail in Narrative) | 471 | 575 | | |
| 6. Funding Excess/Deficiency | 2 | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 473 | 575 | 428 | 476 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 24 | <24> |
| Current Law Aid Funding Level (Line 4) | | | 428 | 476 |
| **RECOMMENDED AID ENTITLEMENT** | | | 452 | 452 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 452 | 452 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 473 | 575 | 452 | 452 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 473 | 575 | 452 | 452 |

| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0707 | ENVIRONMENTAL EDUCATION (MDE) |
| CITATION: | | M.S. 126A |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

The purpose of the Minnesota Department of Education environmental education program is to provide strategies for the dissemination of the model environmental education curriculum integration process to K-12 teachers. These strategies include accurate content, curriculum integration strategies and relevant materials and issues to be able to prepare K-12 teachers to help students meet the goals of the 1990 Environmental Education Act, M.S. 126A. Through action of the 1993 Legislature, this statute is sunsetted on July 1, 1995.

Most education programs contribute to more than one education goal. This program provides funding to school districts throughout the state so that districts can provide programs and services that contribute to one or more of the Department of Education's goals and priorities. For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

The 1990 Environmental Education Act requires that environmental education be integrated into the curriculum and that the Department of Education devise strategies to prepare K-12 teachers to help students meet the goals of the Act:

- to understand ecological systems;
- to understand the cause and effect relationship between human attitudes and behavior and the environment;
- to be able to analyze, develop, and use problem-solving skills to understand the decision-making process of individuals, institutions, and nations regarding environmental issues;
- to be able to evaluate responses to environmental issues before deciding on alternative courses of action;
- to understand the potential complementary nature of multiple uses of the environment;
- to provide experiences to assist citizens to increase their sensitivity and stewardship for the environment; and
- to provide the information citizens need to make informed decisions about actions to take on environmental issues.

The major initial activities used to achieve the purpose of this program are providing a coordinator of services to teachers; securing additional funds (LCMR Funds); building a foundation for systematic, focused, and ongoing teacher training; identification of exemplary teachers who can help train others; and connecting educators with the environmental education community and all its resources.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | $ 30 | $ 30 | $ 30 | $ 30 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 5) | ( 3) |
| Current Law Aid Entitlement | -- | $ 30 | $ 30 | $ 25 | $ 27 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 30[a] | $ 30 | $ 30* | $ 30* |
| Statutory Formula Aid (Unprorated) | | $ 30 | $ 30 | $ 30 | $ 30 |

[a] $60 biennial appropriation less $30 balance forward to F.Y. 1995.
(*) Biennial appropriation of $60 allocated to F.Y. 1996 and F.Y. 1997.

F.Y. 1994 was the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- This law has been sunsetted.
- Since enactment of M.S. 126A, a State Plan for environmental education was generated with the model curriculum integration process at the top of the priorities in the Plan. Further, an environmental education teacher network has been established as well as a collaborative of universities, eight school districts, two private foundations, and the Center for School Change. Deployment of resources, strategies for implementation, and ongoing teacher training are now a primary mission.

**B. STRATEGIES:**

- The goals of this activity wil be continued in various other initiatives such as the graduation standards.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0707: ENVIRONMENTAL EDUCATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 30* | $ 30 | $ 30 | $ 30 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <5> | <3> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 30 | 30 | 25 | 27 |
| 5. Statutory Formula Aid (Detail in Narrative) | 30 | 30 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 30 | 30 | 25 | 27 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <25> | <27> |
| Current Law Aid Funding Level (Line 4) | | | 25 | 27 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 30 | 30 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 30 | 30 | 0 | 0 |

*$60 biennial appropriation less $30 balance forward to FY 1995

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0708 | GRADUATION RULE ACCELERATION (GRADUATION STANDARDS) |
| CITATION: | | M.S. 121.11, Subd. 7c |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

Minnesota Statute 121.11, Subd. 7c requires that the State Board of Education adopt a "results-oriented" graduation rule for students beginning ninth grade in the 1996-1997 school year. As a result, the Office of Graduation Standards has been funded to develop and guide implementation of this rule.

The purposes of the Graduation Standards programs are:

- to engage statewide dialogue regarding what standards should be required for high school graduation;
- to design standards and requirements based on public and professional input as well as best current practice and research statewide, nationally, and internationally;
- to develop assessments and assessment processes which will validate and record student progress and achievement toward the standards;
- to provide public information which will involve parents, students, educators, policymakers, and the public at large in the development and implementation of the standards;
- to develop and assist school district pilot sites in implementing the standards and the programs and supports necessary to ensure student success; and
- to evaluate the rule's impact, cost, results, and requirements.

Most education aid programs contribute to more than one education goal. This program contributes to four of the Department of Education's *goals*:

- **Learner Achievement**: All PK-12 learners in Minnesota will demonstrate attainment of the basic requirements and complete the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development**: All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

- **Adult Literacy and Lifelong Learning**: All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Lifework Development and Technology Competence**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 12, 14, 17, 18, 40, and 42.

**DESCRIPTION:**

As directed by Statute, the State Board of Education is preparing to promulgate a rule which requires that students graduate from high school when they achieve required learning "results" rather than on the basis of course credits or seat time alone. This Graduation Standards initiative is a top priority of the Department of Education as it collaborates with the State Board of Education to research, design, pilot, and prepare for implementation of both minimum competencies and rigorous standards for students and schools statewide.

The proposed Graduation Standards contain three major components:

**1. State Board of Education Public Education Goals**

The State Board of Education established five goals for Minnesota's public education system. The proposed graduation standards are closely aligned with these goals. They will give students the education they need to function effectively as:

- Purposeful thinkers
- Effective communicators
- Self-directed learners
- Productive group participants
- Responsible citizens

**2. Minnesota's Basic Requirements**

Minnesota's Basic Requirements are the areas in which students must meet or exceed specified competencies to receive a diploma. The state will set the required levels of achievement, although local school districts have the option to set higher measures for their students. To meet Minnesota's Basic Requirements, students must demonstrate competency in the skills of mathematics, reading, and writing; and basic knowledge of fundamental concepts in science, government, geography, and physical health and safety.

The Basic Requirements ensure that Minnesota graduates have the base skills and knowledge which are essential to live and work in today's society. They provide a safety net to catch students who may otherwise "fall through the cracks."

### 3. Minnesota's Required Profile of Learning

The required Profile of Learning provides the framework for high academic standards that all Minnesota students will be encouraged to achieve. Within the Profile, **content standards** define what a student should know and be able to do in each subject area.

To receive a diploma, a student must produce a record of work on a number of content standards. This record will show the student's achievement in relation to the defined content standards. The state will establish which content standards are required of students and which are optional.

Student achievement of content standards will be evaluated using a variety of assessment measures. In addition to the pencil and paper tests most commonly used to gauge learning, students also will be required to demonstrate that they can apply their knowledge in practical situations.

**Sample Content Standards**

- A language arts standard reads, "Systematically collects, organizes, evaluates, and communicates appropriate information using techniques of primary and secondary research." A student may be required to conduct a major research project to achieve this standard.

- The standards are broadly defined to enable local school districts to develop their own assessments. For instance, an assessment in a northern Minnesota school district may require students to test the quality of water in a lake or stream. A southern Minnesota school district may require students to test the quality of grain or other agricultural crop.

**Assessment**

***Basic Requirement Testing***

School districts can use a variety of means to assess student achievement of the Basic Requirements. *Districts may choose* to use state developed tests, to develop their own tests, or to use commercially developed tests. The Department of Education is in the process of developing tests school districts may use to measure achievement of Minnesota's Basic Requirements. If the school district decides to use a test not developed by MDE, the district's tests must be validated against the state test. MDE will validate commonly used commercial tests against the state test to determine passing scores.

***Profile of Learning Assessment***

MDE will also provide assessments that schools may use to evaluate student achievement in the content standards of Minnesota's required Profile of Learning. Pilot sites are currently developing and testing state assessments for the Profile of Learning. Profile of Learning assessments include, but are not limited to, practical applications of learning.

**Role of the Pilot Sites**

To assist in developing and implementing the new Graduation Standards, the Department of Education selected 14 pilot districts. Each pilot is responsible for development of one or more of the content standards and assessments.

| ISD Number | | Pilot Grants F.Y. 1994 | Pilot Grants F.Y. 1995 |
|---|---|---|---|
| ■ 876 | Annandale Public Schools | $ 111.8 | $ 139.5 |
| ■ 011 | Anoka-Hennepin School District | 101.0 | 151.7 |
| ■ 181 | Brainerd Public Schools | 172.8 | 160.0 |
| ■ 533 | Dover-Eyota Public Schools | 208.7 | 89.2 |
| ■ -- | Freshwater Education District | 147.7 | 159.0 |
| ■ 001 | Minneapolis Public Schools | 183.6 | 141.4 |
| ■ -- | Minnesota Center for Arts Education | 75.0 | 75.0 |
| ■ -- | Minnesota River Valley Education District | 291.3 | 154.6 |
| ■ 152 | Moorhead Public Schools | 172.8 | 162.8 |
| ■ 280 | Richfield Public Schools | 592.8 | 224.9 |
| ■ 281 | Robbinsdale Area Schools | 147.7 | 78.7 |
| ■ 196 | Rosemount/Apple Valley/Eagan Schools | 147.7 | 128.4 |
| ■ 742 | St. Cloud Community Schools | 162.0 | 155.8 |
| ■ 625 | St. Paul Public Schools | -- | 150.6 |
| Total | | $ 2,514.9 | $ 1,971.6 |

During the 1993-94 school year, the pilot sites developed the content standards for high school. During the 1994-95 school year the sites are developing and using assessments for the high school standards. They are also developing benchmark standards for grades 8, 5 and 3. Specifications for the Basic Requirements (as required in Statute) in reading and mathematics have been designed, test items have been written and tried out with students, and current ninth grade students in the sites will be the first students in Minnesota to graduate with these basic requirements. The fourteen pilot sites are being used to examine the impact of implementing the standards in terms of fiscal and system costs.

The Graduation Standards will take effect in F.Y. 1997. In F.Y. 1996, nine additional pilot sites will begin phasing state standards into their programs. The additional sites will preview how the assessments for the Profile of Learning will work when the Graduation Standards are implemented statewide in F.Y. 1997. The sites also will test student achievement in Minnesota's Basic Requirements.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0708 GRADUATION RULE ACCELERATION (GRADUATION STANDARDS)

(Continuation)

Table: Nine Additional Pilot Sites

| ISD Number | Name | F.Y. 1996 Pilot Grants |
|---|---|---|
| 432 | Mahnomen | $ 20.0 |
| 390 | Lake of the Woods, Baudette | 20.0 |
| 709 | Secondary Tech Center, Duluth | 20.0 |
| 769 | Morris | 20.0 |
| 2155 | Wadena-Deer Creek | 20.0 |
| 347 | Willmar | 20.0 |
| 728 | Elk River | 20.0 |
| 508 | St. Peter | 20.0 |
| 299 | Caledonia | 20.0 |
| Total | | $ 180.0 |

The 23 pilot sites' experiences will provide valuable information about the standards and the training and resources needed to implement them. Pilot sites will test all portions of the standards before other districts implement them.

**Cost Impact of State-wide Implementation of the Graduation Standards.**

A national education finance consulting firm has been hired to determine the cost impact to the state of the Graduation Standards. The study will examine a range of costs that school districts are likely to incur in planning to implement the Graduation Standards, including but not limited to the direct costs associated with additional personnel, personnel development, supplies and materials, and administration.

The study will take into consideration any cost savings that might be associated with such planning. In addition, the study will develop a process to estimate the costs of fully implementing the Basic Requirements and the Profile of Learning, including an examination of the general fiscal implication of each element of the Profile and the creation of a data-gathering procedure that will be used to obtain detailed fiscal data from pilot school districts. The report, to be completed in the fall of 1995, will summarize the work completed, including a description of the process used to develop cost estimates, the level of statewide expenditures likely to be incurred, caveats that accompany such estimates, and any recommendations to improve data collection and analysis.

**Public Information**

Public information on Graduation Standards continues to increase to wider audiences in Minnesota, with public response being sought and used in refining the requirements. Awareness and beginning stages of implementation of the standards continue to spread throughout the schools of the state as teachers receive training and decide how to implement the standards even before the law requires.

**School Improvement**

The Office of Graduation Standards has collaborated with the Education Effectiveness Program on school improvement through implementation of the standards, with the result that regional assistance is available to all schools. For further information on the Education Effectiveness program see program 0705.

**Areas of Need**

- It will be necessary to increase technology to assist with creating educational plans for students and to manage the extensive records which the system requires.
- Schools will need to increase their capacity for student guidance and communicate with parents. Implementation of a new system will require more intense work with individuals during the first several years.
- Technical assistance with assessment practices must be available regionally to create the capacity of schools to conduct assessments appropriately, ensure test security, and continue training of personnel in performance assessment.
- Implementation of the Graduation Standards will require that staff development resources be available to schools from the state. Each teacher will need training in assessment techniques as well as familiarity with the new system.

**Implementing the Standards**

An assumption has been that the standards must be phased in. Rather than merely *announcing* the standards as many states have done, Minnesota will *build the capacity* of the system to deliver these standards by testing and checking them in real settings before requiring the standards statewide.

- Students entering 9th grade in 1996 must achieve the Basic Requirements in reading and mathematics;
- Students entering 9th grade in 1997 must achieve the Basic Requirements in reading and mathematics, writing and science;
- The remainder of the Graduation Standards, which include the rest of the Basic Requirements and the Profile of Learning, take effect in 1998.
- Students graduating from high school in 2000 will be the first group required to meet some of the Graduation Standards. Each succeeding class will have added requirements until all standards are implemented.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0708 GRADUATION RULE ACCELERATION (GRADUATION STANDARDS)

(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| I. Graduation Standards - State General Fund Appropriation | | | | | |
| Standards and Assessment Development | -- | $ 2,744.6 | $ 2,727.4 | $ 3,100.0 | $ 3,000.0 |
| Staff/Administration | -- | 25.0 | 1,292.0 | 800.0 | 1,000.0 |
| Public Information | -- | 688.0 | 780.0 | 500.0 | 500.0 |
| Rulemaking | -- | -- | 500.0 | 200.0 | 100.0 |
| State Assessment | -- | $ 575.0 | 668.0 | 400.0 | 400.0 |
| Subtotals | | $ 4,032.6 | $ 5,967.4 | $ 5,000.0* | $ 5,000.0* |

* Not reduced for appropriation cap

| | | | | | |
|---|---|---|---|---|---|
| II. Special Revenue Fund Appropriation[a] | | | | | |
| Subtotal | -- | 188.0 | 188.0 | 188.0 | 188.0 |
| Grand Total | -- | $ 4,220.6 | $ 6,155.4 | $ 4,266.0** | $ 4,718.0** |

[a] The $188,000 from special revenue funds were spent on piloting specifically among schools working on the health/safety standards. Funding for the special revenue funds is provided from 12% of the $250 driver license reinstatement fee, with money transferred to MDE from the Department of Public Safety.

** Reduced for appropriation cap

| | | | | | |
|---|---|---|---|---|---|
| III. PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 4,033 | $ 5,967 | $ 5,000 | $ 5,000 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 922) | ( 470) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 4,033 | $ 5,967 | $ 4,078 | $ 4,530 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| Health Area (Special Revenue) | -- | 188 | 188 | 188 | 188 |
| Total Aid Entitlement | -- | $ 4,221 | $ 6,155 | $ 4,266 | $ 4,718 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | $ 5,000 | $ 5,000 | $ 5,000* | $ 5,000* | |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward Due to Increased Emphasis on Graduation Standards Development in F.Y. 1995 | ( 967) | 967 | | | |
| Statutory Formula Aid (Unprorated) | 4,033 | 5,967 | 5,000 | 5,000 | |
| Health Area (Special Revenue) | 188 | 188 | 188 | 188 | |
| Total Aid Entitlement | $ 4,221 | $ 6,155 | $ 5,188 | $ 5,188 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

### A. CHALLENGES:

In the 1996-97 biennium, the Graduation Standards program faces challenges related to statewide implementation. More specifically, challenges include:

- Providing staff development resources and technical assistance to schools.
- Increasing piloting to ensure effective implementation in schools of varieties of sizes, structures, locations, experience with standards, and other considerations;
- Increasing the capacity of the schools to deliver and verify standards;
- Increasing available technology and related training for data recording and reporting of student achievement; and
- Increasing public information and input.

### B. STRATEGIES:

To meet these challenges, the Graduation Standards program in the 1996-97 biennium will:

- Increase piloting projects to more schools of even greater demographic differences;
- Implement the reading and mathematics standards statewide;
- Continue promotion and increase networking with the public, postsecondary institutions, business and industry, policy-makers, etc.; and
- Assist school districts with planning to implement the Graduation Standards.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $10,000 for F.Y. 1996 and $5,000 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $10,000 in F.Y. 1996, and $5,000 in F.Y. 1997.

The Governor also recommends an appropriation of $188,000 from the special revenue fund each year for this activity.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0708: GRADUATION RULE ACCELERATION**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement[a] | $ 5,000 | $ 5,000 | $ 5,000 | $ 5,000 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <922> | <470> |
| 3. Other Adjustments | | | | |
| Balance Forward | <967> | 967 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 4,033 | 5,967 | 4,078 | 4,530 |
| 5. Statutory Formula Aid (Detail in Narrative) | 4,033 | 5,967 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 4,033 | 5,967 | 4,078 | 4,530 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Increase Pilots and Rate of Implementation | | | 5,922 | 470 |
| Current Law Aid Funding Level (Line 4) | | | 4,078 | 4,530 |
| **RECOMMENDED AID ENTITLEMENT** | | | **10,000** | **5,000** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **10,000** | **5,000** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 4,033 | 5,967 | 10,000 | 5,000 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **4,033** | **5,967** | **10,000** | **5,000** |
| Total-Other Funds (Special Revenue) | 188 | 188 | 188 | 188 |

[a]In addition, $188 in special revenue funds are provided each year

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0709 | SCHOOL IMPROVEMENT INCENTIVE GRANTS |
| CITATION: | | M.S. 126.019 |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

To provide school improvement grants to individual school sites to improve student achievement, increase accountability for results, and to encourage general educational effectiveness which will lead to improved school effectiveness and increased student achievement.

Most education aid programs contribute to more than one education goal. By sponsoring initiatives which improve student learning and creating school environments which respond to the changing needs of learners, thereby increasing basic academic skills, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 46, 124 and 126.

**DESCRIPTION:**

School sites use the grants for a variety of school improvement activities such as:
- increasing meaningful parental involvement in site-based decision making:
- improving results-oriented instruction processes;
- creating flexible school-based organizational structures; and
- school-wide education effectiveness training.

Grants are awarded on a competitive basis each year. Applicants are required to demonstrate increasing accountability by using results-oriented systems for instruction, staff development, and measurement to achieve increased student performance. All sites must demonstrate and validate the form of measurement, indicators and instruments used to monitor student achievement. Selected sites will be asked to share how their efforts have improved student learning and instructional practices. One of the outcomes of this grant project is to improve all Minnesota schools, and communicate and replicate the best practices.

**PROGRAM STATUS:**

No funds were awarded in F.Y. 1995 at the time this narrative was written. F.Y. 1995 grants will be awarded in February.

School Improvement Incentive Grants were distributed to 25 schools in December, 1993.

| District Number | District Name | School | F.Y. 1994 Funding |
|---|---|---|---|
| 1 | Minneapolis | Center School | 5 |
| 1 | Minneapolis | Howe Elementary | 5 |
| 1 | Minneapolis | North Star Elementary | 5 |
| 1 | Minneapolis | Pease Academy | 5 |
| 1 | Minneapolis | Pillsbury Math Elementary | 5 |
| 1 | Minneapolis | Tuttle Elementary | 5 |
| 1 | Minneapolis | Webster Open Elementary | 5 |
| 11 | Anoka Hennepin | Johnson Elementary | 5 |
| 16 | Spring Lake Park | Park Terrace Elementary | 5 |
| 44 | Fergus Falls | Cleveland Elementary | 5 |
| 194 | Lakeville | Crystal Lake Elementary | 5 |
| 199 | Inver Grove Heights | Salem Hills Elementary | 5 |
| 206 | Alexandria | Washington Elementary | 5 |
| 271 | Bloomington | Bravo | 5 |
| 273 | Edina | Creek Valley Elementary | 5 |
| 276 | Minnetonka | Clear Springs Elementary | 5 |
| 279 | Osseo | Cedar Island Elementary | 5 |
| 281 | Robbinsdale | Meadow Lake Elementary | 5 |
| 477 | Princeton | South Elementary | 5 |
| 492 | Austin | Neveln Elementary | 5 |
| 622 | North St. Paul | Richardson Elementary | 5 |
| 742 | St.Cloud | Clearview Elementary | 5 |
| 832 | Mahtomedi | O.H. Anderson Elementary | 5 |
| 832 | Mahtomedi | Wildwood Elementary | 5 |
| 2397 | LeSueur | Park Elementary | 5 |
| | | | $ 125.0 |

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

0709 SCHOOL IMPROVEMENT INCENTIVE GRANTS
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 125 | $ 125 | $ 125 | $ 125 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 23) | ( 12) |
| Current Law Aid Entitlement | -- | $ 125 | $ 125 | $ 102 | $ 113 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 125 | $ 125 | $ 125* | $ 125* |
| Statutory Formula Aid (Unprorated) | | $ 125 | $ 125 | $ 125 | $ 125 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- School Improvement Incentive Grants are site-specific and targeted to educational effectiveness research. A challenge to grant recipients is to ensure the money is spent on student-focused activities. An impossible challenge to recipients is to show significant student results in a year's time for the $5,000 award per site.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of Learner Improvement Revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0709: SCHOOL IMPROVEMENT INCENTIVE GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 125 | $ 125 | $ 125 | $ 125 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <23> | <12> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 125 | 125 | 102 | 113 |
| 5. Statutory Formula Aid (Detail in Narrative) | 125 | 125 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 125 | 125 | 102 | 113 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <102> | <113> |
| Current Law Aid Funding Level (Line 4) | | | 102 | 113 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 125 | 125 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 125 | 125 | 0 | 0 |

| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0710 | SCHOOL RESTRUCTURING GRANTS - MODELS |
| CITATION: | | M.S. 126.019 |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

To examine whether restructuring through school site decision-making practices leads to improved student achievement. This program is intended to be implemented in conjunction with M.S. 123.951 whereby a school board must enter into an agreement with a school site decision-making team concerning the governance, management, or control of any school in the district. Based on a competitive process, the State Board of Education will approve levy authority and matching school restructuring grants to a limited number of pilot sites.

These school sites are expected to have:

- a site decision-making team -- involving staff members, students as appropriate, and parents -- that has governance, management, or control of a local school site within a district;
- a school site decision-making agreement with the local school board that delegates power and duties to the school site team; and
- a school site decision-making agreement that has well-defined decision-making processes for implementing the nine areas of the agreement defined in M.S. 123.951.

The School Restructuring Program supports implementation of Graduation Standards and Goals 2000, promoting achievement of specific requirements/profile elements and increased parent participation in the following ways:

- the model sites are expected to demonstrate improvement of student achievement in areas of reading and math of the Minnesota Basic Requirements and Profiles of Learning;
- each model site is expected to demonstrate improvement in a goal of their choice from (i.e., Minnesota Basic Requirements, Profiles of Learning, National Education Goals) determined by data-based decision-making processes used at the site; and
- the school site decision-making teams are expected to involve staff members, students as appropriate, and parents in decision-making processes that promote the social, emotional, and academic growth of children.

Most education programs contribute to more than one education goal. By sponsoring initiatives which improve student learning and school environments responding to the changing needs of learners, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 18, 102, 124 and 126.

**DESCRIPTION:**

The School Restructuring Program was increased from $500,000 to $750,000 for F.Y. 1995. Up to $400,000 is available for matching grants to selected pilot sites. Each approved site will receive authority to levy $50 per pupil unit and a matching grant of $50 per pupil unit to implement school restructuring through school site decision-making. The levy is available for the fiscal year for which the pilot receives approval and for the subsequent four years. Shared Decisions Minnesota will receive the remaining $350,000 to develop systemic site decision-making models. The Department coordinates three major activities:

**MDE**

1. Pilot Site Selection

This task involves the selection of sites to receive levy authority and grant funding based on criteria determined by members of the State Board, Department of Education, and education chairs of the Legislature.

MDE responsibilities are to:

- determine application procedures, criteria, and deadlines;
- work with a selection team to read applications and recommend sites to the State Board; and
- grant levy authority and make payment of matching grants to the approved sites.

2. Evaluation and Reporting

The intent of these activities is to report progress of sites implementing school site decision-making and to determine learning achievement in relation to site-based decision-making. The first task involves documenting implementation progress of sites restructuring through school site decision-making. The second task involves determining whether school site decision-making improves student achievement of education outcomes. These activities require reporting of results to the education committees of the legislature on February 1 of each year.

MDE responsibilities are to:

- determine the type of evaluation needed and feasible for each activity;
- design instruments;
- determine research and data gathering processes;
- visit sites and interview participants;
- analyze the results and synthesize the data from the sites; and
- prepare written reports.

3. Development of Reporting Forms

This task requires development of model reporting forms for districts to use to report to local communities.

MDE responsibilities are to:

- work with pilot sites to determine content of education achievement to report to the public;
- work collaboratively with the Office of Finance Reform and Accountability to determine fiscal components of the report; and
- design reporting instruments.

**Shared Decisions Minnesota**

Shared Decisions Minnesota is a nonprofit organization whose goal is to implement state-wide, systemic reform in Minnesota's schools through site shared decision-making.

SDMN's founders represent seven educational organizations (Minnesota Association of School Administrators; Minnesota Association of Secondary School Principals; Minnesota Congress of Parents, Teachers, and Students; Minnesota Education Association; Minnesota Elementary School Principals' Association; Minnesota Federation of Teachers; Minnesota School Boards Association) who are committed to improved education for the learner. This improvement is made possible when the education system moves from a short-term, top-down, quantitative system to one that is long-term, bottom-up and qualitative. This change requires a shift in attitudes and relationships. SDMN provides the leadership and acts as a catalyst for this change. Networks of school districts are assisted in creating, practicing and implementing strategies to restructure education through the training, facilitation and coaching provided by SDMN.

SDMN has used the $350,000 legislative appropriation to set up a Shared Decisions Minnesota office with a state coordinator and administrative assistant. SDMN has provided training and consultation for twenty-five school districts by offering four two-day Network training meetings per year and five days of facilitation for each district. SDMN has also used its funds to subsidize districts for the costs incurred in this process and to hire the expertise of Patrick Dolan and Associates for consultation and training needed to implement his shared decision-making model in participating school districts. SDMN is currently conducting a comprehensive program evaluation.

SDMN Schedule of Expenses

For the Period from July 1, 1993 through December 7, 1994

| | |
|---|---|
| Training Consultants | $ 136.3 |
| Evaluation Consultant - estimate | 25.0 |
| Other Consultants | 8.9 |
| Meeting Expense | 43.1 |
| Computer, Printer, File Cabinet, Bookcases | 3.9 |
| | $ 217.2 |

**PROGRAM STATUS:**

Of the three major activities of the program, the site selection process is complete. The initial three sites that received School Restructuring Grants and levy authority are in their first full year of implementation. The six sites from the second round of applications are preparing to initiate their school site decision-making agreements and fine tune components that are already in place.

In the first round of site selection, the Department received 18 proposals from 9 school districts. Three sites were selected and recommended for authority to levy $50 per pupil with a matching grant of $50 per pupil from the state. These sites represent 2,135 students and received grants totaling $106,750.

In the second round the Department received 29 proposals from 15 school districts. Six sites were selected and are being recommended for authority to levy $50 per pupil with a matching grant from the state. These sites represent 5,656 students and received grants totalling $282,800. Because these schools were given retroactive levy authority to F.Y. 1995, they had the choice of levying for one or two years following selection this fall.

| F.Y. 1994 Sites | Students | Funding |
|---|---|---|
| Hosterman Middle (Robbinsdale) | 914 | $ 45,700 |
| North Senior High (No. St. Paul) | 1,130 | $ 56,500 |
| Vernon Center Elem. (Lake Crystal) | 91 | $ 4,550 |
| | 2,135 | $ 106,750 |

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

0710 SCHOOL RESTRUCTURING GRANTS - MODELS
(Continuation)

| F.Y. 1995 Sites | Students | Funding |
|---|---|---|
| Weaver Lake Elementary (Osseo) | 987 | $ 49,350 |
| Park Center High School (Osseo) | 1,705 | $ 85,250 |
| BRAVO School (Bloomington) | 220 | $ 11,000 |
| St. Francis High School | 1,424 | $ 71,200 |
| H.O. Sonnesyn Elem. (Robbinsdale) | 645 | $ 32,250 |
| LeSueur-Henderson High School | 675 | $ 33,750 |
| | 5,656 | $ 282,800 |
| Total | | $ 389,550 |

The Department provided $11,000 for the initial stages of evaluation and reporting activities for F.Y. 1995. The goal is to define and gather baseline data for this first year. The initial three schools looked at the Blue Ribbon Schools criteria as a model for collecting and reporting baseline data; however, a final decision in this area will not be made until an evaluator is identified. Once an evaluator is identified, a four year evaluation plan and processes will be developed.

Other implementation activities include:

- Teams from each site representing parents, students, teachers, principals, and financial managers attended two networking meetings.
- The Office of Finance Reform and Accountability made on-site visits to assist new sites with reporting procedures.
- Initial sites assisted the new sites in developing proposals and getting started with implementation procedures.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Shared Decisions Minnesota | -- | -- | $ 350.0 | -- | -- |
| Three sites (Selected F.Y. 1994) | | | $ 106.8 | | |
| Six sites (Selected F.Y. 1995) | | | $ 282.8 | $ 393.7 | $ 450.0 |
| End of F.Y. PPU Adjustment | | | $ 11.4 | $ 56.3 | |
| Evaluation | | | -- | $ 50.0 | $ 50.0 |
| Levy Authority | | | $ 389.6 | $ 400.0 | $ 400.0 |

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE: | -- | -- | $ 1,140 | $ 900 | $ 900 |
| Revenue Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 92) | ( 47) |
| Current Law Revenue (Line 9 on Fiscal Page) | -- | -- | $ 1,140 | $ 808 | $ 853 |
| B. Statutory Formula LEVY: | -- | -- | $ 390 | $ 400 | $ 400 |
| Levy Change Due To Insufficient Appropriation | -- | -- | $ 0 | $ 0 | $ 0 |
| Current Law Levy (Line 8 on Fiscal Page) | -- | -- | $ 390 | $ 400 | $ 400 |
| C. Statutory Formula AID | -- | -- | $ 750 | $ 500 | $ 500 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 92) | ( 47) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | -- | 750 | 408 | 453 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| D. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | -- | $ 750 | $ 500* | $ 500* |
| Statutory Formula Aid (Unprorated) | | -- | $ 750 | $ 500 | $ 500 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments. $250 of the $350 appropriated in F.Y. 1995 for Shared Decisions, Minnesota is nonrecurring and therefore is not part of the budget base.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing specific categorical aid and levy for this activity. Districts will have the option of funding this activity through the use of Learner Improvement Revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0710: SCHOOL RESTRUCTURING GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 750 | $ 500 | $ 500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <92> | <47> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 750 | 408 | 453 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 750 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | 390 | 400 | 400 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 1,140 | 808 | 853 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <408> | <453> |
| Current Law Aid Funding Level (Line 4) | | | 408 | 453 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Discontinue Activity, Effective Pay 96 Levy | | | | <400> |
| Current Law Levy (Line 8) | | | 400 | 400 |
| RECOMMENDED LEVY | | | 400 | 0 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **400** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | | 750 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **750** | **0** | **0** |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0711 | STAFF DEVELOPMENT INCENTIVE |
| CITATION: | | M.S. 124A.292 |
| MDE ADMIN: | 1301 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

To provide revenue for individual school sites that have implemented an outplacement program on an ongoing basis to counsel staff and have implemented a program according to the Teacher Mentorship program (M.S. 125.231). All funding provided through this program must be used at the eligible school site for staff development purposes.

Most education aid programs contribute to more than one education goal. By improving sponsoring initiatives which improve student learning and school environments which respond to the changing needs of learners, thereby increasing basic academic skills, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Staff development revenue is equal to the number of teachers at the school site times $25. School districts may levy for this program. The district's levy is equal to the revenue times the lesser of one or the district's adjusted net tax capacity per pupil unit for the year before the levy is certified to the equalizing factor for the school year to which the levy is attributable. A district's aid is equal to its revenue minus its levy times the ratio of the actual amount levied to the permitted levy.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Districts | -- | 0 | 4 | 6 | 6 |
| Number of Staff | -- | 0 | 1,200 | 2,200 | 2,240 |
| Total Revenue | -- | 0 | 30.0 | 55.0 | 56.0 |
| Levy Authority | -- | 0 | 6.4 | 5.0 | 6.0 |
| State Aid Entitlement | -- | $ 0 | $ 23.6 | $ 50.0 | $ 50.0 |

F.Y. 1994 was the first year of this program.

Although F.Y. 1994 was the first year of the program, the program was enacted after the levy was certified.

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula REVENUE: | -- | $ 0 | $ 30 | $ 55 | $ 56 |
| Revenue Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 9) | ( 5) |
| Current Law Revenue (Line 9 on Fiscal Page) | -- | 0 | 30 | 46 | 51 |
| B. Statutory Formula LEVY: | -- | 0 | 6 | 5 | 6 |
| Levy Change Due To Insufficient Appropriation | -- | 0 | 0 | 0 | 0 |
| Current Law Levy (Line 8 on Fiscal Page) | -- | 0 | 6 | 5 | 6 |
| C. Statutory Formula AID: | -- | 0 | 24 | 50 | 50 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 9) | ( 5) |
| Current Law Aid Entitlement | -- | 0 | 24 | 41 | 45 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0711 STAFF DEVELOPMENT INCENTIVE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | 50[a] | 50 | 50* | 50* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward Due To Timing -- No Levy and No Participation | | ( 50) | 50 | | |
| | | | ( 50) | | |
| ■ Change in Program Participation: | | | | | |
| Revenue Increase | | | ( 30) | ( 5) | ( 4) |
| Levy (Increase) | | | 4 | 5 | 4 |
| Statutory Formula Aid (Unprorated) | | 0 | 24 | 50 | 50 |
| E. Aid Funding Level Reconciliation: | | | | | |
| Current Law Aid Entitlement | | 0 | 24 | 41 | 45 |
| Adjustments Per Law: | | | | | |
| ■ Excess Funds | | | 76 | | |
| Current Aid Funding Level (Line 4 on Fiscal Page) | | 0 | 100 | 41 | 45 |

[a] $100 biennial appropriation less $50 balance forward to F.Y. 1995.
(*) Biennial appropriation of $100 allocated to F.Y. 1996 and F.Y. 1997.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Because many districts have been experiencing growth in enrollment, few teachers are being released.
- Because of small amount of funds involved many districts have chosen not to participate.

**B. STRATEGIES:**

- Districts should have access to revenue to initiate programs such as this if that is a priority of the district.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing specific categorical aid and levy for this activity. Districts will have the option of funding this activity through the use of Learner Improvement Revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0711: STAFF DEVELOPMENT INCENTIVE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 50* | $ 50 | $ 50 | $ 50 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <9> | <5> |
| 3. Other Adjustments | | | | |
| Balance Forward | <50> | 50 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 100 | 41 | 45 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 24 | | |
| 6. Funding Excess/Deficiency | | 76 | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | 6 | 5 | 6 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 106 | 46 | 51 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <41> | <45> |
| Current Law Aid Funding Level (Line 4) | | | 41 | 45 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Discontinue Activity, Effective Pay 96 Levy | | | | <6> |
| Current Law Levy (Line 8) | | | 5 | 6 |
| RECOMMENDED LEVY | | | 5 | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **5** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | | 100 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| Total-State General Funds | | 100 | 0 | 0 |

*$100 biennial appropriation less $50 balance forward to FY 1995.

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0712 | FACULTY EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAM |
| CITATION: | | M.S. 125.138 |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

To allow school districts and postsecondary institutions to arrange temporary placements in each other's institutions. These arrangements must be made on a voluntary cooperative basis between a school district and postsecondary institutions. Exchanges between postsecondary institutions may occur among campuses in the same system or in different systems.

Most education aid programs contribute to more than one education goal. By sponsoring initiatives which improve student learning and school environments and which respond to the changing needs of learners, thereby increasing basic academic skills, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Each participating school district and postsecondary institution may determine the way in which the staff member's time is to be used, but it must be in a way that promotes understanding of the needs of each educational system or institution. For example, a public school educator may teach courses, provide counseling and tutorial services, assist with the preparation of future educators, or take professional development courses. A postsecondary teacher might teach courses at the school district, counsel students or work in school administration. Participation need not be limited to one school or institution and may involve other groups including educational cooperative service units.

Temporary placements made under the program must not have a negative effect on participants' salaries, seniority, or other benefits. Notwithstanding other provisions, a member of the staff of a postsecondary institution may teach in an elementary or secondary school or perform a service, agreed upon according to this section, for which a license would otherwise be required without holding the applicable license. In addition, a licensed educator employed by a school district may teach or perform a service, agreed upon according to this section, at a postsecondary institution without meeting the applicable qualifications of the postsecondary institution. A school district is not subject to section 124.19, subdivision 3, as a result of entering into an agreement according to this section that enables a postsecondary educator to teach or provide services in the district. All arrangements and details regarding the exchange must be mutually agreed to by each participating school district and postsecondary institution before implementation.

Educators who held a temporary position or an exchanged position under this program are continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan are not reduced because of time spent on an exchange or temporary position under this program.

An educator who is continued in or restored to a position under this program must be:

(1) continued or restored without loss of seniority; and
(2) be allowed to participate in insurance or other benefits offered by the employer under its established rules and practices.

The Department of Education awards grants to public postsecondary teacher preparation programs and school districts that collaborate on staff exchanges or temporary placements. One institution is identified as the fiscal agent for the grant.

School districts and postsecondary institutions are encouraged to collaborate by allowing educators to exchange positions, team teach, or hold temporary positions of no longer than one academic year in the other's institutions. No loss of salary or benefits occurs. Grants are used to ensure no loss of status, retirement, or insurance benefits.

The Department of Education is charged with developing and publicizing the process by which school districts, the University of Minnesota and its campuses, and state universities which have teacher and administrator preparation programs may apply for grants.

The Department of Education is charged with evaluating the proposals using the following criteria:

(1) evidence of collaborative arrangements between postsecondary educators and early childhood through grade 12 educators;
(2) evidence that outstanding early childhood through grade 12 educators will be involved in postsecondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some postsecondary courses;
(3) evidence that postsecondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and
(4) evidence of adequate financial support from employing and receiving institutions.

All grants shall be for salary and benefit costs beyond those normally covered by each of the institutions involved in the exchange or temporary assignment. Staff exchanging positions or placed

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0712 FACULTY EXCHANGE AND TEMPORARY ASSIGNMENT PROGRAM
(Continuation)

in temporary assignments shall not suffer loss of salary, benefits, or retirement benefits. A grant from the Department of Education shall cover 50% of the excess costs with the remainder of the excess costs shared equally by the school district and the postsecondary institution.

Since the inception of this program, it has been difficult to get participation in this program. Institutions are receptive to the idea of staff exchanges; however, actual implementation has been off to a slow start. To date, no teachers have participated in this program.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 0 | $ 75 | $ 38 | $ 37 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 7) | ( 3) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 0 | $ 75 | $ 31 | $ 34 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 38[a] | $ 37 | $ 38* | $ 37* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward: No Participation in F.Y. 1994 | | ( 38) | 38 | | |
| Statutory Formula Aid (Unprorated) | | $ 0 | $ 75 | $ 38 | $ 37 |

[a] $75 biennial appropriation less $37 balance forward to F.Y. 1995.
(*) Biennial appropriation of $75 allocated to F.Y. 1996 and F.Y. 1997.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Getting teachers in schools and postsecondary institutions to participate has been difficult. No teachers have participated.

**B. STRATEGIES:**

- Since the program has not achieved the results intended it should be discontinued. Other alternatives need to be explored.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0712: FACULTY EXCHANGE PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 38 | $ 37 | $ 38 | $ 37 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <7> | <3> |
| 3. Other Adjustments | | | | |
| Balance Forward | <38> | 38 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 75 | 31 | 34 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 75 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 0 | 75 | 31 | 34 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <31> | <34> |
| Current Law Aid Funding Level (Line 4) | | | 31 | 34 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 0 | 75 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 0 | 75 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0713 | MATHEMATICS-SCIENCE GRANT |
| CITATION: | | Laws 1992, Chap. 499, Art. 7, Sec. 24 |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | 0725 | Math/Science Ed - Teacher Development - Technology |

**PURPOSE:**

SCI/MATH$^{MN}$ was formed in 1993 as a partnership of education, business and state government to pursue statewide improvement in the teaching and learning of mathematics and science. Its *mission* is to increase the educational achievement of *all* Minnesota students in science and mathematics to help them meet the complex challenges of their future. SCI/MATH$^{MN}$:

- *works with all parts of the education system* including state policy makers, teachers, school administrators, higher education, business and parents; and
- *works for the benefit of students* to enable all students to attain and apply the basic, challenging mathematics and science that will expand their future choices in work and life.

All Minnesota students will need a higher level of math and science proficiency to succeed personally and professionally in a future characterized by complex information and technology. Employers, vocational and higher education institutions all cite the need for high school graduates to be (a) solidly grounded in math and science at increasing levels of rigor, and (b) able to apply their math and science knowledge and skills to workplace, learning and life situations.

Recognizing this need, the National Council of Teachers of Mathematics (NCTM) initiated a grass-roots, consensus-building process to develop voluntary standards for what students should know and be able to do. A similar effort was undertaken by the science community under the leadership of the National Research Council (NRC). Today, the NCTM Mathematics and NRC Science Education Standards are the foundation of math and science reform efforts in nearly all 50 states. The Standards provide a powerful *vision* of *mathematical power and scientific literacy for all.* They also offer *practical guidance* to teachers, schools and communities wishing to strengthen their math and science teaching and learning.

SCI/MATH$^{MN}$ is drawing on the vision and guidance embedded in the NCTM Mathematics and NRC Science Education Standards to create *sustained leadership, multi-sector collaboration, and active networks of institutional and individual support* for high standards and improved teaching and learning throughout the Minnesota education system.

SCI/MATH$^{MN}$'s mission of standards-based, systemic reform furthers:
- Results-oriented *Minnesota Graduation Standards*.
- *Goals 2000* -- specifically:
  Goal 3 - All students demonstrating competency over challenging subject matter.
  Goal 4 - Teachers continually improving their knowledge and skills.
  Goal 5 - U.S. students a world leader in math and science learning.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 18.

**DESCRIPTION:**

SCI/MATH$^{MN}$ began as a voluntary coalition that applied in 1992 to the National Science Foundation's (NSF) Statewide Systemic Initiative (SSI). It was selected as a finalist but not a grantee in 1993. In its start-up in F.Y. 1994-95, SCI/MATH$^{MN}$ has:

- developed a focused mission and objectives;
- raised over $200,000 in corporate funds;
- won $700,000 in federal competitive grants;
- recruited a 19-member, broadly representative board of directors; and,
- is completing execution of its biennial work plan.

In F.Y. 1996-97, SCI/MATH$^{MN}$ will continue to provide leadership, generate resources, implement initiatives, and develop public/private partnerships and support networks. If Congress re-authorizes NSF's SSI program, SCI/MATH$^{MN}$ will submit a new proposal for federal F.Y. 1996.

**A. OBJECTIVES**

1. **Leadership Development** - To be a catalyst and statewide resource for achieving the vision of *mathematical power and scientific literacy for all.*
2. **Public Awareness** - To build and mobilize an ambitious, supportive public climate for science and mathematics education.
3. **Professional Development** - To increase the effectiveness of teachers' preparation and continuing professional development in science and mathematics.

**B. F.Y. 1996-97 WORK PLAN & DELIVERABLES**

In F.Y. 1996-97, SCI/MATH$^{MN}$'s major initiatives will include:

**Objective #1: Leadership Development**

**Science and Math Curriculum Frameworks** - To develop and implement mathematics and science curriculum frameworks that provide teachers and administrators with practical guidance and tools for aligning school and classroom practices in teaching, learning and assessment with the NCTM Mathematics and NRC Science Education Standards and the proposed Minnesota Graduation Standards. The Frameworks will be completed in F.Y. 1996. Implementation through professional development will occur in F.Y. 1997.

**Effective Teacher Preparation** - To involve teams of deans/math-science-educationfaculty/K-12 teachers and MN Board of Teaching in redesigning teacher preparation programs at Minnesota's public and private colleges and universities. In F.Y. 1995, teams are formulating a Minnesota Vision for Effective Teacher Preparation that sets forth a framework for reform of pre-service programs. In F.Y. 1996 and 1997, SCI/MATH$^{MN}$ will work intensively with several teacher education institutions to implement the Vision through dialogue, co-teaching collaborations and restructuring of program/course content and instruction. The intended outcome is new teachers prepared to teach according to the vision of the Standards and to acquire new content and pedagogy throughout their careers.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0713 MATHEMATICS-SCIENCE GRANT
(Continuation)

**Graduation Standards Collaboration** - To assist Minnesota in its effort to change from "seat time" to a results-oriented graduation process. SCI/MATH$^{MN}$ will partner with schools and communities to address locally-defined needs in the areas of teaching, learning and performance-based assessment of basic, challenging mathematics and science. The outcome is greater system capacity and teacher ability to implement proposed Minnesota graduation standards that lead to improved student performance.

**Access to Equity** - In F.Y. 1996-97, SCI/MATH$^{MN}$ will seek school/community partnerships in districts with large and/or fast-growing populations of traditionally underrepresented and underserved students to (a) improve understanding of equity within the context of systemic reform, and (b) to begin eliminating the gaps in achievement that exist among racial and ethnic groups as well as between female and male students.

**Objective #2: Building Public Awareness**

**Third International Math and Science Study (TIMSS)** - To complete MN's participation in the TIMSS, a 50+ nation study that assesses student achievement and the kinds of instructional practices, curriculum and institutional arrangements associated with high levels of achievement. By 12/96, Minnesota will have for the first time ever (a) a state baseline and international benchmark against which to measure future progress; (b) a clear definition of what "world class" curricula entail; and (c) key learnings from MN and 50+ countries on how to achieve systemic improvements in the teaching and learning of science and mathematics.

**Mobilizing Public Support for Science and Math** - To raise the level of public awareness and support for the importance of basic, challenging K-12 mathematics and science programs for *all* students in Minnesota. In F.Y. 1994, SCI/MATH$^{MN}$ focused its mobilization efforts on teachers. In F.Y. 1995, it broadened to school board members and administrators. The goal in F.Y. 1996 and 1997 is to "go wide", reaching out to more businesses, labor, parents, and communities, as well as continually involving teachers, administrators and school board members. Targeted outcomes are: (a) delivering the *mathematical power and scientific literacy for all* message to stakeholder groups; (b) creating links to the mass media; (c) creating links with professional, business, educational and community organizations; and (d) moving the public to desire and support math and science success for all.

**The SCI/MATH$^{MN}$ Assembly** - To regularly convene diverse gatherings of policy makers, leaders and practitioners in education, government and business to achieve three outcomes: (a) secure a common action agenda; (b) equip attendees to exert leadership; and (c) sustain the momentum required to drive permanent, system-wide improvements in teaching and learning. The first annual SCI/MATH$^{MN}$ Assembly was held in February 1995. Two will be held in F.Y. 1996 and 1997.

**Objective #3: Effective Professional Development**

**A New Paradigm for Professional Development** - To develop a professional development strategy for continually extending the content knowledge and pedagogical skills of teachers of mathematics and science. This initiative will convene a broad cross-section of educators and other participants to: (a) document and analyze the present allocation and use of resources for staff development in math and science; (b) study alternatives and develop recommendations for increasing the effectiveness of staff development; (c) determine how to measure the impact of the recommended changes in staff development on improved student performance; and (d) develop implementation initiatives with districts and schools.

**The SCI/MATH$^{MN}$ Teacher Academy** - To continue offering an annual summer academy with academic year follow-up that provides an immersion experience in translating math and science standards into classroom practice. The Academy is open to teacher/administrator teams (all grade levels, statewide) through competitive application. It uses inquiry-based techniques, including teams going on-site with business mentors to solve real problems faced by MN companies, as well as applying new technologies (e.g., the Internet and graphing calculators). Each team leaves with its own plan for achieving desired changes in their classrooms and schools. The first Academy was held in June 1994 with 16 teams from rural, suburban and inner-city districts. A second Academy is underway for June 1995. In F.Y. 1996 and 1997, the goals are to (a) make the Academy locally replicable so that more schools and districts can use this model in their staff development programs, and (b) to cumulatively build a critical mass of teacher-leaders across the state.

**Advantage: Internet** - To bring the resources of the Internet to Minnesota's teachers of mathematics and science by (a) providing training; (b) fostering teacher-to-teacher electronic networking and virtual communities; and (c) increasing teacher competence and confidence to integrate information technology in math-science classrooms. Outcomes will include: greater numbers of teachers with Internet navigational skills; overcoming classroom isolation through use of the Internet to conduct on-line research and peer discussion; and use of the Internet to augment classroom resources and increase student learning.

**From Access to Application: Bringing the Internet into the Science and Mathematics Classroom** - SCI/MATH$^{MN}$ was competitively awarded a 3-year grant of approximately $700,000 from the U.S. Department of Education's National Eisenhower Program to develop a model professional development program for the use of technology in mathematics-science instruction. See Federal Program 0723.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0713 MATHEMATICS-SCIENCE GRANT
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994* | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| A. Involved in SCI/MATH Reform Initiatives: | | | | | |
| 1. Teachers | -- | 350 | 800 | 1600 | 2000 |
| 2. Teacher Academy Graduates | -- | 80 | 100 | 200 | 275 |
| 3. Teachers Trained and Using Internet | -- | 80 | 510 | 720 | 780 |
| 4. School Administrators/ Curriculum Specialists | -- | 28 | 129 | 150 | 200 |
| 5. Schools | -- | 16 | 200 | 250 | 275 |
| 6. Colleges and Universities | -- | 17 | 23 | 24 | 24 |
| 7. College and University Faculty | -- | 40 | 140 | 165 | 190 |
| 8. Vocational and Two-Year Institutions | -- | 2 | 4 | 8 | 12 |
| 9. Business Partners | -- | 50 | 125 | 150 | 175 |
| 10. Educational Technology Organizations | -- | 10 | 12 | 15 | 20 |
| 11. Minnesota-based Math/ Science Organizations | -- | 12 | 20 | 25 | 30 |
| 12. National Math/Science Organizations | -- | 2 | 4 | 7 | 12 |
| B. Leverage State Resources | | | | | |
| 1. Secure IRS 501(c)(3) Nonprofit Status | -- | ✓ | ✓ | ✓ | ✓ |
| 2. Generate Corporate/ Foundation Support | | | | | |
| a. Number of Funders | -- | 5 | 7 | 8 | 10 |
| b. Dollars Raised | -- | $ 102.5 | $ 151.0 | $ 150.0 | $ 200.0 |
| 3. Secure Competitive Federal Grants | | | | | |
| (firm) | -- | -- | $ 264.5 | | |
| (estimated) | -- | -- | | $ 272.0** | $ 2,165.0** |

* F.Y. 1994 is the first funding year with program budget and staff.
** Assumes continued funding for the National Eisenhower Program, and congressional reauthorization of the NSF's SSI Program.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | $ 116 | $ 295 | $ 2,705 | $ 1,500 | $ 1,500 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 276) | ( 141) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 116 | $ 295 | $ 2,705 | $ 1,224 | $ 1,359 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 1,500 | $ 1,500 | $ 1,500* | $ 1,500* |
| Entitlement Changes Per Law: | | | | | |
| a. Budget Variables | | | | | |
| ■ Balance Forward Due to Timing Needed for Start-Up Phase Including Strategic and Program Planning, and Hiring Staff | ( 1,205) | $ 1,205 | | | |
| Statutory Formula Aid (Unprorated) | $ 295 | $ 2,705 | $ 1,500 | $ 1,500 | $ 1,500 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

## CHALLENGES:

- To continuously improve SCI/MATH$^{MN}$'s effectiveness in catalyzing institutional (systems) changes that lead to increased student participation and achievement in K-12 science and mathematics.
- To make the transition from conducting program evaluations to developing a benchmarking and performance evaluation system for SCI/MATH$^{MN}$.
- To increase the effectiveness of teacher preparation and professional development programs.
- To gain public understanding that:
  a. Math and science are important to *all* students, and not just those planning to become mathematicians and scientists.
  b. "Basic" no longer means low-level math and science skills. Basic *is* challenging.

## STRATEGIES:

- Execute the Leadership Development Work Plan and Deliverables (see above).
- Execute the Public Awareness Work Plan & Deliverables (see above).
- Execute the Professional Development Work Plan and Deliverables (see above).
- Design and put into operation a system of benchmarks (goals and outcomes) and outcome indicators to measure and assess progress toward goals and report results. A set of valid, reliable indicators and a baseline will be established in F.Y. 1996, with assessment in F.Y. 1997.
- Develop improved outreach and feedback mechanisms for routinely getting and acting on the input of the many constituencies served by SCI/MATH$^{MN}$.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0713 MATHEMATICS-SCIENCE GRANT
(Continuation)

- Seek alliances with key educational organizations and schools ready to move from understanding to action.
- Engage the public.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $1,292 for F.Y. 1996 and $1,292 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $1,292 in F.Y. 1996, and $1,292 in F.Y. 1997.

Any balance remaining in the first year does not cancel but is available in the second year.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0713: SCIENCE & MATH INITIATVE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 1,500 | $ 1,500 | $ 1,500 | $ 1,500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <276> | <141> |
| 3. Other Adjustments | | | | |
| Balance Forward | <1,205> | 1,205 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 295 | 2,705 | 1,224 | 1,359 |
| 5. Statutory Formula Aid (Detail in Narrative) | 295 | 2,705 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 295 | 2,705 | 1,224 | 1,359 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 68 | <67> |
| Current Law Aid Funding Level (Line 4) | | | 1,224 | 1,359 |
| **RECOMMENDED AID ENTITLEMENT** | | | 1,292 | 1,292 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 1,292 | 1,292 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 295 | 2,705 | 1,292 | 1,292 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 295 | 2,705 | 1,292 | 1,292 |

| | | |
|---|---|---|
| **PROGRAM:** | 07 | Access to Excellence |
| **AGENCY:** | | Education Aids |
| | 0714 | INSTITUTE FOR THE ADVANCEMENT OF TEACHING (MN Humanities Commission) |
| **CITATION:** | | Laws 1993, Chap. 224, Art. 7, Sec. 30 |
| **MDE ADMIN:** | | None |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide funding for the Minnesota Humanities Commission's Teacher Institute to conduct noncredit seminars for Minnesota's K-12 teachers and to begin an alumni program to assist teachers who have attended seminars to provide programs for teachers in their districts who cannot attend residential seminars.

The Minnesota Humanities Commission's Teacher Institute (formerly Minnesota Institute for the Advancement of Teaching) is dedicated to the intellectual renewal and professional growth of Minnesota's K-12 teachers. Its goals are: to promote interdisciplinary, cross-cultural learning in K-12 classrooms; to provide classroom resources and subject-area material in the humanities; to increase opportunities for cooperation and collaboration among K-12 teachers, post-secondary faculty, and community organizations; and to recognize and demonstrate excellence in teaching and learning.

Most education aid programs contribute to more than one education goal. By sponsoring initiatives which improve student learning and school environments and which respond to the changing needs of learners, thereby increasing basic academic skills, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate the attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

From 1987 to 1992, the Minnesota Humanities Commission (MHC) conducted special projects with three of the state's major teacher associations -- Minnesota Council of Teachers of English, Minnesota Council on Social Studies, and Minnesota Council of Teachers of Foreign Languages. These projects included academic alliances, regional conferences, workshops, publications, and resource guides. The leadership of these and other teacher associations urged MHC to expand its special projects by creating a permanent, statewide program for K-12 teachers. The Teacher Institute began operation in 1992 after two years of thorough planning which included: a statewide survey of teachers; public meetings with school administrators, teachers, and community members; a Governor's Task Force; and research into national models of professional development programs. In 1993, the Teacher Institute received its first appropriation from the State of Minnesota through the Omnibus Education Bill.

The Teacher Institute conducts residential seminars for K-12 teachers from all grade levels, disciplines, and school settings. Seminars are interdisciplinary, cross-cultural investigations that introduce teachers to community resources, collaborative teaching, humanities content and methods, and colleagues from among Minnesota's college and university faculty. The week-long seminars are led by master teachers and humanities experts, and typically include site visits, field work, interviews, hands-on activities, reading, writing, discussion and debate.

Seminars are publicized through teacher association newsletters, informational meetings, press releases, and direct mailing. The application process includes a personal essay, letters of recommendation, and a summation of career history and goals. A selection committee of teachers admits applicants to the program based on the broad criteria of passion for learning and commitment to the teaching profession. Teachers receive no graduate credits or stipends for attending seminars; however, all their program expenses are provided, including release time.

During the 1994-95 biennium, the Teacher Institute conducted 25 week-long residential seminars for a total of 625 teachers. Those teachers, in turn, teach approximately 40,560 students each year. Teacher-participants came from all grade levels and disciplines; approximately half were from Greater Minnesota and half from the Twin Cities area. In addition to the seminars, the Teacher Institute provided services to its network of teacher-alumni through distributing teacher resources, publishing a newsletter, providing technical support in subject areas, and providing leadership opportunities for K-12 teachers.

Two outside evaluators have conducted extensive formative and summative evaluations of the program. The evaluation results show that the program is enriching student learning, modeling effective teaching that teachers can emulate in their own classrooms, and setting a new standard for outstanding professional development programs. 97% of the participants found this statement to be true: "The seminar has made me better prepared to challenge my students to be creative, critical thinkers."

After three years of operation and evaluation, MHC believes its Teacher Institute has become the state's lead program for teacher renewal. In its work in education reform, the Institute employs the adage "reach a teacher and reach a thousand children." The State of Minnesota is addressing school reform through structural and governance changes such as site-based management and graduation standards. The Teacher Institute complements and supports this reform through providing teachers with quality programs and resources that better prepare them for their work with students.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0714 INSTITUTE FOR THE ADVANCEMENT OF TEACHING
(Humanities Commission's Teacher Institute)

(Continuation)

## PROGRAM STATUS:

$325,000 in F.Y. 1994 and $325,000 in F.Y. 1995 were appropriated to the Minnesota Humanities Commission's Teacher Institute.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Program Expenses | | | | | |
| Salaries, Payroll Taxes & Benefits | -- | $ 62.0 | $ 150.0 | -- | -- |
| Faculty Honoraria and Evaluations | -- | $ 8.0 | $ 60.0 | -- | -- |
| Accommodations - Seminars | -- | $ 22.0 | $ 148.0 | -- | -- |
| Release Time for Teachers | -- | $ 14.0 | $ 130.0 | -- | -- |
| Teacher and Staff Travel | -- | $ 1.0 | $ 8.0 | -- | -- |
| Books, Materials and Supplies | -- | $ 11.0 | $ 35.0 | -- | -- |
| Site Fees | -- | $ 0.0 | $ 1.0 | -- | -- |
| Total Program Expenses | -- | $ 118.0 | $ 532.0 | $ 265.1 | $ 294.5 |

Note: Far fewer state funds were spent in F.Y. 1994 ($118,000) than in F.Y. 1995 ($532,000) for the following reasons:

1) MHC raised a considerable amount of private sector funds in F.Y. 1994 which it was required to spend in F.Y. 1994; and
2) MHC conducted 15 seminars in 1995, compared to 10 seminars in 1994.

**Matching Grants to the State of Minnesota appropriation for the Teacher Institute:**

| Grantor | Amount ($ in 000s) |
|---|---|
| Bush Foundation | $ 175.0 |
| General Mills Foundation | $ 100.0 |
| Saint Paul Companies Foundation | $ 125.0 |
| F.R. Bigelow Foundation | $ 75.0 |
| National Endowment for the Humanities (Special Exemplary Program grant) | $ 62.0 |
| Knight Foundation | $ 40.0 |
| Minnesota Education Association Foundation for Excellence in Teaching and Learning | $ 20.0 |
| Total | $ 547.0 |

The above figures have been tallied more than six months prior to the end of the fiscal year. The Minnesota Humanities Commission expects to raise more money by June 30, 1995.

**Expenditures**
Because the state appropriation was for two years and the grants had time limits -- and because MHC conducted ten seminars in F.Y. 1994 and will conduct 15 seminars in F.Y. 1995 -- the matching funds were expended in the following amounts:

| Grantor | F.Y. 1994 | F.Y. 1995 |
|---|---|---|
| Bush Foundation | $ 130.0 | $ 45.0 |
| General Mills Foundation | $ 50.0 | $ 50.0 |
| Saint Paul Companies Foundation | $ 50.0 | $ 50.0 |
| F.R. Bigelow Foundation | $ 50.0 | $ 25.0 |
| NEH Exemplary Program | $ 62.0 | $ 0.0 |
| Knight Foundation | $ 0.0 | $ 40.0 |
| MEA Foundation | $ 10.0 | $ 10.0 |
| Total | $ 352.0 | $ 195.0 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 325 | $ 325 | $ 325 | $ 325 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 60) | ( 30) |
| Current Law Aid Entitlement | -- | $ 325 | $ 325 | $ 265 | $ 295 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 325 | $ 325 | $ 325* | $ 325* |
| Statutory Formula Aid (Unprorated) | | $ 325 | $ 325 | $ 325 | $ 325 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

### A. CHALLENGES:

- The Commission nearly matched state appropriations with private funding, bringing the 1994-95 program budget to $1.2 million.
- Private and corporate funders were able to provide planning and start-up grants and, in some cases, second year funding, but they cannot sustain an on-going program.

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

0714 INSTITUTE FOR THE ADVANCEMENT OF TEACHING
(Humanities Commission's Teacher Institute)

(Continuation)

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**B. STRATEGIES:**

- MHC promised it would raise local private sector start-up monies for the Teacher Institute. It has fulfilled that promise.
- MHC will launch an aggressive campaign to secure national funding by collaborating with national organizations such as Phi Beta Kappa, the National Faculty, and other state humanities councils. Now that the Teacher Institute has grown to attract national attention, private funders interested in model programs will be approached for support.
- MHC will soon complete plans for renovating an historic building in Saint Paul to house both agency administration and a residential conference center for the Teacher Institute. When in its own facility, MHC's program expenses for the Teacher Institute -- particularly lodging, meals, and transportation -- will be reduced.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing funding for this activity in the K-12 omnibus bill. Funding for this program has always been appropriated directly to the Humanities Commission for this activity, and for F.Y. 1996-97 is included in the Governor's recommendations for the Economic Development budget.*

* Recommended Economic Development funding is $560.0 for the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0714: INSTITUTE OF ADVANCED TEACHING (MINNESOTA HUMANITIES COMMISSION)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 325 | $ 325 | $ 325 | $ 325 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <60> | <30> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 325 | 325 | 265 | 295 |
| 5. Statutory Formula Aid (Detail in Narrative) | 325 | 325 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 325 | 325 | 265 | 295 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Discontinue K-12 Omnibus Funding; Funding Included in in Econ. Development Recommendations | | | <265> | <295> |
| Current Law Aid Funding Level (Line 4) | | | 265 | 295 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 325 | 325 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 325 | 325 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0715 | TECHNOLOGY GRANTS |
| CITATION: | | Laws 1994, Chapter 647, Article 7, Section 19 |
| MDE ADMIN: | 1307 | Informational Technologies |
| FEDERAL: | | None |

PURPOSE:

To help school districts work together and with higher education institutions, businesses, local government units, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. The intent of this grant in aid is to foster collaboration between school districts, the MDE, higher education and private business. The grants focus on utilizing technology to develop individualized learning and manage information.

Most education aid programs contribute to more than one education goal. This program contributes at least one of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 77, 96, 98, 116 and 204.

DESCRIPTION:

At least four to six grants of $400,000 will be awarded in January 1995 that promote the above collaboration.

The Minnesota Department of Education sought applications from Minnesota school districts interested in competing for funds to demonstrate the deployment of computer and information technologies that facilitate individualized learning in alignment with the current graduation rule and the management of information. The Department, in response to notification of grant availability published in the *State Register*, received 67 responses from Minnesota schools and school districts. These responses were reviewed by a team of 28 readers who evaluated the proposals on the basis of evaluation and eligibility criteria outlined in Laws of Minnesota, Chapter 647, Article 7, Section 17, Subdivision 1.

Recipients shall use grant proceeds to:

(1) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;
(2) match and allocate resources;
(3) create a curriculum environment that allows districts to use various brands of computers in networks;
(4) provide user and contributor access to electronic libraries;
(5) schedule activities;
(6) automate progress reports;
(7) increase collaboration between school districts and sites, and with businesses, higher education institutions, and local government units;
(8) correlated state-defined outcomes to curriculum units for each student;
(9) increase accountability through a reporting system; and
(10) provide technical support, project evaluation, dissemination services, and replication.

To be eligible for this program, a grant applicant must be a school district or a group of school districts that demonstrates collaboration with businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of education shall prescribe the form and manner of applications. The commissioner shall form an advisory panel consisting of representatives of teachers, school administrators, school boards, parents, students, higher education, and business to assist in the grant selection process. The commissioner, in consultation with the advisory panel, may award grants to applicants likely to meet the outcomes outlined above.

In addition, a grant recipient shall report to the commissioner annually at a time specified by the commissioner on the extent to which it is meeting the outcomes specified in the grant requirements.

This program provides an opportunity for school districts to develop projects that demonstrate collaboration with businesses, higher education institutions, community organizations, and local government units, and that enhance the learning, instruction, and assessment process for Minnesota students. Program effectiveness will be judged by evaluation of the projects funded through these grants and their potential application in other areas of the state.

This program will encourage district creativity and will offer new learning opportunities for Minnesota students.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of Proposals Received | -- | -- | 67 | -- | -- |
| Estimated Number of Grants | -- | -- | 4 | 4 | 4 |

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0715 TECHNOLOGY GRANTS
(Continuation)

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | -- | -- | $ 1,600 | $ 1,600 | $ 1,600 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 295) | ( 150) |
| Current Law Aid Entitlement | -- | -- | $ 1,600 | $ 1,305 | $ 1,450 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 1,600 | $ 1,600* | $ 1,600* |
| Statutory Formula Aid (Unprorated) | | -- | $ 1,600 | $ 1,600 | $ 1,600 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

BUDGET ISSUES:

It is anticipated that schools and/or school districts awarded the "instructional transformation through technology" grants will develop systems and processes that utilize technology to enhance instruction, curriculum, learning, and student achievement. Projects that prove to be successful in terms of student achievement and enhanced instruction will be used as models for other areas in the state.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this grant program and instead allowing districts broader access to technology through an expanded instructional technology program as described in Program 0704, ITV Aid and Levy. MDE will work with districts to ensure that the lessons learned from the grantees will be available to other districts through the expanded program.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0715: TECHNOLOGY GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 1,600 | $ 1,600 | $ 1,600 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <295> | <150> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 1,600 | 1,305 | 1,450 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 1,600 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 1,600 | 1,305 | 1,450 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <1,305> | <1,450> |
| Current Law Aid Funding Level (Line 4) | | | 1,305 | 1,450 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **0** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 1,600 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **1,600** | **0** | **0** |

| | | |
|---|---|---|
| **PROGRAM:** | 07 | Access to Excellence |
| **AGENCY:** | | Education Aids |
| | 0716 | EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM |
| **CITATION:** | | Laws of 1994, Chap. 647, Art. 7, Sec. 18 |
| **MDE ADMIN:** | 1208 | Minnesota Academic Excellence Foundation |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide incentives to school districts to improve student achievement and increase accountability for results.

Most education aid programs contribute to more than one education goal. By sponsoring initiatives which improve student learning and school environments which respond to the changing needs of learners, thereby increasing basic academic skills, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Coalition for Education Reform and Accountability**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 124 and 18.

**DESCRIPTION:**

All school districts are eligible to apply for an educational performance improvement contract. However priority is given to school districts: 1) in which at least one school has received a school improvement incentive grant under Minnesota Statutes 1993 Supplement, section 121.602, subdivision 5; and 2) that demonstrate a commitment to increasing accountability by using a results-oriented system for measuring student achievement.

Grants shall only be awarded for measurable gains in student achievement. The terms of the one-year grant-contract shall at minimum address:

- the criteria and assessments to be used in measuring student achievement;
- the district's baseline level of student achievement;
- the level of student achievement to be reached under the contract;
- a timeline for determining whether the contract goals have been met; and
- at the discretion of the state board, provisions governing the award of a partial grant to the district if the contract goals are not fully met.

Minnesota Statutes require that grants will be awarded to *at least* four selected school districts as follows:

Metropolitan area urban school district: at least one grant up to $400,000

Metropolitan area suburban school district: at least one grant, up to $200,000

Greater Minnesota school district: at least two grants up to $100,000 each

The total funds available for all grants cannot exceed $800,000.

**Continuous Improvement**
Applicant sites are required to demonstrate their commitment to increasing accountability by using a results-oriented system for instruction, staff development and measurement to achieve increased student performance.

**Measurement Criteria, Assessments and Indicators of Improvement**
Applicant districts will be required to describe and validate the types of measurements, indicators and assessment processes and instruments to be used to monitor student improvement. Additionally, applicants will be required to describe the present level of student achievement (baseline), the level of student achievement to be reached (target goal), and plans and timeline for reaching the target goal.

Selected districts are required to report results in the following ways:

- at least three points in time relative to intervals which coincide with the administration and interpretation of the assessment processes and instruments used;
- against the district's baseline performance and toward the target goal;
- against state, national and international averages of student performance in comparable grade levels and subject areas, where available;
- compared to the best performing building or district in Minnesota and nationally with similar demographics (best in class) where available.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0716 EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM

(Continuation)

**Best Practices**
Selected districts will be required to describe quarterly how data and assessments are used to improve student learning and instructional practice on weekly, monthly and/or annual intervals. Additionally, selected districts will be required to analyze and describe what practices contributed to increasing student achievement. One outcome of the pilot project is to improve all Minnesota schools, and communication and replicability of best practices will contribute to achieving this goal.

**Public Disclosure**
Performance baselines, targets, and progressive measurements of improvement within this pilot project are public information. It is expected that applicants and selected districts will share their information and experiences toward continuous improvement with a variety of public audiences.

Selected districts will be expected to coordinate and work with a local Steering Committee comprised of stakeholder groups external to the K-12 system. These members should include representatives from higher education, employers, business and industry, parent groups, family and social service organizations, the media, health care industry, pre-kindergarten institutions, and others. These persons may be already established in local teams or committees working with Graduation Standards, Partners for Quality, PTA, site-based management teams, PER Committees, or others. It is not necessary to recruit a new group. It is important that a group be identified and aligned with existing local groups.

**District Commitment of Resources**
It is expected that each selected district will expend some local resources to achieve targeted improvements and to meet periodically with other participating districts.

*Meetings:* Communications between participating districts will be via written quarterly reports to the MDE and at least two group meetings. The meetings will coincide with sessions scheduled for sites participating in development of the graduation rule and sites implementing Partners for Quality.

*Personnel:* It is expected that each selected district will commit a team of persons to the project, including a Contact Person, a Planning Team or Steering Committee, an Instructional Team and an Assessment Team. *Personnel who fulfill these roles may be in groups or individuals already in place with another title.* Their compensation, if any, should be from funds that are *not* part of the Educational Performance Improvement Grant.

*Assessment and Instructional Resources:* Applicant districts are expected to demonstrate that assessing progress will not reduce resources needed for student improvement. Applicants are not expected to expend the grant solely on assessment.

**PROGRAM STATUS:**

Under current law, the state board of education shall enter into contracts to award at least three grants, one each to an urban, suburban, and rural school district. The 1995 appropriation of $800,000 is available until June 30, 1996, unless the commissioner has entered into a contract and has certified to the commissioner of finance the amount needed to make payments on the contract. Any remaining appropriation shall cancel June 30, 1996.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Districts Applying for Grants | -- | -- | 15 | TBD | TBD |
| Contracts Written | -- | -- | 7 | 7 | 7 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 800 | $ 800 | $ 800 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | (0) | (147) | (75) |
| Current Law Aid Entitlement | -- | -- | $ 800 | $ 653 | $ 725 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 800 | $ 800* | $ 800* |
| Statutory Formula Aid (Unprorated) | | -- | $ 800 | $ 800 | $ 800 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year of this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The expansion of the Graduation Standards sites and the Partners for Quality initiative sites has increased interest by schools and districts in the concept of performance-based funding incentives. About 50 school districts completed "intents to apply", and 41 teams attended training sessions on this performance contract opportunity. 100% of those attending the sessions demonstrated understanding of improvement concepts.
- The Coalition for Education Reform and Accountability will be recommending a new funding finance system driven by the need for school districts to implement the graduation standards.
- Schools and school districts continue to search for any additional funding prospects. Because the educational performance contracts are relatively nonprescriptive, this program could be an innovation in accelerating improvements in student achievement.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0716 EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM

(Continuation)

- Communities are likely to support funding sites which clearly demonstrate "results" rather than the previous "school improvement" programs which rewarded activity.
- Large numbers of districts now seek funds to assist in improving student performance under the Graduation Standards.
- Assistance is needed for schools working to determine what improvements and measurement instruments may effectively be implemented.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of Learner Improvement Revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0716: EDUCATIONAL PERFORMANCE IMPROVEMENT GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 800 | $ 800 | $ 800 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <147> | <75> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 800 | 653 | 725 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 800 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 800 | 653 | 725 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <653> | <725> |
| Current Law Aid Funding Level (Line 4) | | | 653 | 725 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 800 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 800 | 0 | 0 |

| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0717 | INTERNET (InforMNs Project) |
| CITATION: | | Laws of 1993, Chapter 221, Article 7, Sec. 28, Subd. 6 |
| MDE ADMIN: | 1307 | Informational Technologies |
| FEDERAL: | | None |

PURPOSE: The InforMNs Project funding is used to reduce the cost of school and school district access to INTERNET from $360.00 per address per year to $240.00 per address per year. This program has permitted a cooperative project between the Department of Education, Minnesota Regional Network (MRNET), the University of Minnesota, TIES, and the Minnesota Education Media Organization (MEMO) that facilitates teacher and student access and use of the INTERNET.

Most education aid programs contribute to more than one education goal. This program contributes at least one of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

DESCRIPTION: This effort, known as the InforMNs Project, provides access to the INTERNET and its resources to staff from approximately 900 Minnesota schools. There are approximately 1600 subscribers to the INTERNET through this program.

It should be noted that another $140,000 under Transition Aid in the previous biennium has also been applied to this project. This effort is focused at establishing access for every superintendent's office in the state. The Department of Education will be pilot testing communications via electronic-mail, disbursement of graduation standards information, and reporting of data via these INTERNET addresses during 1995.

The InforMNs Project Team is working on the following tasks:

- Macintosh manual revision;
- Usenet News access to all groups;
- Windows software for INTERNET;
- Legislative strategy proposal; and
- Student Gopher/electronic mail through FrED Mail.

This program has provided teachers, students, and education administrators with a low-cost opportunity to share curriculum projects globally and also provides access to a vast amount of resources such as libraries and data banks. The establishment of InforMNs has played an important role in obtaining federal grant funds for information infrastructure development.

INTERNET provides schools with the ability to network computers with the world. INTERNET is the "Super Computer Highway." With INTERNET, teachers and learners alike can experience using their computer as a tool to communicate with a global community. Projects can be conducted with other learners and schools worldwide. INTERNET also gives immediate access to a whole new world of on-line services:

- state and federal resources;
- library and University resources;
- private and nonprofit resources.

PROGRAM STATUS:

| | ($ in 000s) | | | Current Law | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Number of INTERNET Addresses | 0 | 600 | 1,600 | 2,400 | 2,400 |
| Number of Schools with INTERNET Access | 0 | 250 | 900 | 1,600 | 1,600 |
| Number of School Districts With INTERNET Access | 0 | 190 | 379 | 379 | 379 |
| Number of Gopher Accesses | 0 | Unknown | 104,037 | 200,000 | 200,000 |

BUDGET ISSUES:

A. CHALLENGES:

- Until all Minnesota schools are connected by network technology, InforMNs is the only way most small, rural schools can obtain equitable access to state-of-the-art technology and curriculum to enhance instruction and learning.

B. STRATEGIES:

- This program will continue to operate as described. It is planned to pilot test data reporting and submission for levies, UFARS (school finance), and MARSS (student information) via the INTERNET during F.Y. 1995 and F.Y. 1996.

GOVERNOR'S RECOMMENDATION: The Governor recommends an aid entitlement of $200 for F.Y. 1996 and $200 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $200 in F.Y. 1996, and $200 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0717: INTERNET**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 200 | $ 200 | $ 0 | $ 0 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 200 | 200 | 0 | 0 |
| 5. Statutory Formula Aid (Detail in Narrative) | 200 | 200 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 200 | 200 | 0 | 0 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Restore Funding | | | 200 | 200 |
| Current Law Aid Funding Level (Line 4) | | | | |
| **RECOMMENDED AID ENTITLEMENT** | | | **200** | **200** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **200** | **200** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 200 | 200 | 200 | 200 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **200** | **200** | **200** | **200** |

| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0718 | LEARNER IMPROVEMENT |
| CITATION: | | |
| MDE ADMIN: | 1201 | Learner Improvement |
| FEDERAL: | | None |

**PURPOSE:**

To provide school districts with resources for program improvement which will allow districts more flexibility and discretion to improve student performance.

**DESCRIPTION:**

Learner improvement revenue may be used for the following programs and purposes:

1. to maintain or reduce the school district's instructor to learner ratios;
2. to prepare and use individualized learning plans for each learner;
3. to provide staff development programs for the purpose of improving student performance;
4. to provide parent involvement programs;
5. to provide secondary vocational education programs;
6. to provide educational services in a cooperative manner or to purchase goods and services from entities formed for cooperative purposes;
7. to implement the new "results-oriented" graduation standards;
8. to provide or expand Advanced Placement and International Baccalaureate offerings;
9. to provide programs for implementing school site decision-making practices, involving staff members, students and parents.

The school board of each district will determine which programs to provide, the manner in which they will be provided, and the extent that these and other resources will be used for the programs.

Maximum learner improvement revenue is equal to the greater of $67 times the district's actual pupil units or $25,000. School districts are eligible to receive the maximum revenue if progress toward implementation of the new graduation standards has been demonstrated. If progress has not been demonstrated, learner improvement revenue is equal to the greater of $60 times the district's actual pupil units or $20,000.

To receive learner improvement revenue, a district may levy an amount equal to the district's learner improvement revenue multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable to $3,500.

Learner improvement aid is the difference between the learner improvement revenue and the learner improvement levy. If a district does not levy the entire amount permitted, learner improvement aid must be reduced in proportion to the actual amount levied. If the appropriation is insufficient to pay all districts the full amount of aid earned, the formula allowance and minimum used to compute each district's learner improvement revenue is reduced to avoid proration of the aid.

**PROGRAM STATUS:**

Currently, categorical aids for each of the programs and purposes listed in the prior section provided funds without much local district discretion. Specific data regarding these programs are provided elsewhere in this budget.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Minnesota is moving toward a results-oriented graduation system. While this is a common goal, districts are at various stages in terms of reaching that goal. Meeting that goal is both a state and local challenge.
- Minnesota's districts face differing challenges. Priorities in districts vary based on their needs.
- Resources for programs and services are scarce. At the present time, districts do not have a categorical revenue source which they can use to address their unique needs and goals.

**B. STRATEGIES:**

- Districts should have access to revenue to initiate or expand programs if the district determines they are a priority. Districts need enhanced flexibility if they are to be held accountable for results.
- To move districts closer toward a results-based system, a portion of the revenue available through this program should be linked to districts beginning to develop results-based systems in their districts. While all districts would have access to the $67 per pupil unit only those which choose to initiate results-based programs would actually receive the $67 per pupil unit. The other districts would receive $60 per pupil unit. A results-based program would require districts to clearly state the learner results which will be expected. Where possible, this would be stated using graduation standards expectations. In order to be eligible for the added revenue, the results-based programs would need to file an application to the Commissioner. Districts which are pilot sites for the graduation standards would receive the added revenue without filing a plan.
- The Minnesota Educational Effectiveness Program will provide assistance to districts which elect to utilize this model.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends initiating this new activity beginning in F.Y. 1997.

The Governor recommends an aid entitlement of $0 for F.Y. 1996 and $12,186 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $0 in F.Y. 1996 ($0 for F.Y. 1995 and $0 for F.Y. 1996), and $10,358 in F.Y. 1997 ($0 for F.Y. 1996 and $10,358 for F.Y. 1997).

**SEE PROGRAM 0602 FOR FISCAL PAGE.** 0718.L

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0718: LEARNING IMPROVEMENT REVENUE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ | $ | $ |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | | 0 | 0 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | | 0 | 0 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Use District Coop. Revenue for Learner Improvement Rev. | | | | 12,185 |
| Current Law Aid Funding Level (Line 4) | | | | 0 |
| **RECOMMENDED AID ENTITLEMENT** | | | | **12,185** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Use District Coop. Revenue for Learner Improvement Rev. | | | | 51,866 |
| Current Law Levy (Line 8) | | | | 0 |
| RECOMMENDED LEVY | | | | 51,866 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | | **64,051** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | | | | |
| Current Year 85 Percent | | | | 10,358 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | | | **10,358** |

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| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |
| | 0719 | CHARTER SCHOOLS - START-UP |
| CITATION: | | M.S. 120.064 |
| MDE ADMIN: | 1210 | School District Organization |
| FEDERAL: | 0726 | Goals 2000 |

PURPOSE:

To provide financial startup assistance that will enable charter schools to adequately prepare for student learning. The intent of this proposed legislation is to provide grants to charter schools for the development of curriculum, purchase of instructional materials, and general costs incurred in start-up activities. Many expenditures related to the planning and development of curriculum and learner assessment totals occur prior to the initial distribution of aids to the charter schools. Charter schools receive aids equal to the statewide average funding for Independent School Districts which is usually only enough to fund operational activities.

Most education aid programs contribute to more than one education goal. Assuring success of all learners will increase Minnesota's test scores as compared to the nation. By providing competitive grant funds to prospective charter schools to assure that students succeed in expected learning in the charter school environment, this program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Safe, Drug Free, Accessible, Co-Located Learning Environments:** All learning will be delivered in environments which are safe, accessible, and violence-free, are conducive for learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.

This program contributes to the *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Graduation Standards**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

DESCRIPTION:

Charter schools have had financial difficulty in their start-up activities. In the past, charter schools were able to rely on non-state sources, usually foundations, to fund planning and implementation activities. Such funds are expected to be less readily available. Lack of start-up funds has placed most charter schools in difficult financial positions before the school opens its doors.

This charter school legislation allows teachers, parents and community members with innovative ideas for improving learning to form and operate an independent public school. To further promote innovation, charter school legislation allows new models of education to be formed unrestrained by many statutes and rules governing local school districts.

A charter school must be designed to meet one or more of the following purposes:

- improving pupil learning;
- increasing learning opportunities for pupils;
- using different and innovative teaching methods;
- measuring learning outcomes using different and innovative forms of measurement;
- establishing new forms of accountability for schools; and/or
- creating new professional opportunities for teachers, including the opportunity to be responsible for the learning programs at the school site.

Charter schools are independent entities. A charter school is organized and operated as a cooperative or a nonprofit organization and must offer a nonsectarian educational program. A charter school's Board of Directors determines all aspects of the learner-centered, results-oriented educational program and is responsible for its management and administration. General education revenue, capital expenditure equipment revenue, special education aid, and other aid, grants and revenue for which no levy is required flows directly from the state to the charter schools.

A charter school Board of Directors is elected by the parents of students enrolled in the school and by staff employed at the school. The charter school board may determine the age or grade levels to be served by the school, the philosophical approach, focus of the curriculum and teaching/learning methods to be used, and may target a specific population. Teachers employed by the school must make up the majority of members on the board. The Board of Directors is responsible for staffing decisions, budgeting, contracting for services, determining curriculum, and other operating procedures. The Board of Directors can sue and be sued, but may not levy taxes or issue bonds.

A charter school must enroll eligible pupils who submit timely applications, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils are accepted by lot. A charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability.

The new federal ESEA Goals 2000 legislation includes provisions for charter schools. The regulations and guidelines for accessing those funds have not been developed.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

0719 CHARTER SCHOOLS - START-UP
(Continuation)

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996* | F.Y. 1997* |
|---|---|---|---|---|---|
| Number of Charter Schools | -- | 7 | 15 | 18 | 26 |
| Number of Sponsors | -- | 7 | 11 | 15 | 21 |
| Number Sponsored by State Board of Education | -- | 0 | 1 | 2 | 3 |
| Number of Students Enrolled | -- | 700 | 1,200 | 2,000 | 3,000 |

* Projected data

**BUDGET ISSUES:**

**CHALLENGES:**

Numerous factors influence the operation and performance of charter schools. The two most serious factors are:

- the availability of funds for planning, and
- the availability of funds for program development.

**STRATEGIES:**

- State planning grants to assist in planning and development of new Charter Schools should be initiated.
- Federal revenue, if received, should be used for program implementation.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $100 for F.Y. 1996 and $100 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $100 in F.Y. 1996, and $100 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0719: CHARTER SCHOOL START-UP**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ | $ | $ |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | | 0 | 0 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | | | |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. New Initiative | | | 100 | 100 |
| Current Law Aid Funding Level (Line 4) | | | | |
| **RECOMMENDED AID ENTITLEMENT** | | | **100** | **100** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **100** | **100** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | | 100 | 100 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | | **100** | **100** |

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0720 FOREIGN LANGUAGES ASSISTANCE ACT PROGRAM

**CITATION:** Foreign Languages Assistance Program, Title II. Part B (Public Law 100-297), of the Elementary and Secondary Education Act of 1965, enacted as part of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. CFDA 84.249A

**MDE ADMIN:** 1201 Learner Improvement

**PURPOSE:**

To fund innovative, model programs in five languages: Arabic, Chinese, Japanese, Korean, and Russian with preference for programs that begin in the elementary grades and show articulation through secondary school.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 20.

**DESCRIPTION:**

The selection of model programs in Minnesota began with the design of the proposal process. To accomplish this, the Minnesota Department of Education (MDE) established a 15-member advisory committee of educators and representatives of the five primary critical languages. The advisory committee members met to plan for a competitive grant process and to establish criteria and procedures for LEA participation.

The MDE published an official announcement in the State Register and mailed a similar announcement to all LEAs and other potentially interested parties. This mailing reached superintendents in all public school districts, directors of the nine Educational Cooperative Service Units (ECSUs) and the 35 education districts, principals of 934 elementary schools, professors of teacher education programs in 19 colleges and universities, chairs of language departments at 45 institutions of higher education, and all Minnesota public and non-public school teachers of the five primary critical languages. Additional announcements were sent to pertinent ethnic, cultural, business, and professional organizations and to all 25 members of the Executive Board of the Minnesota Council of the Teaching of Foreign Languages (MCTFL).

Twelve proposals were received by the application deadline. Half of these proposals came from the Metropolitan Area. The other six came from four additional ECSU areas.

Proposals were read by a panel of readers including representatives of the five primary critical language communities, teacher education, non-public schools, the business community, and MDE specialists in the areas of language education, elementary education, curriculum and instruction, assessment and program evaluation, teacher education, and grants administration. Six projects were selected for funding in 1992-1993.

An additional competition was open for 1993-1994. Three applications were received and reviewed by MDE and outside readers. Two projects were selected for funding. The next competition will be held in 1995.

The sites selected through the competitive grant process for F.Y. 1993 funding were:

| District Name | District # | Project Name | Language |
|---|---|---|---|
| Head of the Lakes | Educ. Dist. 6045 | Head of the Lakes World Language Project | Russian |
| Minneapolis | Special Dist. 001 | Sheridan Global Arts and Communications Russian Program | Russian |
| Minnetonka | 276 | Focus: Chinese Language for Middle Schools | Chinese |
| Morris Area | 769 | Morris Area Schools Language Project | Russian |
| South Koochiching Rainy River | 363 | Russian Studies Center | Russian |
| St. Paul | 625 | Webster Magnet World Languages and Cultures - Chinese Project | Chinese |

Grant funding is contingent on a dollar-for-dollar match at the local level. All sites meet or exceed this requirement.

F.Y. 1994 and F.Y. 1995 sites include continuation for all of the above and two new sites:

| District Name | District # | Project Name | Language |
|---|---|---|---|
| Minneapolis | S001 | Anthony Japanese Inclusion Program | Japanese |
| | | Southwest Global Japanese Language Access Program | Japanese |

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

FEDERAL PROGRAMS:

0720 FOREIGN LANGUAGES ASSISTANCE ACT PROGRAM
(Continuation)

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PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Total Available | $ 101.4 | $ 197.4 | $ 218.1 | $ 217.3 | $ 190.0 |
| Number of Grants | 6 | 8 | 8 | 10 | 10 |
| Average Grant Amount | $ 16.6 | $ 24.6 | $ 25.9 | $ 20.7 | $ 19.0 |

In F.Y. 1997, if we receive just capitation as in the past, it would be about $190,000. If we have new grants (elementary focus) they will be selected through a new competition.

BUDGET ISSUES:

A. CHALLENGES:

- The Minnesota Department of Education will work with LEAs to design and implement a proficiency measurement project to assess the development of proficiency in as many of the four language modalities (listening, speaking, reading, and writing, all in a cultural context) as possible. Sites will use the ACTFL Proficiency Guidelines as the basis for project design. Different approaches will be needed for elementary and secondary school learners and the procedures will need to match the goals and outcomes established by the grant sites. According to our Minnesota guidelines, program level learner outcomes must be established for the model programs by the end of the first year of the grant.
- Minnesota guidelines for the Foreign Languages Assistance Act Program call for proficiency assessment at least twice during the three years of each model program. The MDE's advisory committee for Title II, Part B, feels that this schedule responds to the Act's requirement for assessment "at appropriate intervals" as many programs will be for beginners at the elementary level. Measurable proficiency gains are difficult to obtain on an annual or more frequent basis, especially for beginning and/or young learners. Several of the projects were unable to collect assessment data during the first two years but are working on this during Year 3. MDE still hopes to provide assistance with development of instruments and strategies.
- Interest in programs for Chinese, Japanese and Russian remains high. It has been difficult to generate interest in Arabic and Korean programs within LEAs.

B. STRATEGIES:

- Over time, funded projects will provide innovative program models, materials, and strategies for curriculum development, instruction, and assessment that can be used throughout Minnesota and the nation. At the local level, these programs are the impetus for expanded opportunities in three critical languages for students who will live and work in the global marketplace of the 21st century.
- Minnesota will continue to seek proposals for new or expanded three-year projects in all five languages as long as federal funding is available.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

| | | |
|---|---|---|
| PROGRAM: | 07 | Access to Excellence |
| AGENCY: | | Education Aids |

**FEDERAL PROGRAMS:**

| | | |
|---|---|---|
| | 0721 | FIPSE COMPREHENSIVE PROGRAM GRANT - NEH GRANT<br>Articulating Language Instruction Across Educational Systems |
| CITATION: | | Higher Education Act as Amended (P.L. 99-498). CFDA 116b; CFDA 45.155 |
| MDE ADMIN: | 1201 | Learner Improvement |

**PURPOSE:**

To develop a system of curriculum, instruction, and assessment that will provide common goals, performance outcomes, and assessment instruments for language instruction in all educational systems (P-16) in Minnesota. The assessment program will measure whether students have met selected standards at high school graduation/college entrance and college exit. This 3-year project attempts to establish a seamless system for student success leading to increased language proficiency levels by students and cost efficiency for students and systems.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 20.

**DESCRIPTION:**

This program is specifically intended to provide:

- support for a Pilot Cluster (Years 1-3) and additional Clusters (Years 2-3) whose members will represent the five systems now engaged in language instruction (K-12, UMN, MSUS, Community Colleges, Private Colleges) and who will meet in academic year and summer workshops to set standards, design and pilot assessment instruments, and explore curricular and instructional strategies leading to success for learners;
- collaboration between MDE and the Center for Advanced Research on Language Acquisition (CARLA/UMN-Twin Cities) and the Minnesota Coalition on the Articulation of Language Instruction;
- training for Cluster members in performance assessment of listening, speaking, reading, and writing and curriculum principles and instructional strategies for proficiency-oriented instruction;
- dissemination of project progress; and
- collaboration with articulation projects in other states and regions.

**FIPSE Comprehensive Program Grant**

The Articulation Project is scheduled to receive $296,344 over three years (1993-1996) from FIPSE to provide a forum for representatives of the five educational systems to deliberate and reach consensus on a common set of expectations for student performance in language and culture (French, German, and Spanish) at high school graduation/college entrance and college exit. System representatives will design and pilot assessment instruments that will lead to student success in meeting or exceeding the standards. The project expands a Pilot Cluster to include New Clusters with the goal of statewide consensus and system institutionalization.

**NEH Grant**

The Articulation Project is scheduled to receive $150,000 over three years (1993-1996) from NEH, with the potential of a maximum additional $25,000 if non-federal matching funds can be raised. The intent of the project is to provide a forum for representatives of the five educational systems to deliberate and reach consensus on a common set of expectations for student performance in language and culture (French, German, and Spanish) at high school graduation/college entrance and college exit. System representatives will design and pilot assessment instruments calibrated to those standards and explore best practice in curriculum and instruction that will lead to student success in meeting or exceeding the standards. The project expands a Pilot Cluster to include New Clusters with the goal of statewide consensus and system institutionalization.

MDE responsibilities for both grants are to:

- administer grant funds and activities including subcontracts with the University of Minnesota (CARLA), dissemination, and collaboration with related projects in New England, Ohio, and Colorado;
- work with the Minnesota Coalition on the Articulation of Language Instruction to establish cluster application procedures and deadlines; and
- work with CARLA to plan and implement project activities and to collaborate with related CARLA projects on articulation, assessment, curriculum and instruction, and culture.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| FIPSE Funding | -- | $ 62.6 | $ 77.7 | $ 121.8 | $ 34.2 |
| NEH Funding | -- | $ 13.1 | $ 46.0 | $ 61.9 | $ 29.0 |

**BUDGET ISSUES:**

**A. CHALLENGES:**

- MDE works in collaboration with the University of Minnesota's Center for Advanced Research on Language Acquisition (CARLA). Coordination of the program is dependent on CARLA/UMN-TC personnel and policies.
- Full funding of the project requires obtaining $25,000 in non-federal funds to match the final $25,000 from the NEH.
- This project has high potential for interface with the proposed Graduation Standards. System buy-

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0721 FIPSE COMPREHENSIVE PROGRAM GRANT - NEH GRANT
Articulating Language Instruction Across Educational Systems
(Continuation)

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in is strengthened through initiatives such as the Graduation Standards, the MSUS preparation standards, the postsecondary transfer curriculum, and UMN-TC's entrance standards and CLA graduation requirement. The project is also in sync with the National K-12 Standards Project and Goals 2000.

**B. STRATEGIES:**

- MDE will continue to work with the University of Minnesota's Center for Advanced Research on Language Acquisition (CARLA) throughout the three years of grant funding to achieve the goals of the project, to secure the additional funding, and to articulate the work of the project with related initiatives at the state and national level.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0722 BYRD HONORS SCHOLARSHIP

CITATION: Higher Education Act (1965), Title IV, Part A, Subpart 6 (CFDA 84.185A)

MDE ADMIN: 1202 State and Federal Program (Targeted Populations)

**PURPOSE:**

To provide scholarships for study at institutions of higher education to outstanding high school graduates who show promise of continued excellence, in an effort to recognize and promote student excellence and achievement.

By promoting student excellence and achievement, the program supports National Education Goal 4, that U.S. students be first in the world in math and science, and Goal 5, that every adult American be literate and possess the knowledge and skills necessary to compete in a global economy.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 124.

**DESCRIPTION:**

The Robert C. Byrd Honors Scholarship program is a federal program which allows each state that participates to award scholarships to high school seniors for outstanding academic achievement. The entire federal grant amount is allocated for individual scholarships of $1,500 (renewable for 3 additional years.)

High School seniors are nominated by their school principal for competition at the congressional district level. A screening committee composed of representatives of teachers, administrative staff, post-secondary counselors and parents then ranks the nominees within each congressional district and the top candidates are awarded (estimated 12-14 in each congressional district).

The criteria used in making the awards include academic performance, leadership ability, education/career goals statement, and references. The scholarship is to be used for education expenses at any postsecondary institution where the student has been accepted for enrollment. The dollar award is sent directly to the institution of enrollment.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Funding allotment | $ 145 | $ 174 | $ 351 | $ 528 | $ 705 |
| 2. Scholarships awarded | 89 | 116 | 234 | 352 | 470 |
| 3. Scholarship rate | $ 1.5 | $ 1.5 | $ 1.5 | $ 1.5 | $ 1.5 |
| 4. Total awarded | $ 133 | $ 174 | $ 351 | $ 528 | $ 705 |
| 5. Recipients by institution type: | | | | | |
| In-state public | * | 23 | 56 | 89 | 122 |
| In-state public nonprofit | * | 37 | 72 | 107 | 142 |
| Out-of-state public | * | 13 | 33 | 53 | 73 |
| Out-of-state private nonprofit | * | 43 | 73 | 103 | 133 |
| Total | * | 116 | 234 | 352 | 470 |

*Unavailable - records maintained by MAEF

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

Given the renewable feature introduced in F.Y. 1994, the cumulative number of grants awarded will quadruple by F.Y. 1997, and continue at that level provided the federal government continues to fund this activity. Minnesota students and Minnesota institutions will experience increasing benefit from the continued implementation of the Robert C. Byrd Honors Scholarship program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- No federal funds are provided for administrative costs. Federal funds are exclusively for scholarships. Because of increased federal requirements requiring state tracking of scholars for multiple years, the state administration costs will continue to increase.
- As the number of scholars increases each year, the cost to administer this program increases proportionately. Besides monitoring continuing eligibility of the scholars and collecting improperly disbursed funds, the renewable feature introduced in 93-94 required the state to develop and administer (eligibility) waiver rules for interruption in a scholar's educational career. The monitoring and administration of these rules for 351, 528 and ultimately 705 students on an annual basis has, and will continue to, multiply the administrative costs.
- Interest in applying has increased as the program has become better known. Over 300 schools presently nominate students to receive the scholarship. Students who live outside of Minnesota but maintain legal residence in the state, and students who receive General Education Development certificates must now be notified about the Robert C. Byrd Scholarship program.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0722 BYRD HONORS SCHOLARSHIP
(Continuation)

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**B. STRATEGIES:**

- Assuming that the federal government will continue to provide funds for this activity, Minnesota students and Minnesota institutions will continue to benefit from the implementation of the Robert C. Byrd Honors Scholarship program.

**GOVERNOR'S RECOMMENDATION:**

Scholarships are supported entirely with federal funds, however, MDE must support all administrative costs of this program with state department funds.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0723 FRAMEWORK IN ARTS

CITATION: Elementary and Secondary Education Act Secretaries Fund for Innovation in Education. CFDA 84.215G

MDE ADMIN: None

PURPOSE: The Frameworks for Arts Curriculum Strategies (FACS) project has three primary purposes: to develop and pilot state level arts standards that are consistent with the national standards and with the Minnesota Graduation Strategies, to develop assessment and instructional strategies using state-of-the-art technology that aligns with the standards, and to inform and involve higher education regarding pre-service issues that are a result of standards implementation.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

DESCRIPTION: The FACS project is currently in its second year of federal funding. The second year is devoted to piloting the state-level standards in three school districts: Fosston (rural), Moorhead (suburban) and Minneapolis (urban). Pilot districts are asked to implement standards in at least four art areas, to advise regarding the structural problems of implementation, and to develop instructional and assessment strategies. The project is continuing to develop CD-ROM software that aligns the standards with assessment and three videotapes that inform arts teachers about the components of performance and authentic assessment. Last, the project is forming a higher education connection committee to discuss and advice regarding the pre-service education and licensure.

FACS is administered by the Minnesota Center for Arts Education through an interagency agreement with the Department of Education.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| Funding | | | $ 255 | $ 255 | $ 0 |

F.Y. 1996 is the final year for this grant program.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The primary challenge for the FACS Project is for it to consistently align its work with the Graduation Standards being developed by the Department of Education and to regularly and effectively communicate this alignment to arts educators and artist-teachers.
- In addition, it is challenged by the implementation of a broad array of new arts standards in 3 diverse school districts. The development of model standards at the curriculum level was a pleasure; their implementation is a complex and, at times, overwhelming task.
- The challenge to higher education to transform their teacher certification programs to be aligned with the FACS Project curriculum standards (and thus, the Graduation Standards) involves a questioning of practice that has been well-entrenched through traditional systems.

B. STRATEGIES:

- The Center for Arts Education, which operates the FACS Project through an interagency agreement with MDE, is a Graduation Standards Pilot Site. This allows the Center to be involved with the Graduation Standards as they evolve. Center staff responsible for its Pilot Site work also work on the FACS Project. This insures alignment.
- Communication with those affected by the standards work is accomplished by regional meetings, specially convened conferences, articles in journals and newsletters and by the creation of a special file on Internet available through INFORMS and the GOPHER network. In addition, FACS Project personnel are available by phone on a daily basis for explanation of the standards and how they relate to the Graduation Standards.
- The challenge of implementation is being met by the convening of pilot sites to share with each other successful strategies and by the delivery and availability of technical services offered by the Center for Arts Education.
- The higher education challenge is assisted by the assignment by the Board of Teaching to the Center of the review procedure for certification of licensure programs. Because of this, the institutions of higher education have taken the process seriously and have been collaborating with the Center to develop strategies for transforming their programs to align with the Graduation Standards (FACS curriculum frameworks).

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0724 TEACHER INSERVICE TRAINING

CITATION: Dwight D. Eisenhower Math & Science Education Act (1988) (P.L. 100-297)

MDE ADMIN: 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

Through the Title II program, federal funds are made available to improve the skills of teachers and quality of instruction in mathematics and science in public and private elementary and secondary schools.

This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities, funds may be used for:

1. The expansion and improvement of preservice and inservice training and retraining for teachers and other appropriate school personnel in the fields of mathematics and science including vocational education teachers who use mathematics and science in teaching vocational education courses.

2. Recruitment or retraining of minority teachers to become mathematics and science teachers.

3. Training in and instructional use of computers, video, and other telecommunication technologies as part of a mathematics and science program (which may include the purchase of computers or other telecommunications equipment in schools with an enrollment of 50% or more of students from low-income families after all training needs are met - see waiver section.)

4. Integrating higher-order analytical and problem-solving skills into the mathematics and science curriculum; or

5. Providing funds for grant projects for individual teachers within the LEA to undertake projects to improve either their teaching ability or the instructional materials they used in their mathematics and science classrooms.

The new Dwight D. Eisenhower Professional Development program will support federal, state and local efforts to stimulate and provide the sustained and intensive, high quality professional development in the core academic subjects that is needed to help students meet challenging state content and student performance standards and thus achieve the National Education Goals.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 18.

**DESCRIPTION:**

Each school district is eligible to receive federal funds based on a formula allocation. 90% or more of available funds must be distributed to school districts according to a prescribed formula, 5% or more supports demonstration and exemplary projects, and 5% is available for program administration.

Criteria for formula flow-through fund distribution are:

- 50% based on enrollment of the school district; and
- 50% based on the same proportion as funds are distributed under Part A, Chapter 1, Elementary and Secondary Education Act.

School districts determine needs for staff development in mathematics and/or science and submit an application for funding. Districts may elect to pool funds and submit an application jointly through an Educational Cooperative Service Unit (ECSU) or other cooperative agency. An annual report is required which describes effectiveness of the program.

The former Eisenhower Mathematics and Science Education program supported a great deal of professional development that was neither sustained nor intensive. The new Eisenhower Professional development program will support high-quality professional development to prepare teachers, school staff, and administrators to help all students meet challenging academic standards.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Applications approved: | | | | | |
| Formula flow-through | 168 | 168 | 168 | 168 | 168 |
| Demonstration projects | 5 | 5 | 5 | 5 | 5 |
| 2. District participants: | | | | | |
| Formula flow-through | 406 | 406 | 406 | 406 | 406 |
| Demonstration projects | 20 | 20 | 20 | 20 | 20 |
| 3. Workshops conducted | 4 | 4 | 4 | 4 | 4 |
| 4. Monitoring visits | 30 | 30 | 30 | 30 | 30 |
| 5. Evaluation reports | 168 | 168 | 168 | 168 | 168 |
| 6. Teachers in staff development: | | | | | |
| Formula flow-through | 15,000 | | | | |
| Demonstration projects | 350 | | | | |
| 7. Funding level | $1,218.0 | $1,218.0 | $1,218.0 | $ 1,218.0 | $ 1,218.0 |

NOTE: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0724 TEACHER INSERVICE TRAINING
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

The new program presents many challenges, e.g.,

- *Expands federal assistance for professional development,* at the option of state and local educational agencies, to include all core academic subjects. However, the program ensures continued professional development in mathematics and science by requiring that state and local shares of the first $250 million in appropriated funds be devoted to professional development in those subjects.
- *Requires that state activities be guided by plans for professional development that outline a long-term strategy for providing the sustained and intensive, high-quality professional development needed to improve teaching and learning.* Reserves 94% of Title II funds for grants to the states, including a total of 1% of that amount for grants to the outlying areas and the Bureau of Indian Affairs. Of the total state allotment, 84% must go to the state education agency for grants to local educational agencies. The state educational agency may use up to 5% of that amount for state-level activities and state administration. The remaining portion of the state allotment (16%) must be to the state agency for higher education for professional development to be provided by institutions of higher education. The state agency for higher education may also use up to 5% of its total for administration.
- *Requires districts to prepare plans for professional development that reflect the priorities of local schools.* Up to 20% of the funds received by districts may be spent on district-level activities, with the remainder of funds to be used for professional development of teachers and other staff at individual schools. Local educational agencies must match half of the Eisenhower funds they receive; the entire match may come from a variety of other federal funds.

**B. STRATEGIES:**

- The Department of Education will continue to provide technical assistance to school districts participating in this program.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0725 NATIONAL MATH/SCIENCE ED-TEACHER DEV TECHNOLOGY
*From Access to Application: Bringing the Internet into the Science and Mathematics Classroom*

CITATION: Dwight D. Eisenhower Mathematics and Science Education Act (1988), P.L. 100-297, Title II

MDE ADMIN: 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

*From Access to Application: Bringing the Internet into the Science and Mathematics Classroom* is a model teacher professional development program that is funded by the U.S. Department of Education's National Eisenhower Program through a competitive grant application prepared and submitted by SCI/MATH$^{MN}$ in MDE. SCI/MATH$^{MN}$'s grant application was prepared in response to Secretary Richard Riley's request for "model professional development projects in the use of technology for mathematics and science instruction."

The National Eisenhower Program is a competitive grant program administered by the U.S. Department of Education. 4% of the total Eisenhower appropriation is held at the federal level and awarded by the Secretary on a discretionary basis to a small number of grantees for programs deemed to be of national significance. Minnesota's application was 1 of 15 proposals funded on 9/30/94 from over 215 applications. It was awarded $264, 514 in year one (federal F.Y. 1995). An estimated $272,691 and $165,481 in federal F.Y. 1996 and F.Y. 1997, respectively, is anticipated based on continuing federal appropriations for the Eisenhower program.

This program complements and advances:

- Minnesota's results-oriented Graduation Standards
- Minnesota Milestones (excel in basic academic skills; advanced education/training to make MN a leader in the global economy; and economically viable rural, small cities and urban areas).
- State of Minnesota policy for districts and schools to conduct staff development that includes challenging instructional activities and experiences.
- State of Minnesota's request to MDE to develop a plan for informational technologies in public schools, including maximizing the capacity of staff to learn and apply informational technologies for instructional purposes.
- Goals 2000: (Goal #4: teachers continually improving their knowledge and skills, including new technologies; Goal #5: U.S. students a world leader in math and science learning).

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 18.

**DESCRIPTION:**

The mission of *From Access to Application* is to develop a model professional development program for upper elementary grades (4-6) that promotes teachers' competence and confidence in using the Internet in teaching science and mathematics. The program is designed to fill the gap between merely providing access to the Internet and truly integrating the use of the Internet in science and mathematics curricula. In short, from access to application.

Participating schools are selected through a statewide application process. Diversity is emphasized, including Chapter One-eligible, rural, urban and suburban schools.

The model program is being developed by the teachers from the participating schools in conjunction with a team of talented partners (see below). Using action research methods, teachers plan, implement, observe and reflect on their own professional development. The participants are electronically linked to the National Education Supercomputer Program (NESP) at Lawrence Livermore National Laboratory in California. Teachers are learning to use NESP tools and resources, and apply them to standards-based classroom activities. The Internet will also be used to connect teachers with their peers and experts across the country, and to disseminate the program's results as early as possible.

The outcome of the program is to enable teachers to use the Internet and its resources for inquiry-based education, i.e., teachers becoming active participants in their own professional development and students becoming active participants in their own learning. This approach is advocated by the National Council of Teachers of Mathematics (NCTM) and the National Research Council (NRC) in their voluntary, nationally accepted standards for mathematics and science education.

This program receives a small amount of funding and staff services from SCI/MATH$^{MN}$: approximately $27,400 from its F.Y. 1995 appropriation, and services from existing staff estimated at $26,845. A similar level of support from SCI/MATH$^{MN}$ is expected in F.Y. 1996 and F.Y. 1997.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995* | F.Y. 1996** | Current Law F.Y. 1997** |
|---|---|---|---|---|---|
| A. Secure Federal Funding | | | | | |
| Federal Grant (firm) | -- | -- | $ 264.0 | | |
| Federal Grant (anticipated) | -- | -- | | $ 273.0 | $ 165.0 |

* F.Y. 1995 is the first funding year.
** Assumes continuing federal funding for National Eisenhower Program.

**PROGRAM:** 07 Access to Excellence
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0725 NATIONAL MATH/SCIENCE ED-TEACHER DEV TECHNOLOGY
*From Access to Application: Bringing the Internet into the Science and Mathematics Classroom*

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995* | F.Y. 1996** | Current Law F.Y. 1997** |
|---|---|---|---|---|---|
| B. Schools Involved in Developing Model | | | | | |
| Urban -- | -- | 1 | 2 | 2 | |
| Rural | -- | -- | 1 | 2 | 2 |
| Suburban | -- | -- | 0 | 2 | 2 |
| Total (Cumulative, three-year involvement) | -- | -- | 2 | 8 | 8 |
| C. Number of Teachers/ Administrators Involved | | | | | |
| Involved Teachers | -- | -- | 12-18 | 54-78 | 54-78 |
| Involved Principals | -- | -- | 2 | 8 | 8 |
| D. Educational Partners Involved: | -- | -- | 6 | 6 | 6 |
| Center for Applied Research and Educational Improvement (CAREI), University of Minnesota | -- | -- | ✓ | ✓ | ✓ |
| North Central Educational Regional Laboratory (NCREL) | -- | -- | ✓ | ✓ | ✓ |
| National Education Supercomputer Program | -- | -- | ✓ | ✓ | ✓ |
| Technology & Information Education Services (TIES) | -- | -- | ✓ | ✓ | ✓ |
| Minnesota Science Teachers Association | -- | -- | ✓ | ✓ | ✓ |
| Minnesota Council of Teachers of Mathematics (MCTM) | -- | -- | ✓ | ✓ | ✓ |

* F.Y. 1995 is the first funding year.
** Assumes continuing federal funding for National Eisenhower Program.

E. Outcomes to be Measured

1. Development/use of a replicable and scalable staff development model that efficiently and effectively develops elementary teachers' competence and confidence in using the Internet for science/math teaching and learning.
2. About 100 highly skilled elementary teachers using the Internet for science/math instruction, and prepared to train/support peers throughout the state.
3. Development/use of new National Education Supercomputer Program (NESP) teaching tools.
4. Development/use of new instructional units that validate the use of the Internet for teaching and learning.
5. National leadership and recognition for Minnesota, and its schools and teachers.

**BUDGET ISSUES:**

**A. CHALLENGES:**

To develop a professional development model that advances elementary teachers' competence and confidence to incorporate the Internet into their math and science teaching. Specifically:

- The need to validate the use of Internet resources and facilities for teaching and learning.
- The desire of teachers and school administrators (and expectations of parents) for teachers to receive effective professional development while minimizing the need to leave the classroom.
- To overcome classroom isolation, and foster teachers to take collegial, shared responsibility for their professional growth.

**STRATEGIES:**

- Use the action research model -- which encourages teacher teams to study the results of their own practice through a cycle of planning, acting, observing and reflecting -- to develop new skills, tools and applications.
- Train teachers in peer coaching strategies so they can coach and help each other with on site implementation of new knowledge and skills.
- Use access to electronic networks to provide technical and professional development support on an as needed basis.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported almost entirely with federal funds. Any balance remaining in the first year does not cancel but is available in the second year.

PROGRAM: 07 Access to Excellence
AGENCY: Education Aids

FEDERAL PROGRAMS:

0726 GOALS 2000: EDUCATE AMERICA ACT

CITATION: Elementary and Secondary Education Act
MDE ADMIN: 1202 State and Federal Programs (Targeted Populations)

PURPOSE:

To develop and implement a comprehensive State education improvement plan which blends federal, state, and local efforts so that all children will attain high standards of performance in the State's core academic subjects.

To develop and implement a plan which integrates the use of state-of-art technology as an integral part of the overall State education improvement plan.

DESCRIPTION:

The Minnesota Department of Education (MDE), in cooperation with the Governor's Office, successfully applied for funds under Title III of the Goals 2000: Educate America Act. Title III focuses on state and local systemic improvement in education.

Goals 2000 is not an additional initiative, but is intended to "umbrella" all programs which address school improvement, providing consistency and unity of purpose and eliminating duplication and waste. In Minnesota, movement toward academic graduation standards is an integral part of the Goals 2000 initiative, with Local Development/Implementation funds assisting schools in moving toward results-orientation as directed by the Legislature.

$75,000 was granted for the purpose of developing and implementing a plan which integrates the use of state-of-the-art technology as an integral part of the overall State education improvement plan.

First year funding provides 40% of the remaining funds to the Minnesota Department of Education to develop a state plan for educational improvement and to pay for the cost incurred by the Goals 2000 panel which is charged with the responsibility of providing input into the contents of that plan. The remaining 60% is distributed to districts on a competitive basis for the purpose of developing and implementing local plans. Future funding will be contingent on the development of Minnesota's plan which will include time lines for the development and implementation of Graduation Standards and assessment packages. In future years, 90% of the funds will be distributed to districts and 10% will remain in the Department.

Education priorities in Minnesota are closely aligned with the initiatives in Goals 2000. Minnesota's graduation standards will form the foundation for the requirement in Goals 2000, to develop challenging content and performance standards with assessment packages tied to these standards. The eight goals: School Readiness, School Completion, School Achievement & Citizenship, Teacher Education & Professional Development, Mathematics & Science, Adult Literacy & Lifelong Learning, Safe, Disciplined and Alcohol & Drug Free Schools, and Parental Participation are aligned with activities under Minnesota 2000, the Student Survey, the Family Collaborative Service Programs. Efforts and activities funded through Goals 2000 dollars will be coordinated with other state technical assistance initiatives under programs such as Education Effectiveness, the Graduation Standards, and programs in the federal Elementary and Secondary Education Act.

A full time person has been assigned to carry out the duties required to accomplish the objectives. Services needed on a one time basis will be acquired through honorariums or contracts.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| State Agency | – | – | $ 472.9 | $ 900.0 | $ 900.0 |
| School District Grants | – | – | $ 709.4 | $ 8,100.0 | $ 8,100.0 |
| Technology Plan | – | – | $ 75.0 | – | – |
| Total Funding | – | – | $ 1,257.3 | $ 9,000.0 | $ 9,000.0 |

BUDGET ISSUES:

A. CHALLENGES:

In the 1996-97 biennium, the Goals 2000 program faces challenges related to the statewide implementation of the Graduation Standards. More specifically, challenges include:

- Providing staff development resources and technical assistance to schools.
- Increasing piloting to ensure effective implementation in schools of varieties of sizes, structures, locations, experience with standards, and other considerations;
- Increasing the capacity of the schools to deliver and verify standards;
- Increasing available technology and related training for data recording and reporting of student achievement; and
- Increasing public information and input.

B. STRATEGIES:

To meet these challenges, the Goals 2000 program will:

- Increase piloting projects to more schools of even greater demographic differences;
- Provide "Best Practice" implementation training throughout the state;
- Implement the reading and mathematics standards statewide;
- Increase availability of technology;
- Continue promotion and increase networking with the public, postsecondary institutions, business, industry, policy-makers, etc; and
- Assist school districts with planning to implement the Graduation Standards.

GOVERNOR'S RECOMMENDATION:

This program is entirely supported by federal funds.

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# OTHER EDUCATION PROGRAMS (08)

# OTHER EDUCATION PROGRAMS (08) (Continued)

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0801 | SCHOOL LUNCH/MILK PROGRAM |
| | 0802 | SCHOOL BREAKFAST |
| | 0803 | SUMMER FOOD SERVICE |
| CITATION: | | M.S. 124.646,124.6469,124.6472,124.648 |
| | | M.S. 224, Art. 8, Subd. 10 |
| | | Laws 1994, Chap. 647, Art. 8, Sec. 35 and Sec. 45 |
| MDE ADMIN: | 1303 | Food and Nutrition |
| FEDERAL: | 0827 | School Lunch |
| | 0828 | Special Milk |
| | 0829 | School Breakfast |
| | 0830 | Child Care Food |
| | 0831 | Summer Food Service |
| | 0832 | Food Distribution |

**PURPOSE:**

To safeguard the health and well-being of Minnesota children by reimbursing school food authorities that provide nutrition to children through serving breakfast, lunch and milk.

**School Breakfast Program:** To provide additional reimbursement to schools beyond the reimbursement available through the federal School Breakfast Program to encourage more schools to offer nutritious breakfasts to children.

**School Lunch Program:** To provide required state matching funds to school food authorities to assure continuance of federal assistance through the National School Lunch Program. Additional state funds, beyond the match, help to keep lunch fees reasonable.

**Minnesota Kindergarten Milk Program:** To provide milk reimbursement to agencies so that kindergarten children have access to a milk break each school day to improve their health and meet daily nutritional needs.

**Summer Food Service Program:** To provide funding incentives so more children from low income areas and groups will have access to meals during the summer when school is not in session.

**Food Distribution Program:** To provide handling, storage, delivery and processing of USDA donated commodities to schools and other eligible agencies using state school lunch revenue match funds.

Most education aid programs contribute to more than one education goal. Through providing one-third of the basic nutritional needs for children at no cost to low income families and at a low cost to middle income families with assurance that foods served provide the best possible chance for a healthy life and an opportunity for children to learn at their full potential, this program contributes to two of the Department of Education's *goals*:

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 148.

**DESCRIPTION:**

The Food and Nutrition activity is to effectively deliver nutrition programs through leadership, service and administration. The Food and Nutrition activity administers six U.S. Department of Agriculture (Federal) programs (School Breakfast and National School Lunch, Special Milk, Summer Food Service, Child and Adult Care Food, Food Distribution Program). State funds complement several of the USDA sources and fund the Minnesota Kindergarten Milk Program. Combined federal and state funding of about $160 million is distributed to approximately 1,600 organizational customers.

**School Breakfast Program:** The state provides an appropriation that is paid to schools on a per breakfast rate because federal reimbursement is not always sufficient to cover local costs, nor to keep the charge to the paying students at an affordable price. Federal reimbursement rates are structured so that a "severe need" school (one that served 40% or more of its lunches at free or reduced rates in the second preceding year) receives greater average reimbursement per breakfast than other schools. In the last five years, schools not qualifying for the "severe need" rates lost an average of 14.6 cents on each free and reduced price breakfast served. The average loss on each fully paid breakfast served was 23 cents in both "severe need" and non-severe need schools. The F.Y. 1994 appropriation of $200,000 enabled state reimbursement of 5.1 cents per breakfast served except for free and reduced priced breakfasts served at "severe need" sites. For F.Y. 1995, state legislation requires schools to offer a breakfast program if 33% or more of their lunches served in the second preceding year were served free or at reduced prices. The $400,000 F.Y. 1995 state appropriation includes $200,000 to compensate schools mandated to offer a breakfast program, but not qualifying for federal "severe need" reimbursement (between 33% and 40% of lunches served in the second preceding year were at free or reduced rates.) These schools will be reimbursed at up to an additional 10.5 cents per free or reduced price breakfast served.

**School Lunch Program:** The Federal Omnibus Reconciliation Act of 1981 established the State Revenue Matching (SRM) requirement for the National School Lunch Program (NSLP) at 30% of Section 4 NSLP funds received during school year 1980-81. The state received $15,415,000 in Section 4 funds in school year 1980-81; therefore, the minimum SRM requirement for school year 1983-84 and subsequent years is fixed at $4,625,000. If the state fails to meet the 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 U.S. Department of Agriculture (USDA).

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0801 SCHOOL LUNCH/MILK PROGRAM
0802 SCHOOL BREAKFAST
0803 SUMMER FOOD SERVICE
(Continuation)

SRM funding is used for reimbursement of lunches served in schools participating in NSLP and for commodity handling, storage and delivery costs. Payment is made to schools on a per lunch rate (approximately 5 cents per meal). At the end of each school year, the rate of reimbursement is adjusted, based on total claims and the state appropriation.

**Minnesota Kindergarten Milk Program:** Public and nonpublic schools participating in the program are initially reimbursed at approximately 10 cents per estimated number of half pints of milk for kindergarten students. A final adjustment payment is based on total claims and the state appropriation.

**Summer Food Service Program:** For the first time in F.Y. 1994, incentive funding of $1,000. was provided to each new sponsor of the federal SFSP. Funds are used for start up costs at the discretion of the sponsor. This strategy increases program access of the federal SFSP by providing operating and administrative funds.

**Food Distribution Program:** School lunch SRM funds are used to pay for handling, storage and delivery of USDA donated commodities to schools. Estimated annual distribution costs are subtracted from SRM funds before the remaining balance is paid to schools on a per lunch basis. M.S. 121.11, Subd. 14 provides for the establishment of a revolving fund for which SRM funds can be used for the further processing of USDA commodities and for the establishment of a revolving fund for the deposit and payment of commodity distribution charges of non school agencies.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| School Breakfast Program: (Expenditures for F.Y. 1996 and F.Y. 1997 before caps) | | | | | |
| A. Number of School Breakfast Programs | | | | | |
| 1. Public School Districts | 239 | 246 | 295 | 300 | 305 |
| Sites | 770 | 825 | 950 | 965 | 975 |
| 2. Nonpublic Schools | 23 | 24 | 30 | 31 | 32 |
| Sites | 25 | 26 | 34 | 35 | 35 |
| B. State Funding | | | | | |
| 1. Total Breakfasts Eligible for State Funding (000s) | | | | | |
| a. Non-Severe Need Sites and Paid Breakfasts | N/A | 3,910 | 4,500 | 4,635 | 4,775 |
| b. Mandated Sites (33%-40%), Free and Reduced Price Breakfasts | N/A | N/A | 1,611 | 1,615 | 1,620 |
| 2. Reimbursement per Breakfast (cents) | | | | | |
| a. Non-Severe Need Sites and Paid Breakfasts | N/A | 5.1 | 4.4 | 4.3 | 4.2 |
| b. Mandated Sites (33%-40%), Free and Reduced Breakfasts | N/A | N/A | 10.5 | 10.5 | 10.5 |
| 3. Total State Aid Available | N/A | $ 200.0 | $ 400.0 | $ 400.0 | $ 400.0 |
| With Caps* | -- | -- | -- | $ 326.0 | $ 362.0 |
| School Lunch Program: (Expenditures for F.Y. 1996 and F.Y. 1997 before caps) | | | | | |
| A. Number of school food authorities | | | | | |
| 1. Public school districts** | 403 | 392 | 380 | 380 | 380 |
| 2. Private schools and residential child care institutions | 251 | 251 | 247 | 247 | 247 |
| B. State revenue matching (SRM) | | | | | |
| 1. Total number of lunches served (000s) | 80,791 | 81,500 | 82,300 | 83,000 | 83,800 |
| 2. State reimbursement per lunch (cents)*** | 5.55 | 6.1 | 6.0 | 6.0 | 5.9 |
| 3. State cash assistance | $ 4,484.5 | $5,000.0 | $5,000.0 | $ 5,000.0 | $ 5,000.0 |
| 4. Total state aid available for lunch payments and commodity storage and transportation costs**** | $ 5,197.7 | $ 5,732.4 | $ 5,725.0 | $ 5,725.0 | $ 5,725.0 |
| With Caps* | -- | -- | -- | $ 4,671.6 | $ 5,186.8 |

* The reimbursement per meal shown on tables will be decreased to remain within the available funding.

** Due to Pairing and Cooperating agreements, not all school districts have individual food service agreements.

*** This rounded rate reflects the amount per lunch required to be allocated for the fiscal year in order to use available state funds.

**** The SRM remains at $4,625,000. Beginning in F.Y. 1994 state funding provided $6,525,000 minus approximately $800,000 for the Minnesota Kindergarten Milk Program and minus approximately $700,000 for commodity storage and transportation costs.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0801 SCHOOL LUNCH/MILK PROGRAM
0802 SCHOOL BREAKFAST
0803 SUMMER FOOD SERVICE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Minnesota Kindergarten Milk Program: (Expenditures for F.Y. 1996 and F.Y. 1997 before caps) | | | | | |
| A. Public Schools | | | | | |
| 1. Number of SFAs participating | 330 | 334 | 350 | 350 | 350 |
| 2. Number of Kindergarten students | 61,966 | 62,391 | 63,000 | 63,000 | 63,000 |
| 3. Number of Kindergarten students participating | 47,824 | 48,983 | 52,000 | 52,000 | 52,000 |
| 4. State aid received | $ 659.3 | $ 716.7 | $ 715.0 | $ 715.0 | $ 715.0 |
| With Caps | -- | -- | -- | $ 583.4 | $ 647.8 |
| B. Private schools | | | | | |
| 1. Number of SFAs participating | 171 | 188 | 210 | 210 | 210 |
| 2. Number of Kindergarten students | 8,553 | 8,618 | 8,700 | 8,700 | 8,700 |
| 3. Number of Kindergarten students participating | 5,110 | 5,293 | 6,000 | 6,000 | 6,000 |
| 4. State aid received | $ 65.7 | $ 75.9 | $ 85.0 | $ 85.0 | $ 85.0 |
| With Caps | -- | -- | -- | $ 69.4 | $ 77.0 |
| C. Total state aid | $ 725.0 | $ 792.6 | $ 800.0 | $ 800.0 | $ 800.0 |
| With Caps | -- | -- | -- | $ 652.8 | $ 724.8 |
| D. Program administration | $ 2.3 | $ 0 | $ 0 | $ 0 | $ 0 |
| E. Total Kindergarten milk program funds | $ 727.3 | $ 792.6 | $ 800.0 | $ 800.0 | $ 800.0 |
| With Caps | -- | -- | -- | $ 652.8 | $ 724.8 |
| Total School Lunch and Minnesota Kindergarten Milk: | | | | | |
| A. Total Funding | $ 5,925.0 | $ 6,525.0 | $ 6,525.0 | $ 6,525.0 | $ 6,525.0 |
| B. Reduction for Caps | -- | -- | -- | (1,201.0) | (613.0) |
| C. Available Funding | $ 5,925.0 | $ 6,525.0 | $ 6,525.0 | $ 5,324.0 | $ 5,912.0 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Summer Food Service Program: | | | | | |
| A. New SFSP sponsors | | | | | |
| 1. Funding for incentive | $ 0 | $ 11 | $ 19 | $ 15 | $ 15 |
| 2. Number of new sponsors | 0 | 11 | 19 | 15 | 15 |
| Food Distribution Program: | | | | | |
| Warehouse storage, handling, and distribution costs | $1,066.0 | $1,176.7 | $1,200.0 | $1,300.0 | $1,400.0 |
| Revolving fund processing activity | 0.0 | 500.0 | 1,000.0 | 1,000.0 | 1,000.0 |
| **PROGRAM FUNDING** | | | | | |
| School Lunch and Milk: | | | | | |
| A. Statutory Formula AID: | $ 5,925 | $ 6,525 | $ 6,525 | $ 6,525 | $ 6,525 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (1,201) | (613) |
| Current Law Aid Entitlement | $ 5,925 | $ 6,525 | $ 6,525 | $ 5,324 | $ 5,912 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 6,525 | $ 6,525 | $ 6,525* | $ 6,525* |
| Statutory Formula Aid (Unprorated) | | $ 6,525 | $ 6,525 | $ 6,525 | $ 6,525 |
| School Breakfast: | | | | | |
| A. Statutory Formula AID: | -- | $ 200 | $ 400 | $ 400 | $ 400 |
| Aid Reduction Due To Insufficient Appropriation | -- | (0) | (0) | (74) | (38) |
| Current Law Aid Entitlement | -- | $ 200 | $ 400 | $ 326 | $ 362 |
| Proration Factor | | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 200 | $ 400 | $ 400* | $ 400* |
| Statutory Formula Aid (Unprorated) | | $ 200 | $ 400 | $ 400 | $ 400 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0801 SCHOOL LUNCH/MILK PROGRAM
0802 SCHOOL BREAKFAST
0803 SUMMER FOOD SERVICE
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Summer Food Services: | | | | | |
| A. Statutory Formula AID: | -- | $ 0 | $ 30 | $ 15 | $ 15 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 3) | ( 1) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 0 | $ 30 | $ 12 | $ 14 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 15[a] | $ 15 | $ 15* | $ 15* |
| Statutory Formula Aid (Unprorated) | $ 0 | $ 30 | $ 15 | $ 15 | |

(a) $30 biennial appropriation less $15 balance forward to F.Y. 1995.
(*) Biennial appropriation of $30 allocated to F.Y. 1996 and F.Y. 1997.

**BUDGET ISSUES:**

**CHALLENGES:**

**School Breakfast Program:** At a time when more schools are required to offer breakfast programs and the number of breakfasts served continues to increase, the amount of federal reimbursement received is inadequate to meet the actual cost of preparing a nutritious breakfast. Schools are asked to promote the relationships between good nutrition, health and learning. However, it is increasingly difficult for schools to provide breakfasts that meet the Dietary Guidelines for Americans, allow all children to eat for a reasonable fee, and also provide enough income to begin or maintain a breakfast program.

**School Lunch Program:** School lunch participation and the cost of each meal continue to rise each year. The federal reimbursement has not covered the direct costs incurred by many schools to produce the lunches. If state funding remains constant, the amount for lunch decreases and the usual response of local policymakers is to increase the charge to the student. If the price of meals increases, additional children may choose not to eat lunch at school and may not get a nutritious meal.

**Minnesota Kindergarten Milk Program:** Not all students have access at this time.

**Summer Food Service Program:** The federal SFSP is not available in every qualifying area of the state. Rural program operation is generally impractical unless children are already assembled for other activities. Program reimbursement, recordkeeping and application requirements also make it fiscally impractical for most institutions to sponsor the program on a single site, local area basis.

**Food Distribution Program:** Commodity distribution costs will increase not only due to inflation, but also due to costs incurred in handling of commodities that are to be further processed. This will reduce the amount of funds available for reimbursement to school food authorities for the school lunch program. As the demand for greater amounts of more desirable end products processed from commodities expands, the limited amount of SRM funds available for use as a revolving fund for processing may limit the volume of commodities that can be processed.

**STRATEGIES:**

**School Breakfast Program:** MDE is promoting the School Breakfast Program along with the 1993 and 1994 state legislation which provide complementary state aid to USDA funding. The funding combination has made it possible for more schools to operate in the black, so additional schools are willing to offer the program.

**School Lunch Program:** MDE provides local consultation on program management including roles and qualifications of leadership staff; menu planning and purchasing; pricing strategies; and cost reduction techniques.

**Minnesota Kindergarten Milk Program:** Program outreach continues.

**Summer Food Service Program:** An upgraded profile including maps of qualifying areas of the state is being developed using data provided by USDA and the Census Bureau. This information will be used to target promotional efforts to areas of need. More effort is being made to promote regional sponsorship, both for providing more access and for cost effectiveness. Prospective sponsors are being encouraged to collaborate with other community service agents to integrate the SFSP with other concurrent community activities for children. Also, our goal is to streamline the application process for 1995.

**Food Distribution Program:** The food distribution program will continue the practice of Just In Time to hold down distribution costs. More commodities will be processed into desirable end products for school food authority labor savings and convenience.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0801 SCHOOL LUNCH/MILK PROGRAM
0802 SCHOOL BREAKFAST
0803 SUMMER FOOD SERVICE
(Continuation)

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**GOVERNOR'S RECOMMENDATION:**

**School Lunch/Milk:**

The Governor recommends an aid entitlement of $5,617 for F.Y. 1996 and $5,617 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $5,617 in F.Y. 1996, and $5,617 in F.Y. 1997.

**School Breakfast:**

The Governor recommends an aid entitlement of $344 for F.Y. 1996 and $344 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $344 in F.Y. 1996, and $344 in F.Y. 1997.

**Summer Food Service:**

The Governor recommends an aid entitlement of $13 for F.Y. 1996 and $13 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $13 in F.Y. 1996, and $13 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0801: SCHOOL LUNCH/MILK PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 6,525 | $ 6,525 | $ 6,525 | $ 6,525 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,203> | <613> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 6,525 | 6,525 | 5,322 | 5,912 |
| 5. Statutory Formula Aid (Detail in Narrative) | 6,525 | 6,525 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 6,525 | 6,525 | 5,322 | 5,912 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 295 | <295> |
| Current Law Aid Funding Level (Line 4) | | | 5,322 | 5,912 |
| **RECOMMENDED AID ENTITLEMENT** | | | 5,617 | 5,617 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 5,617 | 5,617 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 6,525 | 6,525 | 5,617 | 5,617 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 6,525 | 6,525 | 5,617 | 5,617 |

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0802: SCHOOL BREAKFAST**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 200 | $ 400 | $ 400 | $ 400 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <74> | <38> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 200 | 400 | 326 | 362 |
| 5. Statutory Formula Aid (Detail in Narrative) | 200 | 400 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 200 | 400 | 326 | 362 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 18 | <18> |
| Current Law Aid Funding Level (Line 4) | | | 326 | 362 |
| **RECOMMENDED AID ENTITLEMENT** | | | 344 | 344 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 344 | 344 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 200 | 400 | 344 | 344 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 200 | 400 | 344 | 344 |

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0803: SUMMER FOOD SERVICE INCENTIVE**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 15* | $ 15 | $ 15 | $ 15 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <3> | <1> |
| 3. Other Adjustments | | | | |
| Balance Forward | <15> | 15 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 30 | 12 | 14 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 30 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 30 | 12 | 14 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 1 | <1> |
| Current Law Aid Funding Level (Line 4) | | | 12 | 14 |
| **RECOMMENDED AID ENTITLEMENT** | | | 13 | 13 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 13 | 13 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 30 | 13 | 13 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 30 | 13 | 13 |

*$30 biennial appropriation less $15 balance forward to FY 1995

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0804 | ALTERNATIVE PREPARATION LICENSING, MINORITY FELLOWSHIP GRANTS (Board of Teaching) |
| CITATION: | | Laws of 1994, Chap. 647, Art. 8, Sec. 29 |
| MDE ADMIN: | 1305 | Board of Teaching |
| FEDERAL: | | None |

**PURPOSE:**

To recruit minorities into teaching by providing fellowship grants to qualified minorities seeking alternative preparation for teacher licensure.

Most education aid programs contribute to more than one education goal. By increasing the number of teachers of color who demonstrate the importance of learning and education to all students, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 189.

**DESCRIPTION:**

This program provides fellowship grants to qualified people of color seeking alternative preparation for licensure under the Alternative Preparation Licensing Program, Minnesota Statutes, Section 125.188. The Alternative Preparation Licensing Program provides an alternative means of preparing people who might not otherwise seek the preparation needed to be licensed teachers in Minnesota. The candidates augment the current teaching staff with individuals whose backgrounds are especially relevant to the needs of the students. This program gives experienced individuals an alternative route to acquiring the skills needed to be successful teachers. One of the objectives of the Alternative Preparation Licensing Program is to recruit people of color into teaching. One-half of the grant is paid each year for two years. Participants who receive fellowship grants must agree to remain as teachers in the school district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number Enrolling | 18 | 21 | 30 | 30 | 30 |
| Number Completing/ Offered Contracts | 15 | 18 | - | - | - |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 100 | $ 100 | $ 150 | $ 150 | $ 150 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 28) | ( 14) |
| Current Law Aid Entitlement | $ 100 | $ 100 | $ 150 | $ 122 | $ 136 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 100 | $ 150 | $ 150* | $ 150* |
| Statutory Formula Aid (Unprorated) | | $ 100 | $ 150 | $ 150 | $ 150 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- There is a continued need to attract people of color into the teaching profession in Minnesota.

- Statewide, only 2% of the teaching staff are of color, yet over 10% of the student population are students of color. In Minneapolis and St. Paul, these percentages increase to approximately 10% of the teaching staff and over 50% of the students.

- Only 56 of the 3,517 teacher education graduates in Minnesota in 1990 were people of color.

- Of the 58 individuals who have participated in this program, 50 were offered teaching contracts and are teaching in Minnesota schools.

**B. STRATEGIES:**

- In keeping with the intent to form block grants, this program should not have its own appropriation. Rather, the Commissioner through the Office of Desegregation and Integration and in consultation with the Desegregation/Integration Advisory Board should determine how much of the Magnet Schools and Program Block Grant should be utilized for this purpose.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0804 ALTERNATIVE PREPARATION LICENSING, MINORITY FELLOWSHIP GRANTS (Board of Teaching)

(Continuation)

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**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The MDE and the Desegregation/Integration Advisory Board will have the option of funding this activity through the Desegregation/Integration Improved Learning Block Grant Program. See Magnet Schools and Program Block Grants, Activity 0822.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0804: MINORITY FELLOWSHIP GRANTS (BOARD OF TEACING)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 100 | $ 150 | $ 150 | $ 150 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <28> | <14> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 100 | 150 | 122 | 136 |
| 5. Statutory Formula Aid (Detail in Narrative) | 100 | 150 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 100 | 150 | 122 | 136 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <122> | <136> |
| Current Law Aid Funding Level (Line 4) | | | 122 | 136 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 100 | 150 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 100 | 150 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0805 | TEACHER MENTORSHIP (Board of Teaching) |
| CITATION: | | M.S. 125.231, Sec. 13 |
| MDE ADMIN: | 1305 | Board of Teaching |
| FEDERAL: | | None |

**PURPOSE:**

To improve teaching skills and instructional performance of beginning teachers, teaching residents, teachers with special needs, or experienced teachers in need of peer coaching; to assist beginning teachers to transition into the school/district and community; and to provide leadership skills to experienced teachers who serve as mentors.

Most education aid programs contribute to more than one education goal. By assisting teachers to enhance their skills, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Through grant funding, resources and services the teacher mentorship program provides assistance in the development and improvement of mentoring programs, and statewide and regional training and networking opportunities to support teacher mentoring needs.

Grant funding is available for planning, implementing, and the improvement of existing mentorship programs by schools, districts, and consortia of schools, districts, or cooperatives. Planning grants are provided for sites to plan activities prerequisite to establishing an effective teacher mentorship program. Implementation grants provide funding for implementing portions of effective mentoring plans. Improvement grants fund teacher mentorship program extensions or improvements aligned with site and/or state mentoring goals.

Applications for grants are made available to school districts. Proposals are reviewed by a teacher mentoring task force that evaluates grant proposals and makes funding recommendations to the Board of Teaching.

Statewide training and assistance is provided to ensure effective program development. Regional training and networking opportunities are provided to assist with the development of skills for program participants.

Annual program evaluations provide feedback to the site programs and to the state mentoring program. Evaluations identify areas of need and successes in order to make program improvements.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| District/Consortia Sites | 38 | 37 | 34 | 40 | 40 |
| Mentors and Beginning Teachers Participating in Program | 1600 | 1713 | 1200 | 1700 | 1700 |
| Participants in State Mentor Training | 95 | 93 | 92 | 90 | 90 |
| Participants in Regional Mentor Training | N/A | 403 | 400 | 400 | 400 |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID | $ 413 | $ 319 | $ 361 | $ 340 | $ 340 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 63) | ( 32) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 413 | $ 319 | $ 361 | $ 277 | $ 308 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0805 TEACHER MENTORSHIP
(Board of Teaching)

(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 340 | $ 340 | $ 340* | $ 340* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward: 1993 Summer Training Program Not Provided Due to Timing of Transfer of Program Administration From MDE to Board of Teaching | | (21) | $ 21 | | |
| Statutory Formula Aid (Unprorated) | | $ 319 | $ 361 | $ 340 | $ 340 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- This program was transferred to the Board of Teaching in F.Y. 1994. The Board's goal is to incorporate this program into a restructured licensure system to provide ongoing guidance and support to beginning teachers during a year-long supervised teaching residency.
- According to a F.Y. 1994 survey, Minnesota beginning teachers indicate their need for improvement in most teaching skill areas. Support through effective mentoring programs to assist beginning teachers in developing improved instructional strategies and assessments is necessary.
- All beginning teachers must have opportunities to receive mentoring assistance in sites that have the capacity to develop and sustain structured mentoring programs that become an integral practice within the school/district culture.

**B. STRATEGIES:**

- Modify the mentorship program to create greater alignment with a restructured licensure system.
- Promote a common core of teaching knowledge and skills as the standards to be used as the basis for providing guidance and support directly related to effective practice.
- Continue to provide and improve teacher mentor training, regionally and statewide.
- Engage exemplary mentoring sites in the dissemination of model mentoring practices.
- Districts should have access to revenue to initiate teacher mentoring programs if that is a priority of the district.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of learner improvement revenue (see Activity 0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0805: TEACHER MENTORSHIP (BOARD OF TEACHING)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 340 | $ 340 | $ 340 | $ 340 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <63> | <32> |
| 3. Other Adjustments | | | | |
| Balance Forward | <21> | 21 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 319 | 361 | 277 | 308 |
| 5. Statutory Formula Aid (Detail in Narrative) | 319 | 361 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 319 | 361 | 277 | 308 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <277> | <308> |
| Current Law Aid Funding Level (Line 4) | | | 277 | 308 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 319 | 361 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 319 | 361 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0806 | MINORITY TEACHER INCENTIVES |
| CITATION: | | M.S. 124.278 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To share fiscal responsibility with eligible school districts to employ additional teachers of color. More specifically, the objectives of the Minority Teacher Incentives are to:

- encourage the employment of teachers of color in Minnesota schools through partial reimbursement of new staff salaries;
- increase the number of role models for the growing number of students of color;
- increase diversity within the teaching staff and enhance awareness of racial, cultural and teaching issues arising in a culturally diverse student environment; and
- attract teachers of color to the state.

More teachers of color will provide opportunities among staff to increase cultural awareness, and provide diversity within staff and student populations. Representation of communities of color in staffing and curriculum will increase self esteem among students of color and promote respect among all students for all persons, regardless of race.

Inclusion will help reduce the dropout rate for students of color.

Most education aid programs contribute to more than one education goal. By increasing the number of teachers of color who demonstrate the importance of learning and education to all students, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 189.

**DESCRIPTION:**

This program provides funding to districts that have a students of color enrollment of more than 10% or to districts that have an approved comprehensive desegregation plan. In 1994, 39 districts were eligible to receive incentive grants. This is a two year grant program. These districts receive 1/2 of a teacher's salary, not to exceed $20,000 per year, if they employ a teacher or teachers of color who has/have not taught in a Minnesota school district during the preceding year. Districts retaining the teacher a second year are guaranteed a second grant. Reimbursements are made for each year of the biennium and according to current law, reimbursements cannot be prorated.

Eligible districts are notified of the grant application procedures and schedule. All eligible districts submitting valid applications are provided at least one grant. Further grants are prorated in relation to the number of applications received from a district, the size of the student body, and the number of students of color within the student body.

**PROGRAM STATUS:**

Minority Teacher Incentives Grants were made to the following school districts:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Grants Awarded | | | | | |
| Bemidji | $ 17.2 | $ 14.2 | $ 15.1 | | |
| Blooming Prairie | 15.5 | | | | |
| Brooklyn Center | 14.8 | | | | |
| Butterfield-Odin | | | | | |
| Burnsville/Eagan/Savage | | 18.2 | 19.0 | | |
| Cass Lake-Bena | | 7.6 | 8.1 | | |
| Cedar Riverside | | 14.8 | 14.5 | | |
| Cloquet | | 16.2 | 17.8 | | |
| Duluth | | | | | |
| Fisher | | 7.3 | 7.1 | | |
| Mahnomen | 16.5 | 15.0 | 15.7 | | |
| Minneapolis | 245.3 | 74.4 | 78.9 | | |
| Mountain Lake | | 3.0 | 4.1 | | |
| Nett Lake | 11.5 | 14.7 | | | |
| Pine Point School | 12.7 | | | | |
| Red Lake | | | | | |
| Remer-Longville | 4.2 | | | | |
| Richfield | 16.0 | 15.7 | 16.7 | | |
| Robbinsdale | 14.3 | 15.1 | | | |
| St. Louis Park | 13.8 | 13.6 | | | |
| St. Paul | 167.0 | 62.4 | 63.2 | | |
| Waubun-Ogema | | | | | |
| Funds not awarded to date: | | 2.3 | 5.7 | | |
| Total Funding | $ 509.2 | $ 290.7* | $ 309.3* | $ 300.0 | $ 300.0 |

* Estimated

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0806 MINORITY TEACHER INCENTIVES
(Continuation)

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 509 | $ 291 | $ 309 | $ 300 | $ 300 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 55) | ( 28) |
| Current Law Aid Entitlement | 509 | 291 | 309 | 245 | 272 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 291[a] | $ 309 | $ 300* | $ 300* |
| Statutory Formula Aid (Unprorated) | | $ 291 | $ 309 | $ 300 | $ 300 |

[a] $600 biennial appropriation less $309 balance forward to F.Y. 1995.
* Biennial appropriation of $600 allocated to F.Y. 1996 and F.Y. 1997.

BUDGET ISSUES:

A. CHALLENGES:

- The integration of Minnesota's predominately white teaching staff is so difficult that several strategies must be pursued at once. For the smaller districts in greater Minnesota as well as the outer ring suburbs, the Minority Teachers Incentive grants are the difference between the districts having some staff of color or no staff of color.

B. STRATEGIES:

- In keeping with the intent to form block grants, this program should not have its own appropriation. Rather, the Commissioner through the Office of Desegregation and Integration and in consultation with the Desegregation/Integration Advisory Board should determine how much of the Magnet Schools and Program Block Grants should be utilized for this purpose.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

The MDE and the Desegregation/Integration Advisory Board will have the option of funding this activity through the Desegregation/IntegrationImproved Learning Block Grant Program. See Magnet Schools and Program Block Grants, Activity 0822.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0806: MINORITY TEACHER INCENTIVES**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 291* | $ 309 | $ 300 | $ 300 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <55> | <28> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 291 | 309 | 245 | 272 |
| 5. Statutory Formula Aid (Detail in Narrative) | 291 | 309 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 291 | 309 | 245 | 272 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <245> | <272> |
| Current Law Aid Funding Level (Line 4) | | | 245 | 272 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 291 | 309 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 291 | 309 | 0 | 0 |

*$600 biennial appropriation less $309 balance forward to FY 1995

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0807 | CAREER TEACHER AID |
| CITATION: | | M.S. 124.276; 124C.26-31 |
| MDE ADMIN: | 1302 | Facilities/Organization/Alternatives |
| FEDERAL: | | None |

PURPOSE:

Career teachers are school district employees who choose to take responsibility beyond the regular teaching role in order to maximize the individual growth potential of students by providing overall guidance to the education of individual students from preschool through high school.

More specifically, the objectives of the career teacher program are to:

- offer career teacher programs which emphasize learning and development based on learner outcomes;
- recognize and utilize unique skills that teachers, students, family and the community have in the teaching process and the learning and development process; and
- provide opportunities for maximum use of teachers, principals, and counselors.

Career Teachers foster and enhance the education careers of students through family, school, community and other agency partnerships. Career Teachers work with families to ensure a successful learning experience for students, encourage meaningful family involvement, and provide resources to support children and their families.

Most education aid programs contribute to more than one goal. By identifying the needs of students and working collaboratively to meet those needs and by developing teachers who are critical, creative thinkers, always learning, and motivated to develop skills for lifelong learning in their students, this program contributes to five of the Department of Education *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals:

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Education Facilities Improvement**
- **Integration/Desegregation/Educational Diversity**

DESCRIPTION:

All common, independent and special public school districts are eligible to apply for Career Teacher funding. Currently, eleven career teacher programs are receiving funding. Eight of those programs are funded for two years and three are funded for one year. Mandatory components of Career Teacher programs include:

- participation by a designated individual as a career teacher, principal-teacher, or counselor-teacher;
- an emphasis on each individual child's unique learning and development needs;
- procedures to give the career teacher a major responsibility for leadership of the instructional and noninstructional activities of each child beginning with early childhood family education;
- procedures to involve parents in the learning and development experiences of their children;
- procedures to implement outcome based education by focusing on the needs of the learner;
- procedures to coordinate and integrate the instructional program with all community education programs;
- procedures to concentrate career teacher programs at sites that provide early childhood family education and subsequent learning and development programs; and
- procedures for the district to fund the program.

Activities of the eleven funded career teacher programs include the following:

- Career Teachers work with families to address any family situation that may affect a child's learning, assist other school staff in building stronger partnerships with families, coordinate the year-to-year progress of their assigned students, serve as educational consultants, resource providers, mentors and teachers for their families, provide needed resources and referrals to families, provide parenting information and assist families as students make school transitions.
- Identifying, early on, the needs of high-risk students, ages birth to eight. This is accomplished by offering a continuum of services/programs such as ECFE, Head Start, Social Service, Public Health, etc., that meet the needs of the learner and families.
- One-on-One parenting instruction, counseling services, and academic instruction to pregnant teenagers and teen parents to increase the incentive to stay in school, develop healthy parenting skills, gain a support system, and participate in an established Teen Age Parent Program.
- Career Teachers work cooperatively with students and families to implement and coordinate individual support plans developed by means of diagnosis and prescription of both educational and developmental needs. Needs are met by accessing existing programs or by networkinng to develop additional appropriate activities. Existing cooperative resources include those accessible within Community Education, K-12 schools, Social Services, business and industry, and other education and community programs. Career Teachers develop ongoing partnership relationships

with both students and their families and are, therefore, instrumental in creating the conditions for success.

- Career Teachers reach out to targeted families through home visits, community gatherings in the neighborhood, phone calls, and written communications. Once a relationship is developed, parents and Career Teachers develop plans for the total family with a heavy emphasis on everyone working and learning together.
- Career Teachers serve as ombudspersons for children/youth/families by arranging for services to be provided by resources available in the community, communicate with other service providers in a team approach so that children/youth/families have seamless access to services, monitor the educational placement of each participating learner to insure proper placement and to provide the best learning environment, and coordinate access to activities which provide recreation and/or leisure activities which promote family participation.
- Career Teachers meet with families in the fall and early winter to develop family learning plans. Parents may not be aware of their own learning styles, nor how to work effectively with their children's preferred learning styles. Career Teachers work with families to help all members understand how they learn, and how to effectively enhance learning.
- Each child's unique needs are assessed in an interview with the parent, use of an early childhood developmental inventory completed by the parent, and observations made by the teachers. Each child's unique needs are met through the construction of a specific learning plan for each family, the coordination of parents and professionals in implementing the plan, and ongoing assessment and refinement of the plan by the parent and Career Teachers. The Career Teachers apply a specific plan for each child by adhering to the Developmentally Appropriate Practices for Early Childhood Education, developed by the National Association for the Education of Young Children, and to standards for Early Childhood Education, developed by the Minnesota Department of Education.
- Among the keys to establishing a successful partnership between the school and the family beginning in the early years of a child's life is the bond of trust between the Career Teacher and the family.
- The Career Teacher focuses on the development of the child, and acts as a facilitator to determine what the family values for itself as a unit and for their children. Once the family and the child recognize that the Career Teacher values their unique development, they are able to become more responsive to their own needs to grow and learn. Career Teachers become an invaluable resource, able to recommend a variety of appropriate diagnostic, enrichment, or special experiences to meet a child's needs. The Career Teachers initiate learning records for each child that follow them through their years of learning. These records include: family interviews that focus on the family's learning needs, as well as the development of goals and individualized learning plans, cumulative anecdotal observational record of the child's academic, emotional, and social development, a developmental learning portfolio that contains samples of academic, artistic and other work, and a learning record that provides information on the student's academic development. The learning records are used by teachers and families to modify a child's learning plan.

**PROGRAM STATUS:**

Funds may be used for compensating Career Teachers for extended time worked during the school year and during the summer vacation. The extended teaching contract of a career teacher is compensated by the district from funds received as Career Teacher Aid (which pays 2/3 of the cost of salary, excluding fringe benefits, beyond the standard teacher contract) and local funds (which pay 1/3 of the cost.)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| New Applications Received | -- | 14 | 4 | 25 | 25 |
| Programs Funded | -- | 8 | 11 | 10 | 10 |
| Number of Career Teachers | -- | 48 | 52 | 52 | 52 |
| Students Served | -- | 5,677 | 6,257 | 5,688 | 5,800 |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | -- | $ 196 | $ 54 | $ 125 | $ 125 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 23) | ( 12) |
| Current Law Aid Entitlement | -- | $ 196 | $ 54 | $ 102 | $ 113 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 196[a] | $ 54 | $ 125* | $ 125* |
| Statutory Formula Aid (Unprorated) | | $ 196 | $ 54 | $ 125 | $ 125 |

[a] $250 biennial appropriation less $54 balance forward to F.Y. 1995.
(*) Biennial appropriation of $250 allocated to F.Y. 1996 and F.Y. 1997

Note: In F.Y. 1994, 8 programs were funded for two years (F.Y. 1994 and F.Y. 1995). In F.Y. 1995, three additional programs were funded for one year only. This funding pattern results in larger expenditures in the first year of the 1994-1995 biennium.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The Career Teacher Act is not understood and is extremely underutilized. Furthermore, besides the Career Teacher Aid, and staff development money, school districts have no other sources of revenue to begin or continue vital Career Teacher Programs.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of learner improvement revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET

(Dollars in Thousands)

**0807: CAREER TEACHER AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 196* | $ 54 | $ 125 | $ 125 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <23> | <12> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 196 | 54 | 102 | 113 |
| 5. Statutory Formula Aid (Detail in Narrative) | 196 | 54 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 196 | 54 | 102 | 113 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <102> | <113> |
| Current Law Aid Funding Level (Line 4) | | | 102 | 113 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 196 | 54 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 196 | 54 | 0 | 0 |

*$250 biennial appropriation less $54 balance forward to FY 1995

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0808 | TEACHERS OF COLOR PROGRAM |
| CITATION: | | M.S. 125.623 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To increase the numbers of teachers of color in school districts with growing student-of-color populations.

More specifically, the objectives of the Teachers of Color Program are to:

- increase the numbers of teachers of color in Minnesota schools by subsidizing the education of promising students of color interested in careers in teaching;
- build a compact between these students and the supporting school district whereby the sponsored students, once they become certified teachers, will teach in the sponsoring schools;
- establish collaborative partnerships between school districts and higher education institutions to encourage and support students of color pursuing teaching degrees; and
- provide a monetary and institutional support system for graduates of color from Minnesota schools who wish to become teachers.

Most education aid programs contribute to more than one education goal. By increasing the numbers of teachers of color in Minnesota public schools, increasing interest in teaching as a career among local communities of color, and enhancing awareness of racial, cultural and teaching issues, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 189.

**DESCRIPTION:**

This program provides funding to school districts that in turn recruit persons of color who are interested in pursuing a teaching degree. The funding is used to support these persons of color as they attend college to obtain their teaching certification. In return, the newly trained teacher is committed to teaching in the supporting district for at least two years. If no job is available in that district the new teacher may work out his/her commitment in another Minnesota school.

All school districts with a growing population of color are eligible to apply for a grant. All districts are notified of the grant application procedure.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Grants Awarded | | | | | |
| Chaska | -- | $ 0.0 | $ 25.0 | | |
| Head of the Lakes Education District | -- | 30.0 | 40.0 | | |
| Hopkins | -- | 0.0 | 42.0 | | |
| Minneapolis | -- | 72.3 | 96.3 | | |
| Pine Point | -- | 12.0 | 16.0 | | |
| Red Lake | -- | 18.0 | 24.0 | | |
| Richfield | -- | 0.0 | 25.0 | | |
| Robbinsdale | -- | 43.0 | 57.3 | | |
| Rochester | -- | 0.0 | 8.0 | | |
| St. Cloud | -- | 30.0 | 40.0 | | |
| St. James/Madelia/Sleepy Eye | -- | 10.0 | 13.3 | | |
| St. Paul | -- | 72.2 | 96.2 | | |
| Willmar | -- | 12.0 | 16.8 | | |
| Total | -- | $ 300.0 | $ 500.0 | $ 408.0 | $ 453.0 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 300 | $ 500 | $ 500 | $ 500 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 92) | ( 47) |
| Current Law Aid Entitlement | -- | $ 300 | $ 500 | $ 408 | $ 453 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 300 | $ 500 | $ 500* | $ 500* |
| Statutory Formula Aid (Unprorated) | | $ 300 | $ 500 | $ 500 | $ 500 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1994 is the first year for this program.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0808 TEACHERS OF COLOR PROGRAM
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- There is a continued need to attract people of color into the teaching profession in Minnesota.
- Statewide, only 2% of the teaching staff are of color, yet over 10% of the student population are students of color. In Minneapolis and St. Paul, this ratio changes to approximately 10% staff of color and over 50% students of color.
- Only 56 of the 3,517 teacher education graduates in Minnesota in 1990 were people of color.
- Nearly 200 individuals are being helped by this program. Some already have obtained their teaching degree and are teaching in Minnesota schools.
- The challenge comes down to encouraging and supporting those persons of color who have the potential as teachers in their pursuit of a teaching degree. The Teachers of Color program allows districts to recruit minorities from the surrounding community to become teachers -- people who have a stake in Minnesota as residents and as graduates of Minnesota K-12 schools.

**B. STRATEGIES:**

- In keeping with the intent to form block grants, this program should not have its own appropriation. Rather, the Commissioner through the Office of Desegregation and Integration and in consultation with the Desegregation/Integration Advisory Board should determine how much of the Magnet Schools and Program Block Grant should be utilized for this purpose.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The MDE and the Desegregation/Integration Advisory Board will have the option of funding this activity through the Desegregation/Integration Improved Learning Block Grant Program. See Magnet Schools and Program Block Grants, Activity 0822.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0808: TEACHERS OF COLOR PROG**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 300 | $ 500 | $ 500 | $ 500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <92> | <47> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 300 | 500 | 408 | 453 |
| 5. Statutory Formula Aid (Detail in Narrative) | 300 | 500 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 300 | 500 | 408 | 453 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <408> | <453> |
| Current Law Aid Funding Level (Line 4) | | | 408 | 453 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 300 | 500 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 300 | 500 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0809 | TEACHER EDUCATION IMPROVEMENT (Board of Teaching) |
| CITATION: | | M.S. 125.230 |
| MDE ADMIN: | 1305 | Board of Teaching |
| FEDERAL: | | None |

**PURPOSE:**

To provide funding for Board of Teaching responsibilities relating to implementation of the teaching residency program.

Most education aid programs contribute to more than one education goal. By restructuring the licensing system to focus on performance-based standards and assessments, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Minnesota Statutes, Section 125.230 requires the Board of Teaching to develop model teaching residency outcomes and assessments for teachers of students in prekindergarten through grade 12. This program continues the development of a restructured licensure system that focuses on what teachers must know and be able to do. This approach to licensing requires changes in teacher preparation, development of performance assessments, and the development of residency sites to expand the clinical component. A year-long, supervised residency in a school district clinical school site after completion of a teacher education program will provide the time and setting necessary to ensure that those granted a continuing license to practice independently can teach effectively. The residency is a transitional status; it is neither the last year of teacher preparation nor is it the first year of fully independent teaching. During this year-long, supervised clinical phase, beginning teachers will receive extensive assistance and support through mentoring and will participate in professional development activities based on professional development plans developed in conjunction with mentoring teams. Ongoing performance assessment will also occur throughout the residency. Residency outcomes and assessments must be directly linked to licensure standards. Board of Teaching licensure rules are repealed effective August 1, 1996, and new licensure rules that are outcome-based and are clearly related to the results-oriented graduation rule must be adopted through the rulemaking process. When fully implemented, a restructured licensure system will provide assurance to the public and the profession that beginning teachers have acquired and demonstrated the knowledge and skills needed to teach before they are licensed to practice independently.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Teachers Participating in Programs to Apply Performance-Based Standards to Practice | -- | -- | 75 | 225 | 300 |
| First-year Teachers Participating in Performance Assessment Field Testing | -- | -- | 50 | 150 | 250 |
| Experienced Teachers Trained as Assessors | -- | -- | 25 | 50 | 50 |
| Participants in State Meetings Re: Restructured Licensing System | -- | 380 | 1200 | 300 | 300 |
| % of Licensure Rules Redesigned | -- | -- | -- | 25% | 100% |
| # of Research and Development Sites | -- | -- | -- | 10 | 10 |

**PROGRAM FUNDING**

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | -- | $ 23 | $ 577 | $ 300 | $ 300 |
| Aid Reduction Due To Insufficient Appropriation | -- | (0) | (0) | (55) | (28) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 23 | $ 577 | $ 245 | $ 272 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0809 TEACHER EDUCATION IMPROVEMENT (Board of Teaching)
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 300 | $ 300 | $ 300* | $ 300* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward Due to Timing Needed For New Program to Becoming Fully Operational | | ( 277) | $ 277 | | |
| Statutory Formula Aid (Unprorated) | | $ 23 | $ 577 | $ 300 | $ 300 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1994 is the first year for this program.

**BUDGET ISSUES:**

**CHALLENGES:**

- Nationally, the new Interstate New Teacher Assessment and Support Consortium (INTASC), the National Council for Accreditation of Teacher Education (NCATE), the Board of Professional Teaching Standards (NBPTS) and Goals 2000 all call for dramatic change in the way teachers are prepared and licensed.
- Assurance must be provided that beginning teachers have acquired and demonstrated the expertise needed to prepare students to meet state graduation standards; therefore, licensing must focus on performance-based standards and assessments rather than on completion of courses and credits.
- Beginning teachers must have opportunities to meet performance-based standards and assessments. The supervised teaching residency, a critical component of a restructured licensure system, will provide these opportunities. The capacity for school districts that are engaged in sustained school reform to provide the clinical settings needed must be enhanced in order to implement a restructured licensure system.
- Performance-based standards and state-of-the-art performance-based assessments of teaching ability consistent with these standards must be developed for each licensure field. There are research and development challenges in developing a licensure system based on performance.
- Development of a restructured licensure system based on standards and assessments requires long-term, sustained commitment to implement.

**B. STRATEGIES:**

- Continue to develop a licensure structure and adopt new licensure rules that are outcome-focused and clearly related to the results-oriented graduation rule.
- Provide incentives for school districts to develop clinical sites for teaching residencies.
- Prepare experienced teachers at clinical sites to work effectively in providing instruction, supervision, and assessment of beginning teachers.
- Participate in national development of performance-based assessments for teacher licensure.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of learner improvement revenue (0718). In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0809: TEACHER EDUCATION IMPROVEMENT (BOARD OF TEACHING)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 300 | $ 300 | $ 300 | $ 300 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <55> | <28> |
| 3. Other Adjustments | | | | |
| Balance Forward | <277> | 277 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 23 | 577 | 245 | 272 |
| 5. Statutory Formula Aid (Detail in Narrative) | 23 | 577 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 23 | 577 | 245 | 272 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <245> | <272> |
| Current Law Aid Funding Level (Line 4) | | | 245 | 272 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 23 | 577 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 23 | 577 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0810 | INTEGRATION GRANTS |
| CITATION: | | Laws 1993, Chap. 224, Art. 8, Sec. 22, Subd. 3 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To provide funding to school districts for costs associated with implementing an approved desegregation plan, in accordance with the State Board of Education Rule 3535.

To assist in providing for the integration of all students, the legislature appropriates $18,844,000 annually for the three Minnesota districts that operate under a desegregation plan approved by the Commissioner of Education. Integration grant funding for Duluth, Minneapolis, and St. Paul is used to:

- assume a portion of operating costs for magnet/specialty schools or other methods used to achieve school district desegregation;
- provide for staff development to prepare teachers to work with population diversity in an integrated setting;
- develop and utilize culturally specific strategies to meet the unique needs of specific cultural groups of students and implement inclusive education; and
- supplement support services for unique student needs in integrated schools.

Most education aid programs contribute to more than one education goal. Through integrated educational programs and services, this program contributes to the following two Department of Education *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Graduation Standards**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 194.

**DESCRIPTION:**

Under State Board of Education Rule 3535, a desegregation plan is required when the learners of color student composition in a building exceeds by more than 15% the minority racial composition of the district's student population. Based on current rule, desegregation plan must specify the manner and methods by which the district will limit the percentages of majority and learners of color in those buildings. The Duluth, Minneapolis, and St. Paul school districts currently operate under authority of Rule 3535, and have approved desegregation plans in place.

Eligible districts must maintain an approved comprehensive desegregation/integration plan. A review of the budgets submitted by eligible districts is completed prior to awarding grants. Minnesota Department of Education staff review the proposed budget in relation to the approved comprehensive plan.

The amount awarded to each district is specified by law. Districts must report expenditures to the Legislature. The revenue from this grant is supplemented by the Rule Compliance Levy (Program Budget 0811), and Minority Teacher Incentives (Program Budget 0806).

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| | | | | Current Law | |
| 1. Districts with desegregation plans | 3 | 3* | 3* | 3 | 3 |
| 2. Students enrolled: (ADM) | | | | | |
| Duluth | $ 13,962 | $ 13,873 | $ 13,973 | $ 14,022 | $ 14,033 |
| Minneapolis | $ 42,172 | $ 42,952 | $ 44,090 | $ 44,954 | $ 45,729 |
| St. Paul | $ 38,032 | $ 39,322 | $ 40,273 | $ 41,498 | $ 42,599 |
| 3. Percent minority students enrolled: | | | | | |
| Duluth | 7.75% | 9.0% | 9.0% | 9.0% | 9.0% |
| Minneapolis | 56.6% | 59.2% | 61.4% | 63.4% | 65.4% |
| St. Paul | 46.7% | 49.3% | 51.8% | 53.8% | 55.8% |
| 4. Grant amount | | | | | |
| Duluth | $ 1,385.0 | $ 1,385.0 | $ 1,385.0 | | |
| Minneapolis | 7,782.0 | 9,368.3 | 9,368.3 | | |
| St. Paul | 6,677.0 | 8,090.5 | 8,090.5 | | |
| Total | $15,844.0 | $18,843.8 | $18,843.8 | $15,371.0 | $17,073.0 |

* Additional districts may be required to file desegregation plans pending change in State Board of Education rules.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0810 INTEGRATION GRANTS
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 15,844 | $ 18,844 | $ 18,844 | $ 18,844 | $ 18,844 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 3,473) | ( 1,771) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 15,844 | $ 18,844 | $ 18,844 | $ 15,371 | $ 17,073 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 18,844 | $ 18,844 | $ 18,844* | $ 18,844* |
| Statutory Formula Aid (Unprorated) | | $ 18,844 | $ 18,844 | $ 18,844 | $ 18,844 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The needs of districts required by the current State Board of Education to have desegregation/integration plans are continuing to grow because of the impact of high concentrations of poverty. Improved methods of interagency collaboration are needed so that together schools, local government agencies, community groups along with learners and their families develop results-based community learning plans to address the learning needs of students.

**B. STRATEGIES:**

- In an effort to better utilize all of the revenue available, including that of other agencies, districts should involve all agencies which deal with children and develop a results-based collaborative approach. Improved methods of interagency collaboration are needed so that together schools, local government agencies, community groups along with learners and their families develop results-based community learning plans to address the learning needs of students.
- The urban districts will benefit most from the increase in the compensatory revenue formula. The proposed Learning Gap Block Grant and the flexibility which accompanies it will also result in an increased funding allocated for student services.
- The districts receiving these integrating/desegregation grants will also be partners with other suburban districts regarding projects funded through the Magnet Schools and Program Block Grant.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $16,222 for F.Y. 1996 and $16,222 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $16,222 in F.Y. 1996, and $16,222 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0810: INTEGRATION GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 18,844 | $ 18,844 | $ 18,844 | $ 18,844 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <3,473> | <1,771> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 18,844 | 18,844 | 15,371 | 17,073 |
| 5. Statutory Formula Aid (Detail in Narrative) | 18,844 | 18,844 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 18,844 | 18,844 | 15,371 | 17,073 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 851 | <851> |
| Current Law Aid Funding Level (Line 4) | | | 15,371 | 17,073 |
| **RECOMMENDED AID ENTITLEMENT** | | | **16,222** | **16,222** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **16,222** | **16,222** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 18,844 | 18,844 | 16,222 | 16,222 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **18,844** | **18,844** | **16,222** | **16,222** |

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0811 | RULE COMPLIANCE LEVY |
| **CITATION:** | | M.S. 124.912, Subd. 2 and 3 |
| **MDE ADMIN:** | 1306 | Monitoring and Compliance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide additional funding for costs associated with implementing an approved desegregation plan (Program Budget 0805), in accordance with State Board of Education Rule 3535.

To assist in the integration of all learners, the special tax levies authorized in M.S. 124.912, Subd. 2 and 3 provide financial support to the Duluth, Minneapolis, and St. Paul school districts. Proceeds of these levies are used for the purpose of:

- assuming a portion of operating costs for magnet/specialty schools or other methods used to achieve school district desegregation;
- staff development costs for preparing teachers to work with population diversity in an integrated setting;
- development and utilization of culturally specific strategies to meet the unique needs of specific cultural groups of students; and
- supplemental support services for unique students' needs in integrated schools.

Most education aid programs contribute to more than one education goal. Through integrated educational programs and services, this program contributes to the following Department of Education *goal*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 194.

**DESCRIPTION:**

Under State Board of Education Rule 3535, a desegregation plan is required when the minority student population in a school building exceeds by 15% the district average for those grade levels. The desegregation plan must specify the manner and methods by which the districts will limit the percentages of minority and majority learners in those buildings. The Duluth, Minneapolis and St. Paul school districts currently operate under authority of Rule 3535, and have approved desegregation plans in place.

Districts operating under Rule 3535 are permitted to levy for rule compliance. The revenue from this levy supplements the state aid received by eligible districts through the Integration Grant program (Program Budget 0812), the Minority Teacher Incentives program (Program Budget 0806), and the Teachers of Color program (Program Budget 0808). The tax rates and per pupil unit amounts permitted have varied over time. Unlike most levies, the entire amount levied is recognized as revenue in the fiscal year in which the levy is certified. This levy is not considered in computing the aid reduction for the tax levy revenue recognition change under M.S. 124.155.

RULE COMPLIANCE LEVY TAX RATES AND AMOUNTS

| Levy Year | Revenue Recognition Year | Eligible School Districts | Maximum Tax Rates/Formula |
|---|---|---|---|
| 1987 Pay 1988 | 1987-88 | Mpls., St. Paul, Duluth | 1 mill |
| 1988 Pay 1989 | 1988-89 | St. Paul | 2 mills[1] |
| | | Mpls., Duluth | 1 mill[2] |
| 1989 Pay 1990 | 1989-90 | St. Paul | 1.6% AGTC |
| | | Mpls., Duluth | 0.8% AGTC |
| 1990 Pay 1991 | 1990-91 | St. Paul | 3.0% ANTC |
| | | Mpls., Duluth | 2.0% ANTC |
| 1991 Pay 1992 | 1991-92 | St. Paul | 3.0% ANTC |
| | | Mpls., Duluth | 2.0% ANTC |
| 1992 Pay 1993[3] | 1992-93 | Mpls. | $160/WADM |
| | | St. Paul | $163/WADM |
| | | Duluth | 2.05% ANTC |
| 1993 Pay 1994 | 1993-94 | Mpls. | $ 197/WADM |
| | | St. Paul | $ 197/WADM |
| | | Duluth | 2.0% ANTC + $ 660,000 |
| 1994 Pay 1995 | 1994-95 | Mpls. | $ 197/WADM |
| | | St. Paul | $ 197/WADM |
| | | Duluth | 2.0% ANTC + $ 660,000 |

[1] converted to 1.6% of adjusted gross tax capacity
[2] converted to 0.8% of adjusted gross tax capacity
[3] 1992 Pay 1993 change in formula

ANTC is adjusted net tax capacity. AGTC is adjusted gross tax capacity.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0811 RULE COMPLIANCE LEVY
(Continuation)

## PROGRAM STATUS:

| LEVY AUTHORITY<br>Revenue Recognition Year | ($ in 000s)<br>F.Y. 1993<br>92 Pay 93 | F.Y. 1994<br>93 Pay 94 | F.Y. 1995<br>94 Pay 95 | Current Law<br>F.Y. 1996<br>95 Pay 96 | F.Y. 1997<br>96 Pay 97 |
|---|---|---|---|---|---|
| Duluth | $ 695.8 | $ 1,343.3 | $ 1,404.3 | $ 1,434.8 | $ 1,465.7 |
| Minneapolis | $ 7,413.0 | $ 9,548.6 | $ 9,810.3 | $ 9,965.7 | $ 10,085.7 |
| St. Paul | $ 6,967.6 | $ 8,802.0 | $ 9,146.1 | $ 9,393.1 | $ 9,512.1 |
| Total | $ 15,076.4 | $ 19,693.9 | $ 20,360.7 | $ 20,793.6 | $ 21,063.5 |

## BUDGET ISSUES:

### A. CHALLENGES:

- Urban school districts continue to experience enrollment increases in the percentage of learners of color. The districts must maintain a desegregated school system as required by Minnesota Rule 3535. This rule does not allow a school building to be more than 15% above the district wide minority enrollment percentage for those grades represented in a building. The Minnesota State Board of Education and the Department of Education (MDE) are in the process of strengthening policies and rules that promote effective, integrated education throughout the state.
- Addressing the multiple needs off urban students is a substantive challenge. Implementing a program of education designed to meet the needs of all learners will require continued state assistance in this area.

### B. STRATEGIES:

- With continuation of the Rule Compliance Levy, school districts required to have an approved desegregation plan in accordance with the State Board of Education Rule 3535 will have the ability to raise revenue needed to comply with this rule. Revenue raised through these levies is used to pay for the activities identified in the PURPOSE section of this narrative. The purpose for which the proceeds of these levies are used will be reviewed by MDE to determine that the levies support effective desegregation/integration plans which positively impact all learners, aid in closing the learning gap and improve the acceptance and understanding of the varied and rich cultures of our society.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of these activities.

| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0812 | NONPUBLIC PUPIL AID |
| CITATION: | | M.S. 123.931 - .947 |
| MDE ADMIN: | 1209 | Education Finance |
| FEDERAL: | | None |

**PURPOSE:**

To provide every school pupil in the state equitable access to secular study materials and pupil support services that complement the program of study the pupil regularly attends. This furthers the goal of assuring freedom of choice in education to all Minnesota pupils and their parents.

Specifically, program funds are used to reimburse school districts for the costs incurred in obtaining the educational materials that are loaned to the nonpublic pupil (textbooks, individualized instructional materials, and standardized tests) or for the costs incurred in providing pupil support services (health services and secondary guidance and counseling services) to the nonpublic pupil. Districts are provided an additional 5% of the reimbursed amount to offset the cost of administering the program.

Most education aid programs contribute to more than one education goal. By providing funds to school districts to provide textbooks, standardized tests, instructional materials, school health services, and secondary guidance and counseling to all nonpublic pupils who request materials and/or services, this program contributes to the following Department of Education goal:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

There are three basic categories of nonpublic pupil aid provided under Minnesota law:

1. Textbooks, Individualized Instructional Materials, and Standardized Tests. Public school districts, upon formal request, must make available to nonpublic pupils, instructional materials that are secular, neutral, nonideological and not able to be diverted to religious use. Items purchased are loaned to the nonpublic pupil and remain the property of the district.

   The districts are reimbursed the cost of purchase and distribution of eligible materials up to an amount equal to the statewide average expenditure per public school pupil for similar materials in the second preceding school year, adjusted by the percent of increase in the General Education formula allowance from the second preceding school year to the current school year, multiplied by the number of nonpublic pupils served, with Kindergarten pupils weighted at 0.5.

   The formula for computing the per pupil rate is as follows for F.Y. 1995:

   $$\text{F.Y. 1995 Per Pupil Rate} = \text{F.Y. 1993 Avg. Expend. per Public Pupil for like materials} \times \frac{\text{F.Y. 1995 Gen'l Ed. Form. Allow.}}{\text{F.Y. 1993 Gen'l Ed. Form. Allow.}}$$

2. Health Services. Public school districts, upon formal request, must make available to nonpublic pupils the student health services provided to public pupils. Health services may be provided to nonpublic students at a public school, a neutral site, the nonpublic school, or any other suitable location.

   Each participating district is reimbursed for the cost of providing these 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, with Kindergarten pupils weighted at 0.5.

3. Guidance and Counseling Services. Public school districts, upon formal request, must make available to nonpublic secondary pupils, the guidance and counseling services provided to public secondary pupils, except guidance or counseling in the planning or selection of particular courses or classroom activities of the nonpublic school. Eligible services must be provided either at the public school or at a neutral site. Each participating 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 three aid reimbursement components described above, school districts are provided an amount equal to 5% of their total aid reimbursement amount to offset the cost of administering the program.

All nonpublic students requesting materials or services by the statutory deadline date have been and are being accommodated. With the exception of 1990-91, nonpublic enrollment has declined every year since 1984-85. From 1984-85 to 1991-92, nonpublic enrollment has declined by approximately 12,000. The number of nonpublic students is estimated to increase from 80,653 in F.Y. 1992 to 83,459 in F.Y. 1995. Current projections anticipate that this rate of increase in nonpublic students will continue through F.Y. 1998. In addition, the percentage of these students participating in the Nonpublic Pupil Aid program continues to increase. Also, the number of pupils being instructed by parents in a home school that are requesting to participate in the program is increasing significantly. Since 1987-88, the number of students attending home schools has more than doubled -from 2,322 students in 1987-88 to 5,086 in 1991-92. Together these factors are increasing the number of pupils participating in the program.

Reimbursement rates for each current year are based on district expenditures in the second prior year for similar materials and services in the public schools. The per pupil reimbursement rates for health, guidance and counseling services continue to rise. The increase in support service

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0812 NONPUBLIC PUPIL AID
(Continuation)

expenditures is primarily due to the increase in personnel costs resulting from district labor contract negotiations. Due to the implementation of improved cost allocation procedures, the reimbursement rates for the Textbooks, Individualized Instruction Materials, and Standardized Tests component are being lowered over a four-year period beginning in F.Y. 1994. These projected rates more accurately reflect the actual expenditures per public school pupil, and the phase-in method will allow districts and nonpublic schools to plan effectively for these reimbursement rates.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Textbooks, individualized instructional materials and standardized tests | | | | | |
| a. Nonpublic Grade K-12 enrollment statewide* | 82,536 | 85,030 | 86,583 | 87,921 | 89,005 |
| b. Districts participating | 204 | 164 | 224 | 225 | 226 |
| c. Pupils requesting services* | 77,311 | 76,500 | 79,000 | 80,000 | 82,000 |
| d. State aid rate per pupil unit | 57.44 | 56.54 | 52.54 | 54.12 | 55.74 |
| e. Maximum aid entitlement (c times d) | 4,440.7 | 4,325.3 | 4,150.7 | 4,329.6 | 4,570.7 |
| f. Entitlement per district expenditure | 4,073.8 | 4,308.9 | 4,127.1 | 4,234.9 | 4,415.4 |
| Average aid per pupil unit (f divided by c) | 52.69 | 56.33 | 52.24 | 52.94 | 53.85 |
| 2. Health services | | | | | |
| a. Nonpublic Grade K-12 enrollment statewide* | 82,536 | 85,030 | 86,583 | 87,921 | 89,005 |
| b. Districts participating | 154 | 161 | 212 | 215 | 216 |
| c. Pupils requesting services* | 71,321 | 72,400 | 73,400 | 76,700 | 77,800 |
| d. State aid rate per pupil unit | 26.44 | 29.84 | 30.31 | 31.22 | 32.16 |
| e. Maximum aid entitlement (c times d) | 1,885.7 | 2,160.4 | 2,224.8 | 2,394.6 | 2,502.0 |
| f. Entitlement per district expenditure | 1,564.8 | 2,148.9 | 2,210.5 | 2,388.1 | 2,490.3 |
| Average aid per pupil unit (f divided by c) | 21.94 | 29.68 | 30.12 | 31.14 | 32.01 |
| 3. Guidance & Counseling | | | | | |
| a. Nonpublic secondary enrollment statewide* | 25,465 | 26,791 | 27,713 | 28,228 | 28,631 |
| b. Districts participating | 72 | 112 | 168 | 170 | 171 |
| c. Pupils requesting services* | 20,948 | 21,900 | 23,100 | 23,400 | 24,000 |
| d. State aid rate per pupil unit | $ 124.14 | $ 129.96 | $ 125.91 | $ 129.69 | $ 133.58 |
| e. Maximum aid entitlement (c times d) | $ 2,600.5 | $ 2,846.1 | $ 2,908.5 | $ 3,034.7 | $ 3,205.9 |
| f. Entitlement per district expenditure | $ 2,242.8 | $ 2,830.5 | $ 2,886.2 | $ 2,930.9 | $ 3,063.5 |
| Average aid per pupil unit (f divided by c) | 107.07 | 129.25 | 124.94 | 125.25 | 127.65 |
| 4. Total Aid Entitlement | | | | | |
| a. Services and materials | 7,881.4 | 9,288.3 | 9,223.8 | 9,553.9 | 9,969.2 |
| b. Administrative costs | 394.1 | 464.4 | 461.2 | 477.7 | 498.5 |
| c. Total Funding requirement | 8,275.5 | 9,752.7 | 9,685.0 | 10,031.6 | 10,467.7 |

* Expressed in pupil units (K=0.5, Grades 1-12=1.0)

PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID | $ 8,276 | $ 9,753 | $ 9,685 | $ 10,032 | $ 10,468 |
| Aid Reduction Due To Insufficient Appropriation | (0) | (0) | (0) | (2,131) | (1,692) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | $ 8,276 | $ 9,753 | $ 9,685 | $ 7,901 | $ 8,776 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.788 | 0.838 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 9,753 | $ 9,685 | $ 9,686* | $ 9,686* |
| Entitlement Changes Per Law: | | | | | |
| ■ Text, Health and Guidance Components: | | | | | |
| Increased Pupils - Base Rates | | | | 198 | 421 |
| Increased Rates - Base Pupils | | | | 143 | 288 |
| Increased Rates - Increased Pupils | | | | 5 | 15 |
| Level of District Program Expenditures | | | | | 58 |
| Statutory Formula Aid (Unprorated) | | $ 9,753 | $ 9,685 | $ 10,032 | $ 10,468 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0812 NONPUBLIC PUPIL AID
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Due to growth in the number of nonpublic pupils (including home schools) at both the elementary and secondary levels, overall program participation is expected to increase. In addition, since per pupil rates are statutorily based on second prior year district expenditures, program funding requirements related to support services for the upcoming biennium are projected to continue to increase.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $8,229 for F.Y. 1996 and $8,229 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $8,447 in F.Y. 1996 ($1,452 for F.Y. 1995 and $6,995 for F.Y. 1996), and $8,229 in F.Y. 1997 ($1,234 for F.Y. 1996 and $6,995 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0812: NON-PUBLIC PUPIL AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 9,753 | $ 9,685 | $ 9,686 | $ 9,686 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,785> | <910> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 9,753 | 9,685 | 7,901 | 8,776 |
| 5. Statutory Formula Aid (Detail in Narrative) | 9,753 | 9,685 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 9,753 | 9,685 | 7,901 | 8,776 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 328 | <547> |
| Current Law Aid Funding Level (Line 4) | | | 7,901 | 8,776 |
| **RECOMMENDED AID ENTITLEMENT** | | | 8,229 | 8,229 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 8,229 | 8,229 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,333 | 1,463 | 1,452 | 1,234 |
| Current Year 85 Percent | 8,290 | 8,233 | 6,995 | 6,995 |
| Transfers Per M.S. 124.14, Subd. 7 | <607> | | | |
| **Total-State General Funds** | 9,016 | 9,696 | 8,447 | 8,229 |

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0813 | NONPUBLIC PUPIL PROGRAM SUMMARY (Information Only) |
| **CITATION:** | | M.S. 123.246; 123.76 - 123.79; 123.931 - 123.947; 124.252; 124.646; 124.648; 124A.034; 126.031 and 290.001 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | Various |

**PURPOSE:**

To consolidate information on state and federal funding for services to nonpublic pupils and staff.

In Minnesota, nonpublic pupils and staff receive services under 10 programs. For purposes of discussion, these programs are categorized by state or federal funding source. The state funded programs include programs that provide either state aid or state income tax deductions. Additional information for each program is provided in the appropriate program budget narrative.

Most education aid programs contribute to more than one education goal. By providing a variety of services to nonpublic students and staff, this program contributes to the following Department of Education *goal*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

**State Programs:**

1. Nonpublic Pupil Aid (M.S. 123.931-123.947; also see Program Budget 0812)

   School districts are required to provide every school pupil in the state equitable access to secular study materials and pupil support services that complement the program of study the pupil regularly attends.

   Under this program, districts are reimbursed for the costs incurred in obtaining the educational materials that are loaned to the nonpublic pupil or for the costs incurred in providing pupil support services to the nonpublic pupil. The maximum reimbursement is limited to an amount equal to the statewide average expenditure per public pupil in the second prior school year multiplied by the number of nonpublic pupils served. A 2 year inflation adjustment is included in the rate for the textbook, individualized instructional materials and standardized tests component. Districts are provided an additional 5% of the reimbursed amount to offset the cost of administering the program. School districts are not required to expend an amount for nonpublic pupils which exceeds the amount of the state aid payments.

2. Shared Time Program (M.S. 124A.034; also see Program Budget 0101)

   Nonpublic school pupils may be admitted by school districts to public school programs for part of the school day. These pupils earn a shared-time portion of General Education aid for the district.

   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 a shared-time portion of General Education aid for these pupils.

3. Transportation Program (M.S. 123.76-123.79; also see Program Budget 0201)

   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 for the nonpublic pupil within the district in like manner as that provided to the public school student residing in the district. 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 secondary guidance and counseling services provided to nonpublic school pupils.

4. School Lunch Program (M.S. 124.646; also see Program Budget 0801)

   State funds are used to meet matching requirements of the United States Department of Agriculture National School Lunch Program.

5. School Milk Program (M.S.124.648; also see Program Budget 0801)

   State funds are provided to schools to pay, in part or in total, the cost of serving 1/2 pint of milk per day to kindergarten students. Eligibility is coordinated with the federal school milk program.

6. School Breakfast Program (M.S. 124.6472, also see Program Budget 0803)

   State funds are provided to schools to pay, in part or in total, the cost of serving breakfast to students.

7. State Income Tax Deductions (M.S. 290.001)

   Taxpayers who itemize deductions 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: 08 Other Education Programs
AGENCY: Education Aids

0813 NONPUBLIC PUPIL PROGRAM SUMMARY
(Information Only)

(Continuation)

**Federal Programs:**

1. School Lunch Act and Child Nutrition Act (see Program Budgets 0826-0831)

   The state receives federal funds from the United States Department of Agriculture to provide better nutrition for students.

2. Block Grant (also see Program Budget 0832)

   The Federal Block Grant program replaced several smaller categorical grant programs. Federal funds are available to schools to support educational program improvement in 6 targeted areas.

3. Teacher In-service (also see Program Budget 0722)

   Title 2 of the Elementary and Secondary Education Act (P.L. 98-377), and the Math & Science Act (P.L. 100-297) provide funds to school districts for training and retraining of teachers to improve instruction in the areas of mathematics and science. Nonpublic school teachers must be ensured equitable participation in the program.

4. Educationally Disadvantaged (ECIA) Chapter 1, Basic (also see Program Budget 0323)

   The state receives federal funds to encourage the participation of nonpublic students in Chapter 1, which provides supplemental services to educationally disadvantaged students who live in areas of high concentrations of poverty.

PROGRAM STATUS:

NONPUBLIC PUPIL PROGRAM FUNDING ESTIMATES UNDER CURRENT LAW

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| A. State Programs | | | | | |
| 1. Nonpublic Public Aids | | | | | |
| Texts/Instructional materials | 4,073.8 | 4,308.9 | 4,127.1 | 4,234.9 | 4,415.4 |
| Health services | $ 1,564.8 | $ 2,148.9 | $ 2,210.5 | $ 2,388.1 | $ 2,490.3 |
| Guidance/Counseling services | 2,242.8 | 2,830.5 | 2,886.2 | 2,930.9 | 3,063.5 |
| Administration | 394.1 | 464.4 | 461.2 | 477.7 | 498.5 |
| Subtotal | $ 8,275.5 | $ 9,752.7 | $ 9,685.0 | $ 10,031.6 | $ 10,467.7 |
| 2. Shared-time Program | $ 2,498.3 | $ 2,382.6 | $ 2,493.7 | $ 2,493.7 | $ 2,493.7 |
| 3. Pupil Transportation | $ 18,153.4 | $ 19,266.1 | $ 20,410.4 | $ 21,678.2 | $ 22,965.8 |
| 4. School Lunch Program | 287.3 | 400.0 | 400.0 | 400.0 | 400.0 |
| 5. School Milk Program | 65.9 | 65.0 | 65.0 | 65.0 | 65.0 |
| 6. School Breakfast | 0.0 | 25.0 | 25.0 | 25.0 | 25.0 |
| 7. State Income Tax Deduction* | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 | 2,500.0 |
| State Total | 31,780.4 | 34,391.4 | 35,579.1 | 37,193.5 | 38,917.2 |
| B. Federal Programs | | | | | |
| 1. School Lunch Act and Child Nutrition Act | 2,567.5 | 2,765.2 | 3,025.0 | 3,154.0 | 3,315.0 |
| 2. Block Grant | 514.6 | 500.0 | 428.0 | 430.0 | 430.0 |
| 3. Teacher In-service Training | 134.0 | 134.0 | 134.0 | 134.0 | 134.0 |
| 4. Educationally Disadvantaged Chapter 1 | 4,566.0 | 4,598.4 | 5,178.6 | 5,280.0 | 5,280.0 |
| Federal Total | 7,782.1 | 7,997.6 | 8,765.6 | 8,998.0 | 9,159.0 |
| GRAND TOTAL | 39,562.5 | 42,389.0 | 44,344.7 | 46,191.5 | 48,076.2 |
| C. Number of Nonpublic Students | 87,780 | 89,368 | 90,550 | 91,432 | 91,944 |

* This is not a state funding estimate. Rather, it is an estimate of the amount of tax revenue that would be realized if the deduction for Grade K-12 education expenses was not in effect. The amounts include both public and nonpublic data. The total amount is shown because no information is available to determine the amount that is attributable to nonpublic students.

The total amount of State funding for nonpublic pupils for F.Y. 1995 equals $35,579,100. If the 90,550 nonpublic pupils in the State of Minnesota during F.Y. 1995 were to enroll in the public school system, the amount of state funding required under current law would be approximately $307,621,660.

This estimate is baed on the conversion of the number of nonpublic students to pupil units multiplied times the F.Y. 1995 General Education allowance of $3,150. Taking into consideration that only three districts receive no General Education aid, all increased revenue is estimated to come in the form of aid.

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0814 | ABATEMENT AID AND LEVY |
| **CITATION:** | | M.S. 124.214, Subd. 2; M.S. 124.912, Subd. 9 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To replace the net revenue loss incurred by school districts as a result of court-ordered abatements or net reductions in the tax capacity of the district after taxes have been spread by the county auditor. Part of the net revenue loss is replaced with state aid, and part is replaced with levy authority. The intent is to pay approximately the same amount in abatement aid as would have been paid to the district in general education, transportation, community education, and capital expenditure aid, if the adjusted net tax capacity could have been adjusted to the lower level.

Most education aid programs contribute to more than one education goal. By providing school districts with authority to levy for the loss of revenue, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 139.

**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 general education, transportation, community education and capital expenditure levies for which it receives corresponding state aid to, b) its total certified levy in the preceding fall, pursuant to M.S. 124, 124A and 124A.03, plus or minus auditor's adjustments.

Abatement levy authority is the total of three components:

1. the net revenue loss minus abatement aid after any proration is deducted;
2. the net revenue loss for the first six months of the following calendar year, less any amount certified for the first six months of the prior calendar year; and
3. an amount for any interest paid by the district on abatement refunds.

The abatement levy may be spread over a three year period beginning with the taxes payable in 1995.

The railroad aid payments as a result of Soo Line Railroad Company vs. Commissioner of Revenue and related litigation are deducted from the abatement aid and levy authority of school districts. Due to the size and timing of the railroad aid payments, a portion of the railroad aid has not yet been deducted. The railroad aid balance to be recovered is carried forward each year, and deducted from current year abatement aid and levy authority.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Total Abatement Funding | | | | | |
| a. Calendar Year | 1991 | 1992 | 1993 | 1994 | 1995 |
| b. Net Reduction in School Taxes | $ 31,792.2 | $ 24,504.5 | $ 61,194.1 | $ 40,156.5 | $ 36,888.5 |
| c. Railroad Aid Balance To Be Recovered | 55.1 | 33.9 | 29.6 | 20.3 | 16.8 |
| d. Railroad Aid Subtraction - Current Year | 21.1 | 4.3 | 9.3 | 3.5 | 3.4 |
| e. Railroad Aid Balance Carried Forward (1c less 1d) | 33.9 | 29.6 | 20.3 | 16.8 | 13.4 |
| f. Total Abatement Formula Funding (1b less 1d) | $ 31,771.1 | $ 24,500.2 | $ 61,184.8 | $ 40,153.0 | $ 36,885.1 |
| g. Levy for Interest Costs | N/A | $ 1,000.0 | $ 2,731.0 | $ 2,028.4 | $ 2,028.4 |
| h. Total Abatement Funding | $ 31,771.1 | $ 25,500.2 | $ 63,915.8 | $ 42,181.4 | $ 38,913.5 |
| g. Number of Districts | 380 | 330 | 318 | 318 | 318 |
| 2. Abatement Aid Entitlement by Fund | | | | | |
| a. General Fund | $ 15,441.6 | $ 12,947.1 | $ 33,744.3 | $ 22,145.0 | $ 20,342.6 |
| b. Transportation Fund | $ 1,341.0 | $ 720.8 | $ 2,257.0 | $ 1,481.2 | $ 1,360.6 |
| c. Community Service Fund | $ 233.2 | $ 207.4 | $ 365.3 | $ 239.7 | $ 220.2 |
| d. Capital Expenditure Fund | $ 965.7 | $ 845.9 | $ 1,931.4 | $ 1,267.5 | $ 1,164.3 |
| e. General Debt Service Fund | $ 0.5 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 |
| f. Total Gross Abatement Aid | $ 17,982.0 | $ 14,721.2 | $ 38,298.0 | $ 25,133.0 | $ 23.088.0 |
| g. Direct Aid Appropriation | $ 6,018.0 | $ 7,567.0 | $ 10,067[a] | $ 6,172.0 | $ 6,856.0 |
| h. Transfer From Excess/ Deficiency[b] | $ 8,678.3 | $ 0.0 | $ 0.0 | $ 0.0 | $ 0.0 |
| i. Net Prorated Abatement Aid | $ 14,696.3 | $ 7,567.0 | $ 10,067.0 | $ 6,172.0 | $ 6,856.0 |

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0814 ABATEMENT AID AND LEVY
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| j. Proration Factor | 81.73% | 51.40% | 26.29% | 24.56% | 29.70% |
| k. Number of districts | 325 | 317 | 314 | 314 | 314 |
| 3. Abatement Levy Authority by Fund (after aid proration) | | | | | |
| a. Levy Authority - Taxes Payable In: | 1993 | 1994 | 1995 | 1996 | 1997 |
| b. Levy Implied by Entitlement | $ 13,789.1 | $ 9,779.0 | $ 22,886.8 | $ 15,020.0 | $ 13,797.1 |
| c. Levy Due to Proration of State Aid | $ 3,285.7 | $ 7,154.2 | $ 28,231.0 | $ 18,961.0 | $ 16,232.0 |
| d. Levy for Interest Costs | N/A | $ 1,000.0 | $ 2,731.0 | $ 2,028.4 | $ 2,028.4 |
| e. Total Levy Authority | $ 17,074.8 | $ 17,933.2 | $ 53,848.8 | $ 36,009.4 | $ 32,057.5 |
| f. Number of Districts | 380 | 330 | 318 | 318 | 318 |
| 4. Certified Levy | | | | | |
| a. Certified Levy - Taxes Payable In: | 1993 | 1994 | 1995 | 1996 | 1997 |
| b. Current Year Levy | $ 25,777.5 | $ 16,452.5 | $ 38,219.9 | $ 26,326.8 | $ 23,128.4 |
| c. Levy Adjustment Year | F.Y. 1991 | F.Y. 1992 | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 |
| d. Levy Adjustment Amount | ( 349.5) | ( 1,708.8) | ( 8,723.0) | $ 0.0 | $ 0.0 |
| e. Levy for Interest Costs | N/A | $ 1,000.0 | $ 2,731.0 | $ 2,028.4 | $ 2,028.4 |
| f. Advanced Levy | N/A | N/A | $ 10,367.3 | ( 138.1) | ( 652.0) |
| g. Total Certified Levy | $ 25,428.0 | $ 15,743.7 | $ 42,595.2 | $ 28,217.1 | $ 24,504.8 |

(a) Includes $2.5 million deficiency appropriation from Laws of 1994, Chapter 587.
(b) According to M.S. 124.14, Subd. 7.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula REVENUE: | $ 31,750 | $ 25,019 | $ 50,315 | $ 34,527 | $ 32,013 |
| Revenue Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Revenue (Line 9 on Fiscal Page) | $ 31,750 | $ 25,019 | $ 50,315 | $ 34,527 | $ 32,013 |
| B. Statutory Formula LEVY: | $ 13,789 | $ 10,298 | $ 12,017 | $ 9,344 | $ 8,899 |
| Levy Change Due To Insufficient Appropriation | 3,286 | 7,154 | 28,231 | 19,011 | 16,258 |
| Current Law Levy (Line 8 on Fiscal Page) | $ 17,054 | $ 17,452 | $ 40,248 | $ 28,355 | $ 25,157 |
| C. Statutory Formula AID: | $ 17,982 | $ 14,721 | $ 38,298 | $ 25,183 | $ 23,114 |
| Aid Reduction Due To Insufficient Appropriation | ( 3,286) | ( 7,154) | ( 28,231) | ( 19,011) | ( 16,258) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | 14,696 | 7,567 | 10,067 | 6,172 | 6,856 |
| Proration Factor | 0.817 | 0.514 | 0.263 | 0.245 | 0.297 |
| D. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 7,567 | $ 7,567 | $ 7,567* | $ 7,567* |
| Entitlement Changes Per Law: | | | | | |
| ■ Appropriation Shortfall | | 8,258 | 12,217 | 12,217 | 12,217 |
| ■ Revenue Increases: | | | | | |
| Net Reduction in School Taxes | | ( 3,495) | 26,194 | 5,157 | 1,889 |
| Railroad Aid Subtraction | | 6 | ( 2) | 3 | 4 |
| Levy Authority for Interest Costs | | 1,000 | 2,731 | 2,028 | 2,028 |
| ■ Levy (Increases): | | | | | |
| Increase in School Taxes Abated | | 2,385 | ( 7,678) | 239 | 1,437 |
| Levy Authority for Interest Costs | | ( 1,000) | ( 2,731) | ( 2,028) | ( 2,028) |
| ■ Total Changes to Aid | | 7,154 | 30,731 | 17,616 | 15,547 |
| Statutory Formula Aid (Unprorated) | | $ 14,721 | $ 38,298 | $ 25,183 | $ 23,114 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0814 ABATEMENT AID AND LEVY
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Abatement funding will continue to be needed by school districts. Each year there are court-ordered abatements or net reductions in the tax capacity of districts after taxes have been spread by the county auditor.

**B. STRATEGIES:**

- This program contributes to the goals of equity for students and taxpayers by replacing revenue to which the district was entitled but which was not received due to abatements. The objective is to replace the revenue in the same proportion of aid and levy as the original entitlement.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $25,183 for F.Y. 1996 and $6,856 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $22,541 in F.Y. 1996 ($1,135 for F.Y. 1995 and $21,406 for F.Y. 1996), and $9,605 in F.Y. 1997 ($3,777 for F.Y. 1996 and $5,828 for F.Y. 1997).

The current statutory formula would remain in effect for F.Y. 1996 and F.Y. 1997. Abatement aid would be fully funded for F.Y. 1996 and would be prorated at 30.0% for F.Y. 1997.

The Governor recommends the following modifications in the abatement aid and levy program:

1. Beginning in F.Y. 1996, compute the mix of aid and levy using state aids data from the second prior year.

2. Beginning in F.Y. 1997, eliminate the railroad aid adjustment and deduct any remaining balance from other state aids.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0814: ABATEMENT AID**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 7,567 | $ 7,567 | $ 7,567 | $ 7,567 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,395> | <711> |
| 3. Other Adjustments | | | | |
| Deficiency Appropriation from '94 Tax Bill | | 2,500 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 7,567 | 10,067 | 6,172 | 6,856 |
| 5. Statutory Formula Aid (Detail in Narrative) | 14,721 | 38,298 | | |
| 6. Funding Excess/Deficiency | <7,154> | <30,731> | | |
| 7. Funding Excess/Deficiency after Adjustments | | <28,231> | | |
| 8. CURRENT LAW LEVY | 17,452 | 40,248 | 28,355 | 25,157 |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 25,019 | 50,315 | 34,527 | 32,013 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Fully Fund FY 96 Aid Formula | | | 19,011 | |
| Current Law Aid Funding Level (Line 4) | | | 6,172 | 6,856 |
| **RECOMMENDED AID ENTITLEMENT** | | | 25,183 | 6,856 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| 1. Fully Fund FY 96 Aid Formula | | | <19,011> | |
| Current Law Levy (Line 8) | | | 28,355 | 25,157 |
| RECOMMENDED LEVY | | | 9,344 | 25,157 |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 34,527 | 32,013 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 902 | 1,135 | 1,135 | 3,777 |
| Current Year 85 Percent | 6,432 | 8,932 | 21,406 | 5,828 |
| Transfers Per M.S. 124.14, Subd. 7 | 4,790 | | | |
| **Total-State General Funds** | 12,124 | 10,067 | 22,541 | 9,605 |

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0815 | MISCELLANEOUS GENERAL LEVIES |
| **CITATION:** | | M.S. 124.912, Subd. 1, 5, 6, 7, 8; 124.914, Subd. 1, 2, 3, 4; 124.916, Subd. 1, 2, 3, 4; 126.08; 121.915; 122.531 Subd. 4a, 9; 120.08 Subd. 3; 122.535 Subd. 6, 122.247, Subd. 3, 124.2725, Subd. 15; 124.4945; 122.533;<br>Laws of 1989, Chap. 329, Art. 13, Sec. 18;<br>Laws of 1992, Chap. 499, Art. 7, Sec. 16 and 17;<br>Laws of 1993, Chap. 224, Art. 8, Sec. 18 |
| **MDE ADMIN:** | 1301 | Education Finance |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide additional property tax levy revenue to school districts to fund obligations of the district general fund, including unemployment insurance, past operating debt, the cost of judgments, state audits, and retirement, health insurance and severance for certain districts.

Most education aid programs contribute to more than one education goal. By providing school districts with authority to fund obligations of the district general fund, this program contributes to two of the Department of Education's goals:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Sufficient, Fair, and Efficient Funding:** Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 139.

**DESCRIPTION:**

1. Unemployment Insurance (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for unemployment insurance under M.S. 268.06, Subd. 25, and for job placement services offered to employees who may become eligible for benefits under M.S. 268.08. If the unemployment insurance fund balance exceeds $10 per pupil unit, the levy authority is reduced by the amount of the excess.

2. Statutory Operating Debt (M.S. 124.914, Subd. 1). A school district must levy the lesser of:

   a. 1.66% of the adjusted net tax capacity of the district; or
   b. the amount needed to retire the district's statutory operating debt as of June 30, 1977.

3. Operating Debt (M.S. 124.914, Subd. 2, 3 and 4, and Laws of 1992, Chap. 499, Art. 7, Sec. 16 and 17). Under the 1983 and 1985 operating debt levies, a school district may levy the lesser of:

   a. 1.85% of the adjusted net tax capacity of the district (4.21% for I.S.D. 712, Buhl-Mountain Iron); or
   b. the greater of: the amount needed to retire the deficit in the district's operating funds as of June 30, 1983, not to exceed the district's state aid reductions in F.Y. 1983; or the amount needed to retire the deficit in the district's general fund as of June 30, 1985.

   Under the 1992 operating debt levy, a school district that has filed a statutory operating debt plan and has received approval by the commissioner of education may levy the lesser of:

   a. 1.0% of the adjusted net tax capacity of the district;
   b. $100,000; or
   c. the amount needed to retire the deficit in the district's operating funds as of June 30, 1992, reduced by any referendum revenue in the statutory operating debt plan.

   I.S.D. 316 and 381 also may levy to retire the unreserved undesignated fund balance in the operating funds as of June 30, 1992. The levy must be spread over five years.

4. Judgment (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for judgments under M.S. 127.05, including interest.

5. State Audit (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for post audits by the state auditor under M.S. 6.62, if the audit is performed at the discretion of the state auditor pursuant to M.S. 6.51, or if the audit has been requested through a petition by eligible voters pursuant to M.S. 6.54. A school district may not levy for post audits requested by the school board under M.S. 6.55.

6. Health Insurance Levy (M.S. 124.916, Subd. 1 and Laws of 1993, Chap. 224, Art. 8, Sec. 18). A school district may levy as an early retirement incentive for health, medical, and dental expenses for certain eligible employees who retired between May 15, 1992 and July 21, 1992 and between May 17, 1993 and August 1, 1993. The levy is authorized for expenses of the retiree up to age 65.

7. Health Benefit Levy (M.S. 124.916, Subd. 2). A school district may levy for the district's obligations under the collective bargaining agreement in effect on March 30, 1992 for health insurance and unreimbursed medical expenses of retirees who retired before July 1, 1992. The levy authority is for expenses incurred in F.Y. 1993, F.Y. 1994 and F.Y. 1995 only.

8. Minneapolis Civil Service Retirement (M.S. 124.916, Subd. 3, paragraphs 1 and 2). The Minneapolis school district may levy the amount levied for retirement in 1978, reduced each year by 10% of the difference between the amount levied for retirement in 1971 and the amount levied for retirement in 1975. Beginning in 1991, the Minneapolis school district may

also levy an additional amount required for contributions to the Minneapolis Employees Retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund.

9. Minneapolis and St. Paul Additional Retirement (M.S. 124.916, Subd. 3, paragraphs 3, 4, 5 and 6). The Minneapolis and St. Paul school districts may levy for the increased costs of TRA contributions due to changes in the contribution rates. The entire amount levied is recognized as revenue in the fiscal year in which the levy is certified. This levy is not considered in computing the aid reduction for the tax levy revenue recognition change under M.S. 124.155.

10. Minneapolis Health Insurance Subsidy (M.S. 124.916, Subd. 4). The Minneapolis school district may levy 0.10% of the district's adjusted net tax capacity to subsidize health insurance costs for retired teachers who were basic members of the Minneapolis Teachers Retirement Fund Association, who retired before May 1, 1974, and who are not eligible to receive the hospital insurance benefits of the federal Medicare program without payment of a monthly premium.

11. St. Paul Severance (Laws of 1989, Chap. 329, Art. 13, Sec. 18). The St. Paul school district may levy 0.21% of the district's adjusted net tax capacity.

12. Crime Levy (M.S. 124.912, Subd. 6). A school district may levy up to $1.00 per capita to provide a drug abuse prevention program in the elementary schools, and/or to provide liaison services in the middle and secondary schools.

13. Ice Arena Levy (M.S. 124.912, Subd. 7). A school district that operates and maintains an ice arena may levy for the net operational costs of the ice arena for the previous year. The school district must demonstrate that it will offer equal sports opportunities for male and female students to use its ice arena.

14. Reorganization Operating Debt Levy (M.S. 121.915 and 122.531, Subd. 4a). A school district that reorganizes under consolidation, dissolution and attachment, or cooperation and combination may levy to retire the net negative undesignated fund balance in the operating funds. The levy must be spread over five years.

15. Severance Levies (M.S. 120.08, Subd. 3, 122.531, Subd. 9, 122.535, Subd. 6, 124.4945, and 124.2725, Subd. 15). A school district that reorganizes under dissolution and attachment, or cooperation and combination may levy for the costs of severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses.

16. Consolidation/Transition Levies (M.S. 122.247, Subd. 3, 122.533, and Laws of 1992, Chap. 499, Art. 6, Sec. 35). A school district that reorganizes under dissolution and attachment, or cooperation and combination may levy for transition expenses associated with the reorganization. Joint School District 6011 may also levy $80,000 per year for five years for costs associated with the formation of the joint district.

17. Outplacement Levy (M.S. 124.912, Subd. 8). Upon the recommendation of a school's mentoring team, a school district may levy for the costs of outplacement services for licensed teachers, including counseling and job search costs.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 91 PAY 92 | F.Y. 1994 92 PAY 93 | F.Y. 1995 93 PAY 94 | F.Y. 1996 94 PAY 95 | Current Law F.Y. 1997 95 PAY 96 |
|---|---|---|---|---|---|
| 1. Unemployment Insurance | | | | | |
| Net Amount Certified | $ 5,282.5 | $ 5,569.7 | $ 5,759.1 | $ 5,617.6 | $ 5,853.4 |
| Number of Districts | 202 | 263 | 273 | 267 | 267 |
| 2. Statutory Operating Debt | | | | | |
| Certified Levy | $ 126.8 | $ 134.0 | $ 131.9 | $ 53.6 | $ 53.6 |
| Number of Districts | 5 | 5 | 5 | 3 | 3 |
| 3. Operating Debt | | | | | |
| Certified Levy | $ 238.5 | $ 600.9 | $ 1,176.6 | $ 1,172.3 | $ 1,176.6 |
| Number of Districts | 12 | 12 | 30 | 29 | 31 |
| 4. Judgment | | | | | |
| Certified Levy | $ 542.9 | $ 246.0 | $ 259.3 | $ 527.4 | $ 259.3 |
| Number of Districts | 12 | 6 | 6 | 10 | 6 |
| 5. State Audit | | | | | |
| Certified Levy | $ 12.5 | $ 14.3 | $ 0.0 | $ 0.0 | $ 0.0 |
| Number of Districts | 2 | 1 | 0 | 0 | 0 |
| 6. Health Insurance Levy | | | | | |
| Certified Levy | -- | $ 1,024.7 | $ 5,803.0 | $ 6,279.7 | $ 6,279.7 |
| Number of Districts | -- | 61 | 244 | 243 | 243 |
| 7. Health Benefit Levy | | | | | |
| Certified Levy | -- | $ 8,392.7 | $ 7,842.6 | $ 8,368.7 | $ 0.0 |
| Number of Districts | -- | 99 | 119 | 122 | 0 |
| 8. Minneapolis Retirement | | | | | |
| Certified Levy | $ 1,759.6 | $ 3,134.9 | $ 2,364.1 | $ 1,159.2 | $ 959.1 |
| 9. Additional Retirement | | | | | |
| Certified Levy | -- | -- | $ 1,600.0 | $ 2,350.0 | $ 3,600.0 |
| Number of Districts | -- | -- | 2 | 2 | 2 |

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0815 MISCELLANEOUS GENERAL LEVIES
(Continuation)

| ($ in 000s) | F.Y. 1993 91 PAY 92 | F.Y. 1994 92 PAY 93 | F.Y. 1995 93 PAY 94 | F.Y. 1996 94 PAY 95 | Current Law F.Y. 1997 95 PAY 96 |
|---|---|---|---|---|---|
| 10. Minneapolis Health Insurance | | | | | |
| Certified Levy | $ 356.5 | $ 0.0 | $ 266.4 | $ 263.2 | $ 276.0 |
| 11. St. Paul Severance | | | | | |
| Certified Levy | $ 410.2 | $ 0.0 | $ 0.0 | $ 366.2 | $ 370.7 |
| 12. Crime Levy | | | | | |
| Certified Levy | $ 2,685.4 | $ 3,482.9 | $ 3,382.3 | $ 3,910.6 | $ 3,817.1 |
| Number of Districts | 121 | 180 | 192 | 222 | 222 |
| 13. Ice Arena Levy | | | | | |
| Certified Levy | -- | $ 167.5 | $ 205.0 | $ 217.3 | $ 205.0 |
| Number of Districts | -- | 2 | 3 | 4 | 4 |
| 14. Reorganization Operating Debt Levy | | | | | |
| Certified Levy | $ 150.5 | $ 289.9 | $ 414.6 | $ 756.6 | $ 507.4 |
| Number of Districts | 4 | 6 | 8 | 12 | 10 |
| 15. Severance Levies | | | | | |
| Certified Levy | $ 645.6 | $ 499.6 | $ 852.1 | $ 1,089.7 | $ 852.1 |
| Number of Districts | 14 | 6 | 13 | 12 | 11 |
| 16. Consolidation/Transition Levies | | | | | |
| Certified Levy | $ 318.0 | $ 134.8 | $ 197.4 | $ 551.7 | $ 197.4 |
| Number of Districts | 9 | 3 | 3 | 7 | 4 |
| 17. Outplacement | | | | | |
| Certified Levy | -- | -- | $ 41.8 | $ 18.4 | $ 41.8 |
| Number of Districts | -- | -- | 4 | 1 | 4 |
| Total Amount | $ 12,529.0 | $ 23,691.9 | $ 30,296.2 | $ 32,702.2 | $ 24,449.2 |

[a] Net levy authority after reductions made for excess fund balances of $2.8 million for F.Y. 1993, $2.6 million for F.Y. 1994, and $2.6 million for F.Y. 1995.

## BUDGET ISSUES:

### A. CHALLENGES:

- The miscellaneous general levies continue to serve varied needs for Minnesota school districts. All funds generated through these levies are anticipated to be fully utilized.

### B. STRATEGIES:

- Minnesota school districts will generate revenue to the extent needed for various general fund obligations in F.Y. 1996 and F.Y. 1997, thereby contributing to their overall financial health. School districts will not need to allocate general education formula funding to these identified costs. The amount received from levy will be substantially equal to the expenditure as shown on annual financial reports.

## GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing the operating debt, ice area, and outplacement levies, and continuing the remaining miscellaneous general levies.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0816 | YOUTH APPRENTICESHIP |
| CITATION: | | M.S. 126B.05 |
| MDE ADMIN: | 1205 | Lifework Development |
| FEDERAL: | 0834 | School-Work Opportunities |
| | 0835 | AmeriCorps |

**PURPOSE:**

**Youth Apprenticeship:** To better prepare all learners to make transitions between education and employment, M.S. 126B.05 establishes "... a comprehensive system to assist individuals in planning their futures by providing counseling and information about career opportunities; integrate opportunities for work-based learning, including but not limited to occupation specific apprenticeship programs and community service programs, into the curriculum; promote efficient use of public and private resources by coordinating elementary, secondary, and postsecondary education with related government programs; and expand educational options available to students through collaborative efforts between secondary institutions, postsecondary institutions, business, industry, organized labor, and other interested parties."

**Youth Entrepreneurship:** To fund regional granting authorities that will work with teachers and youth entrepreneurs to establish youth-run businesses in their regions.

Most education aid programs contribute to more than one education goal. This program contributes to the following Department of Education *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Lifework Development and Technology Competence**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 22 and 96.

**DESCRIPTION:**

**Youth Apprenticeship**
The 1993 Legislature authorized MDE to establish a comprehensive, statewide system of education and employment transitions. $1 million for the 1994-1995 biennium was appropriated to establish the Education and Employment Transitions Council (EETC) and make grants to local partnerships of representing education, business, organized labor, students and their parents to develop youth apprenticeship demonstration programs.

The EETC, an 18 member collaboration of education, government, business, organized labor and others interested in education and employment transitions, was formed and meets monthly. The mission of the EETC is to create a comprehensive system of education and employment transitions in Minnesota. Among the programs that the EETC is charged by the legislature to oversee is Youth Apprenticeship, Youth Service and Youth Entrepreneurship. Also, the EETC monitors a program of technical assistance to work-based learning programs.

Through MDE, the EETC established a program of grants to youth apprenticeship demonstration programs throughout Minnesota. Grants for planning and implementation of youth apprenticeship programs were available in two rounds of funding in 1994. Planning grants of up to $10,000 and implementation grants of up to $100,000 were made in the biennium. MDE staff provide ongoing technical assistance to those programs and will evaluate their overall effectiveness. A summary of Youth Apprenticeshop activities follows:

- There are currently 19 state funded youth apprenticeship sites in various stages of development. Eight sites have implementation grants and 11 other sites have planning grants. The eight implementation sites have approximately 46 students actually in the workplace as of November 1994 with several hundred in the Tech Prep pipeline for next year.
- There is confirmation of at least 13 additional voluntary non-grant startups around the state. This increasing voluntary activity tends to confirm the "rightness" of the legislation.
- There is a wide variety of occupational clusters represented. The most frequently occurring are: manufacturing, health/medical, office administration, printing, agribusiness, and construction trades.
- All grant funds ($900,000) provided for youth apprenticeship models have been disbursed as of the second round of granting completed 7/1/94.
- A "Y A Newsletter" was created to provide a sharing and information communication system for startup youth apprenticeship sites around the state.
- While Minnesota's first federal proposal for a grant was not successful, work is being done to submit an improved proposal for the second round of funding.
- Quarterly "All site" coordinating conferences have been established to network the various models and share information and experiences.

The School-To-Work Opportunities Act of 1993 was passed by the U.S. Congress in Spring 1994. This legislation makes funds available for states to implement systems developed under the earlier planning grants. In Fall 1993 MDE received a $270,000 federal grant to further plan a comprehensive program of education and employment transitions in Minnesota. MDE submitted a first-round implementation proposal for funding under that legislation and is in the process of strengthening the proposal for second-round submission.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0816 YOUTH APPRENTICESHIP
(Continuation)

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**PROGRAM STATUS:**

**Youth Apprenticeship**
Creating a comprehensive system of education and employment transitions is a multi-year effort requiring collaboration among government, education, business, students and their parents. MDE is providing facilitation, technical assistance and oversight to this process.

There are 19 MDE funded youth apprenticeship demonstration programs in Minnesota. The eight implementation sites expect to enroll about 200 youth by Fall 1994. By the end of the first four years those programs will have enrolled about 800 youth. As indicated on the table, enrollment will grow rapidly with additional state and federal funds. The vision of MDE and the EETC is to make youth apprenticeship opportunities available to one-third of Minnesota's juniors and seniors by the year 2000.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Implementation sites | -- | 19 | 19 | 19 | 19 |
| Students participating | -- | 200 | 400 | 600 | 800 |
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | $ 517 | $ 483 | $ 500 | $ 500 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | -- | $ 517 | $ 483 | $ 500 | $ 500 |
| Proration Factor | -- | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 517[a] | $ 483 | $ 500* | $ 500* |
| Statutory Formula Aid (Unprorated) | | $ 517 | $ 483 | $ 500 | $ 500 |

[a] $1,000 biennial appropriation less $483 balance forward to F.Y. 1995.
(*) Biennial appropriation of $1,000 allocated to F.Y. 1996 and F.Y. 1997.

F.Y. 1994 is the first year for this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Youth apprenticeship programs need stable funding during the critical start-up period (three to five years) to ensure their success.
- The focus of the EETC during the current biennium has been to plan systemic reform. To effect systemic reform it must move from planning to implementing a system of education and employment transitions that affect all Minnesotans.
- Refocusing state public and private resources on the reformed system will take several years and will need new sources of revenue to support it during a start-up period.

**B. STRATEGIES:**

- Sufficient youth apprenticeship funding is necessary to support programs started during the current biennium.
- Build agreements among EETC members and others to focus sufficient resources to implement Minnesota's education and employment transitions system.
- Secure federal "School-To-Work Opportunities Act of 1994" seed funding to implement Minnesota's education and employment transitions system, and to seek out other sources of funding.

**GOVERNOR'S RECOMMENDATION:**

This program is being expanded and replaced by the Education and Employment Transition System. See Program 0825, Education and Employment Transition System.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0816: YOUTH APPRENTICESHIP DEMONSTRATION PROJECTS (Laws 1993, Chapter 335)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 517* | $ 483 | $ 500 | $ 500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 517 | 483 | 500 | 500 |
| 5. Statutory Formula Aid (Detail in Narrative) | 517 | 483 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 517 | 483 | 500 | 500 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Discontinue Activity; See Prog. 0825 for Additional Funds | | | <500> | <500> |
| Current Law Aid Funding Level (Line 4) | | | 500 | 500 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **0** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 517 | 483 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **517** | **483** | **0** | **0** |

*$1000 biennial appropriation less $483 balance forward to FY 1995

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0817 | YOUTHWORKS - COUNCIL, GRANTS, MATCH, ADMIN (Chap. 146) AND EDUCATION AND EMPLOYMENT TRANSITIONS COUNCIL |
| **CITATION:** | | M.S. 121.70-121.710 |
| **MDE ADMIN:** | 1205 | Lifework Development |
| **FEDERAL:** | | National Service Trust Act, 1993. (YouthWorks is coordinated with the national AmeriCorps and Learn and Serve America programs of the Corporation for National and Community Service.) |

**PURPOSE:**

**YouthWorks:** The purposes of the YouthWorks legislation include the following:

1. renew the ethic of civic responsibility in Minnesota;
2. empower youth to improve their life opportunities through literacy, job placement, and other essential skills;
3. empower government to meet its responsibilities to prepare young people to be contributing members of society;
4. help meet human, educational, environmental, and public safety needs, particularly those related to poverty;
5. prepare a citizenry that is academically competent, ready for work, and socially responsible;
6. demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community;
7. demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth;
8. create linkages for a comprehensive youth service and learning program in Minnesota including school age programs, higher education programs, youth works programs and service corps programs; and
9. coordinate federal and state activities that advance the purposes of this section.

**Education and Employment Transitions Council (EETC):** The Education and Employment Transitions Council (EETC), an 18-member collaboration of education, government, business, organized labor, and others interested in education and employment transitions was formed on July 1, 1993 and meets monthly. The mission of the EETC is to create a comprehensive education and employment transitions system in Minnesota. Among the programs the EETC is charged to oversee are youth apprenticeship, youth service, and youth entrepreneurship. The EETC also monitors a program of technical assistance to work-based learning programs.

Most education aid programs contribute to more than one education goal. This program contributes to the following Department of Education *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Lifework Development and Technology Competence**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 14, 22 and 96.

**DESCRIPTION:**

**1. YouthWorks - Service Corps**

YouthWorks legislation addresses the above goals through a number of programs, including the YouthWorks service corps, operated in conjunction with the federal Americorps program, and funded jointly through state and federal grants to public or non-profit agencies.

An eighteen member Minnesota Commission on National Community Service that was appointed by the Governor has prepared a three year implementation plan to coordinate community service programs from K-12 through senior citizen programs. They oversee the grants process, training, and evaluation of the programs.

Through a competitive Request-for-Proposal process, the Minnesota Commission on National and Community Service (formerly, the YouthWorks Task Force) selected eight programs as sponsors of these service corps for 1994-95. Together they have over 50 partners of other public or non-profit groups that will serve as sites for participants to provide community service in the areas of education, human service, public safety or the environment. In return for full-time service (1700 hours per year), participants, who have graduated from high school or who are working on their high school equivalency, will receive a living allowance or stipend, health insurance, child care if needed, and a post-service educational award of $4,725 after their year of service. The educational award may be used toward higher education costs, or to pay off college loans. The educational awards are paid directly to institutions and are available for up to seven years after completion of the year of service. Part-time participants receive pro rata amounts for stipends and post-service educational awards.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0817 YOUTHWORKS - COUNCIL, GRANTS, MATCH, ADMIN (Chap. 146) AND EDUCATION AND EMPLOYMENT TRANSITIONS COUNCIL

(Continuation)

The eight Minnesota proposals were sent to Washington, D.C. as part of the national AmeriCorps program that is based in part on population formula and in part on national competition.

The following three proposals were selected to receive federal formula funding, as well as state YouthWorks funding:

| Name of Program | Number of participants | Federal funding | State funding |
|---|---|---|---|
| | | | (Dollars in 000s) |
| Two or More, Inc. (Minneapolis) | 33 | $ 516 | $ 128 |
| Pillsbury Center (Minneapolis) | 26 | $ 402 | $ 91 |
| Neighborhood House (St. Paul) | 26.5 | $ 382 | $ 109 |

The following three proposals were selected in federal competition:

| Name of Program | Number of participants | Federal funding | State funding |
|---|---|---|---|
| | | | (Dollars in 000s) |
| City of St. Paul | 76 | $ 649 | $ 804 |
| Southeast Minnesota | 59.5 | * $ 260 | $ 668 |
| Red Lake Tribal Council | 0 | ** $ 40 | $ 0 |

* Education funding only
** Six months planning grant

The following two proposals are funded entirely with state YouthWorks funds:

| Name of Program | Number of participants | Federal funding | State funding |
|---|---|---|---|
| | | | (Dollars in 000s) |
| Department of Economic Security (Statewide Service Delivery Areas*) | 98 | 0 | $1,098 |
| Minneapolis Public Schools -- Community Ed. | 41 | 0 | $ 478 |

*Duluth, Stearns & Benton, Anoka, Minneapolis, Hennepin, Scott-Carver, Dakota, South Central, Southwest, Private Industry Councils, Washington County, Rural Minnesota CEP and Northwest.

The programs, with the exception of Red Lake, will be in operation by mid-October, 1994. After a six-month planning period, Red Lake will apply for a full grant by summer, 1995. They are planning for at least 55 participants.

**2. Entrepreneurship Education**

The Department of Trade and Economic Development and the Minnesota Department of Education combined the $50,000 they each received to fund youth entrepreneurship. A single request-for-proposal was used to choose seven regional granting authorities. All six of the Minnesota Initiative Funds were chosen as regional granting authorities to provide entrepreneurship services in Greater Minnesota. The Metro Education Cooperative Service Unit was chosen as the regional granting authority for the seven county Twin Cities Metropolitan Area. All Seven regional granting authorities provided a 1:1 cash match to state entrepreneurship funds and established are (a) public/private matching grant program for local organizations to provide youth entrepreneurship initiatives, (b) a teacher training program on youth entrepreneurship, and (c) revolving loan fund for youth entrepreneurship programs. The Department of Trade and Economic Development has established an entrepreneurship resource center.

**3. Education and Employment Transitions Council**

The YouthWorks legislation provided funding for the Education and Employment Transitions Council (EETC), an 18-member collaborative charged with developing a comprehensive statewide system of education and employment transitions in Minnesota. EETC is the umbrella for youth service, youth apprenticeship and youth entrepreneurship. During the 1993-1994 biennium, the EETC distributed over $900,000 in grants for youth apprenticeship demonstration programs and provided technical assistance for their further development. MDE provides staff support for the activities of the EETC and technical assistance about youth apprenticeship and other education and employment transitions programs to those interested in developing model programs.

During the past year the EETC has focused its efforts on developing the framework for Minnesota's system of education and employment transitions. That framework will be presented to the legislature in the 1995 session. The system will build on the strong partnerships among business, education, government and labor that already exists in Minnesota. The system will build on Minnesota's economic strengths and will respond to the needs of all young adults to obtain a quality education and make successful transitions among education and employment throughout their lives.

In 1994, the EETC established a program of grants to youth apprenticeship planning and demonstration programs throughout Minnesota. Planning grants of up to $10,000 and implementation grants of up to $100,000 went to 19 local partnerships of education, business, organized labor, students, and their parents. MDE staff provide ongoing technical assistance to those programs and evaluate their overall effectiveness.

The School-to-Work Opportunities Act of 1993 was passed by the U.S. Congress in Spring 1994. In Fall 1993, the EETC and the MDE received a $270,000 federal planning grant under this act to further develop a comprehensive education and employment transitions system in Minnesota. The EETC is in the process of developing an implementation grant for this act that could bring in $5,000,000 per year over four years to further develop and implement an education and employment transitions system in Minnesota.

The EETC is currently developing recommendation(s) to the Legislature on how to implement work-based learning programs and create a lifework development system that will help Minnesotans of all ages, especially those aged 14-24, make transitions between and among education and employment.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0817 YOUTHWORKS - COUNCIL, GRANTS, MATCH, ADMIN (Chap. 146) AND EDUCATION AND EMPLOYMENT TRANSITIONS COUNCIL

(Continuation)

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Administration | | $ 38.5 | $ 62.0 | | |
| Entrepreneurship Education | | $ 25.0 | $ 25.2 | | |
| Employment Transitions Council | | $ 63.7 | $ 46.0 | | |
| YouthWorks Program Grants | | -- | $ 3,898.0 | | |
| Subtotal | | $ 127.2 | $ 4,031.2 | $ 1,813.0 | $ 1,813.0 |
| Transfer out to Community Ed.[1] | | -- | $ 532.0 | -- | -- |
| Total | | $ 127.2 | $ 4,503.2 | $ 1,813.0 | $ 1,813.0 |

[1] Laws of 1993, Chap. 146, Art. 5 appropriation language provided $532,000 for community education aid in F.Y. 1995 according to M.S. 124.2713, Subd. 5.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | $ 127 | $ 4,031 | $ 1,813 | $ 1,813 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | $ 127 | $ 4,031 | $ 1,813 | $ 1,813 |
| Proration Factor | -- | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation | | | | | |
| Appropriation-Implied Entitlement | | $ 2,345 | $ 2,345 | $ 1,813* | $ 1,813* |
| Entitlement Changes Per Law: | | | | | |
| ■ Transfer to Community Education-Youth Service | | | ( 532) | | |
| ■ Balance Forward Due to Timing Needed for Planning and Implementing Federal and State Laws For This New Program | | ( 2,218) | $ 2,218 | | |
| Statutory Formula Aid (Unprorated) | | $ 127 | $ 4,031 | $ 1,813 | $ 1,813 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments. $532 of the F.Y. 1995 appropriation is transferred to Community Education-Youth Service per rider and therefore is not included in the budget base.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- To obtain AmeriCorps approval for all the YouthWorks programs approved by the Minnesota Commission on National Community Service.
- The membership of EETC does not represent all partners necessary to shape a statewide comprehensive education and employment transitions system in Minnesota.
- The focus of the EETC during the current biennium has been to plan systemic reform. To effect systemic reform it must move from planning to implementing a system of education and employment transitions that effects all Minnesotans.
- Refocusing state public and private resources on the reformed system will take several years and will need new sources of revenue to support during the start-up period.

**B. STRATEGIES:**

- Funds should be focussed in one or two regions or discontinued.
- Continue to request the assistance of Minnesota's Congressional delegation to encourage the Corporation on National Community Service to amend the competitive grant award process. The intent would be to strengthen state and federal partnerships by rewarding states that provide direct funding for K-12, higher education, and service corps programs.
- Continue to provide grant writing technical assistance and seek to obtain a clear understanding of AmeriCorps criteria for selecting new programs.
- Increase the EETC membership to include additional representation from public and private economic development; community based services; and other governmental agencies that deal with training and retraining people for work.
- Build agreements among EETC members and others to focus sufficient resources to implement Minnesota's education and employment transitions system.
- Secure federal "School-To-Work Opportunities Act of 1994" seed funding to implement Minnesota's education and employment transitions system.

**GOVERNOR'S RECOMMENDATION:** The Governor recommends an aid entitlement of $1,813 for F.Y. 1996 and $1,813 for F.Y. 1997. Based on these entitlements, the Governor recommends an appropriation of $1,813 in F.Y. 1996, and $1,813 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0817: YOUTH WORKS (Laws 1993, Chapter 146)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 2,345 | $ 2,345 | $ 1,813 | $ 1,813 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| Balance Forward | <2,218> | 2,218 | | |
| Transfer Youth Service to Community Ed. | | <532> | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 127 | 4,031 | 1,813 | 1,813 |
| 5. Statutory Formula Aid (Detail in Narrative) | 127 | 4,031 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 127 | 4,031 | 1,813 | 1,813 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| Current Law Aid Funding Level (Line 4) | | | 1,813 | 1,813 |
| **RECOMMENDED AID ENTITLEMENT** | | | **1,813** | **1,813** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **1,813** | **1,813** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 127 | 4,031 | 1,813 | 1,813 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **127** | **4,031** | **1,813** | **1,813** |

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|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0818 | CULTURAL EXCHANGE PROGRAM |
| CITATION: | | M.S. 126.81 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange.

Most education aid programs contribute to more than one education goal. This program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with the following goals:

- developing curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state;
- developing immersion programs that are coordinated with these programs above;
- creating opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence;
- creating opportunities for staff exchanges on a cultural basis.

A school district together with a group of school districts, a cooperative governmental unit, the center for arts and education, or a postsecondary institution may apply for cultural exchange grants. The grants must be competitively determined and applicants must demonstrate:

- the capacity to develop a focused curriculum that reflects the particular ethnic, racial and other cultural aspects of the community in which the school where the program is offered is located;
- the capacity to develop immersion programs coordinated with said curriculum;
- the capacity to coordinate a cultural exchange program with other curriculum programs to assure continuity in a pupil's education;
- the capacity to maximize diversity of ethnic, racial, and other cultural backgrounds of participants;
- that the application is jointly developed by participants; and
- that the outcomes of the exchange program are clearly articulated.

The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials, and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

The Department of Education is in the process of informing school districts of application and grant proceedings. Grants activities will begin the summer of 1995.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 142 | $ 142 | $ 142 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 26) | ( 13) |
| Current Law Aid Entitlement | -- | -- | $ 142 | $ 116 | $ 129 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 142 | $ 142* | $ 142* |
| Statutory Formula Aid (Unprorated) | | -- | $ 142 | $ 142 | $ 142 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year of this program.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0818 CULTURAL EXCHANGE PROGRAM
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- Foster experiences for parents and students of diverse populations that will participate in summer school centers for learning that have diverse populations.
- Students actually participate in the summer school cultural exchange program during June and July.
- Integrating students, parents and staff in an interdistrict desegregation/integration activity.

**B. STRATEGIES:**

- In keeping with the intent to form block grants, this program should not have its own appropriation. Rather, the Commissioner through the Office of Desegregation and Integration and in consultation with the Desegregation/Integration Advisory Board should determine how much of the Magnet Schools and Program Block Grant should be utilized for this purpose.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

The MDE and the Desegregation/Integration Advisory Board will have the option of funding this activity through the Desegregation/Integration Improved Learning Block Grant Program. See Magnet Schools and Program Block Grants, Activity 0822.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0818: CULTURAL EXCHANGE PROGRAM**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 142 | $ 142 | $ 142 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <26> | <13> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 142 | 116 | 129 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 142 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 142 | 116 | 129 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <116> | <129> |
| Current Law Aid Funding Level (Line 4) | | | 116 | 129 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **0** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 142 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **142** | **0** | **0** |

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0819 | SITE GRANTS - ALTERNATIVE PREPARATION LICENSURE (Board of Teaching) |
| **CITATION:** | | M.S. 125.188 |
| **MDE ADMIN:** | 1305 | Board of Teaching |
| **FEDERAL:** | | None |

**PURPOSE:**

To award site grants to school districts for cooperative ventures between school districts and postsecondary teacher preparation institutions for alternative preparation programs for teacher licensure under Minnesota Statutes, section 125.188.

The alternative preparation program provides a means of preparing people who might not otherwise seek to become licensed teachers in Minnesota in order to augment the current teaching staff with individuals whose backgrounds are especially relevant to the needs of the students.

Most education aid programs contribute to more than one education goal. By providing opportunities for experienced individuals to become licensed teachers, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 189.

**DESCRIPTION:**
A school district, group of schools, or an education district in Minnesota that demonstrates a working affiliation with a postsecondary teacher preparation institution is eligible to apply for a grant for designing, implementing, and evaluating an alternative preparation program for teacher licensure. Districts wishing to participate must respond to a request for proposals. The program requires an instruction phase which involves intensive preparation of candidates for licensure before assuming responsibility for a classroom. Formal instruction plus coaching during the school year is conducted by a resident mentorship team consisting of administrators, teachers, and teacher education faculty. The resident mentorship team also provides assessment, supervision, and evaluation of candidates to determine specific needs and to ensure satisfactory completion of the program.

Candidates selected by the districts for this program must have a bachelor's degree and have been offered a job to teach in a school district approved by the Board of Teaching to offer an alternative preparation licensure program. The Board of Teaching grants standard entrance licenses to individuals who successfully complete a school year in an alternative preparation program and who receive a positive recommendation from the resident mentorship team.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Site grants awarded | -- | -- | 2 | 2 | 2 |
| Program participants | -- | -- | 30 | 30 | 30 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 100 | $ 100 | $ 100 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 18) | ( 9) |
| Current Law Aid Entitlement | -- | -- | $ 100 | $ 82 | $ 91 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 100 | $ 100* | $ 100* |
| Statutory Formula Aid (Unprorated) | | -- | $ 100 | $ 100 | $ 100 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**
- Grants funded two alternative preparation licensing programs in F.Y. 1991; only one program has continued to operate since that time.

**GOVERNOR'S RECOMMENDATION:**
The Governor recommends discontinuing the funding for this activity.

The Governor recommends discontinuing specific categorical funding for this activity. Districts will have the option of funding this activity through the use of program improvement revenue. In this way, districts will have the flexibility to choose those activities which they believe will most effectively impact student achievement.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0819: MENTORSHIP COOP SITE (BOARD OF TEACHING)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 100 | $ 100 | $ 100 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <18> | <9> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 100 | 82 | 91 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 100 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 100 | 82 | 91 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <82> | <91> |
| Current Law Aid Funding Level (Line 4) | | | 82 | 91 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 100 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 100 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0820 | DESEGREGATION OFFICE - MDE |
| CITATION: | | M.S. 121.1601, Subd. 3 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

PURPOSE:

The Office of Desegregation/Integration was established in the Minnesota Department of Education to carry out the following:

(a) to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts;

(b) at the request of a metropolitan school district involved in cooperative desegregation/integration efforts, to perform any of the following activities:
   (1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;
   (2) coordinate and disseminate information about schools and programs;
   (3) assist districts with new magnet schools and programs;
   (4) assist districts in providing staff development and in-service training; and
   (5) coordinate and administer staff exchanges.

(c) to collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data, and periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. In addition, the office will develop a process for resolving students' disputes and grievances about student transfers under a metropolitan desegregation/integration plan.

Most education aid programs contribute to more than one education goal. Through integrated educational programs and services, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 194.

DESCRIPTION:

The Commissioner of Education coordinates the office activities pursuant to the above purposes with new or existing department and State Board of Education efforts to accomplish school desegregation/integration. If necessary to fulfill the duties of this office, the Commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the Commissioner in performing the activities related to the purposes described above.

In order to fulfill the statutory requirements of the Office of Desegregation, the Commissioner has established an advisory board composed of:

1. eight superintendents, each of whom is selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

2. one person each selected by the Indian Affairs Council, the Asian-Pacific Minnesotans, the Council on Black Minnesotans, and the Spanish Speaking Affairs Council.

The advisory board advises the office on complying with the requirements under subdivision 1 (see functions of MDE Office of Desegregation/Integration). The advisory board may solicit comments from teachers, parents, students, and interested community organizations and others.

The 1994 legislature enacted certain provisions relating to desegregation/integration and education diversity:

**Parental Involvement:** The list of permissible uses of parental involvement revenue was expanded to include parental involvement in developing desegregation/integration plans.

**Staff Development:** The list of outcomes for staff development plans was expanded to include activities to enhance staff skills to provide educational opportunities for all students that are consistent with desegregation/integration and inclusive education policies adopted by the school districts and approved by the state.

**Desegregation/Integration and Educational Diversity Rules:** Provides that the State Board of Education may modify the rules in these areas and directs the state board to address the need for equal education opportunities for all students and racial balance when adopting a new desegregation/integration rule.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0820 DESEGREGATION OFFICE - MDE
(Continuation)

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**Office of Desegregation/Integration:** Establishes an Office in the Department of Education to coordinate and support desegregation/integration activities among school districts. The legislation lists the activities of the office. The commissioner of education is to establish an advisory board to advise the office on its duties. The legislature appropriated $150,000 for this Office. Department staff will also be assigned to assist the state board in developing new desegregation/integration and educational diversity rules. The commissioner is required to develop recommendations to the 1995 legislature that will ensure that districts participating in metropolitan desegregation/integration will not be financially disadvantaged.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 150 | $ 150 | $ 150 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 28) | ( 14) |
| Current Law Aid Entitlement | -- | -- | $ 150 | $ 122 | $ 136 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 150 | $ 150 | $ 150* |
| Statutory Formula Aid (Unprorated) | | -- | $ 150 | $ 150 | $ 150 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year of this program.

**BUDGET ISSUES:**

**A. CHALLENGES:**

The issues involved in this program are extremely complex because they literally cut across all aspects of our society. The major challenges faced by this program are how to enable and assist districts to:

- increase school district compliance in integration/desegregation;
- assure that the learning gap between learners living in poverty (frequently learners of color) and their peers is reduced; and
- improve student understanding of the various rich cultures which exist in Minnesota and the world.

**B. STRATEGIES:**

Challenges faced by this program will be addressed by MDE in collaboration with the Desegregation/Integration Advisory Board through the following activities:

- increasing leadership and visibility of the Office of Desegregation/Integration;
- proposing strategies that more closely aligns compensatory revenue with students who need academic assistance, and expands cultural awareness and other cultural opportunities;
- providing assistance to districts and consortia of districts to develop magnet schools that focus on meeting learners' needs while improving their cultural understanding;
- furnishing information to parents to help them decide which school will best meet their child's needs;
- providing staff development for all district staff and students;
- working collaboratively with cities, counties, private agencies, businesses, labor, churches, and others to support and improve all types of families;
- collecting data regarding the above measures so that policy decisions can be based on reliable information; and
- assisting the State Board of Education in adopting revisions to the current desegregation and inclusive education rules.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $129 for F.Y. 1996 and $129 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $129 in F.Y. 1996, and $129 in F.Y. 1997.

The Governor recommends authority for carryover of any unexpected balance in the first year to the second year of the biennium.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0820: DESEGREGATION/INTEGRATION OFFICE (MDE)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 150 | $ 150 | $ 150 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <28> | <14> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 150 | 122 | 136 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 150 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 150 | 122 | 136 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 7 | <7> |
| Current Law Aid Funding Level (Line 4) | | | 122 | 136 |
| **RECOMMENDED AID ENTITLEMENT** | | | **129** | **129** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **129** | **129** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 150 | 129 | 129 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | **150** | **129** | **129** |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0821 | MALE RESPONSIBILITY AND FATHERING GRANTS |
| CITATION: | | M.S. 126.84 |
| MDE ADMIN: | 1206 | Community Collaboration |
| FEDERAL: | | None |

PURPOSE:

To increase education about parenting responsibilities and to prevent teen pregnancy and crime. The intent of this legislation is to make male responsibility and fathering grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

Most education aid programs contribute to more than one education goal. This program contributes to the following Department of Education *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Collaboration and Service Co-Location**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 28.

DESCRIPTION:

Grants were awarded on a competitive basis. Grant recipients must use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Recipient programs must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;
(2) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;
(3) understand the long-term responsibility of fatherhood;
(4) acquire parenting skills and knowledge of child development; and
(5) find community support for their roles as fathers and nurturers of children.

Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Those programs with a higher match had a greater chance of receiving a grant.

Applications for grants were submitted by youth or parenting programs whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district. Each grant application included a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers will reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

Grant recipients must, at a minimum, provide education in responsible parenting and child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

A grant applicant must establish an advisory committee to assist the applicant in planning and implementation of a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

MDE awarded 15 grants to youth and parenting programs that collaborate with schools to help young people, especially males in the 10-21 age range, to gain information related to teen pregnancy prevention and gain information and skills to improve their potential for successful parenting.

PROGRAM STATUS:

Grantees were selected through the Prevention and Intervention funding process, a competitive process with citizen review. Fifteen grant awards were made in December of 1994 for program implementation starting January 1, 1995 and continuing to December 31, 1995. Grants of up to $50,000 were made. The average grant award was $33,300. The total legislative funding allocation for F.Y. 1995 is $500,000.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0821 MALE RESPONSIBILITY AND FATHERING GRANTS
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| Grants | -- | -- | 15 | 15 | 15 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 500 | $ 500 | $ 500 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 92) | ( 47) |
| Current Law Aid Entitlement | -- | -- | $ 500 | $ 408 | $ 453 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 500 | $ 500* | $ 500* |
| Statutory Formula Aid (Unprorated) | | -- | $ 500 | $ 500 | $ 500 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year of this program.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0821: MALE RESPONSIBILITY GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 500 | $ 500 | $ 500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <92> | <47> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 500 | 408 | 453 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 500 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 500 | 408 | 453 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <408> | <453> |
| Current Law Aid Funding Level (Line 4) | | | 408 | 453 |
| **RECOMMENDED AID ENTITLEMENT** | | | 0 | 0 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 0 | 0 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 500 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 500 | 0 | 0 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Education Programs |
| AGENCY: | | Education Aids |
| | 0822 | MAGNET SCHOOLS AND PROGRAM BLOCK GRANTS |
| CITATION: | | Laws 1994, Chap. 647, Art. 8, Sec. 45, Subd. 3 |
| MDE ADMIN: | 1306 | Monitoring and Compliance |
| FEDERAL: | | None |

**PURPOSE:**

To provide funding to metropolitan school districts and eligible organizations for the purpose of planning and developing magnet schools and programs to aid in desegregation/integration.

Most education aid programs contribute to more than one education goal. Through integrated educational programs and services, this program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

This program also contributes to the following *current priorities* of the Minnesota Department of Education (MDE):

- **Education Facilities Improvement**
- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, page 194.

**DESCRIPTION:**

1994 Legislation required the Commissioner of Education, in consultation with the desegregation/integration office under M.S. 121.025, to award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

The following institutions are eligible to receive Magnet School Planning Grants:

A. Public Schools in the Seven County Metropolitan Area;
B. Joint Powers Boards which are the recipients of magnet school bonding revenue. (If Joint Powers Boards have not been finalized, a host district may be the recipient until such time that the Joint Powers Board is established); and
C. Chartered Schools in the Seven County Metropolitan Area.

The purpose of these grants is to assist an eligible organization to plan and develop magnet schools and/or programs designed to:

A. Improve the educational opportunities and academic achievement of learners;
B. Increase the levels of understanding which students have of our varied and rich cultures; and
C. Provide students with an education in a desegregated/integrated environment.

The grant period for F.Y. 1995 is from the date of the award to June 30, 1995.

Grant recipients must use the grant money to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

1. teachers who provide instruction or services to students in a magnet school or magnet program;
2. education paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;
3. clerical support needed to operate a magnet school or magnet program;
4. equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;
5. minor remodeling needed to operate a magnet school or magnet program;
6. transportation for field trips that are part of a magnet school or magnet program curriculum;
7. program planning and staff and curriculum development for a magnet school or magnet program;
8. disseminating information on magnet schools and magnet programs; and
9. indirect costs calculated according to the state's statutory formula governing indirect costs.

**PROGRAM STATUS:**

In F.Y. 1995, the following grants were awarded:

| | Amount |
|---|---|
| Downtown Minneapolis School | $ 450.0 |

SSD 1 Minneapolis - host district until the formation of the joint powers board.

Other participants include:

| | |
|---|---|
| ISD 273 | Edina |
| ISD 270 | Hopkins |
| ISD 281 | Robbinsdale |
| ISD 286 | Brooklyn Center |
| ISD 280 | Richfield |
| ISD 282 | St. Anthony/New Brighton |
| ISD 283 | St. Louis Park |
| ISD 13 | Columbia Heights |

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0822 MAGNET SCHOOLS AND PROGRAM BLOCK GRANTS
(Continuation)

| | |
|---|---|
| Metro-wide Professional Development Center | $ 250.0 |
| SSD 1 Minneapolis - host district. | |
| All metro districts will be invited to have staff participate in the development activities related to desegregation/integration and diversity. | |
| Metropolitan Learning Alliance | $ 85.0 |
| ISD 271 Bloomington - host district. | |
| Other participating districts include: | |
| ISD 280 Richfield | |
| SSD 1 Minneapolis | |
| ISD 283 St. Louis Park | |
| ISD 625 St. Paul | |
| East Metropolitan Magnet School | $ 450.0 |
| ISD 625 St. Paul - host district until the formation of the joint powers board. | |
| Other districts include: | |
| ISD 623 Roseville | |
| ISD 622 North St. Paul/Maplewood/Oakdale | |
| Stillwater, St. Paul, Wilder Magnet School | $ 130.0 |
| ISD 625 St. Paul - host district. | |
| Other agencies included are: | |
| ISD 834 Stillwater | |
| The Wilder Foundation, Inc. | |
| Inver Grove Heights, New Heights, St. Paul Magnet School | $ 135.0 |
| ISD 625 St. Paul - host district. | |
| Others included are: | |
| ISD 199 Inver Grove Heights | |
| New Heights Charter School | |
| Total F.Y. 1995 Grant Awards | $ 1,500.0 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 1,500 | $ 1,500 | $ 1,500 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | (0) | (276) | (141) |
| Current Law Aid Entitlement | -- | -- | $ 1,500 | $ 1,224 | $ 1,359 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 1,500 | $ 1,500* | $ 1,500* |
| Statutory Formula Aid (Unprorated) | | -- | $ 1,500 | $ 1,500 | $ 1,500 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year of this program.

BUDGET ISSUES:

A. CHALLENGES:

- Due to growth in the number of nonpublic pupils (including home schools) at both the elementary and secondary levels, overall program participation is expected to increase. In addition, since per pupil rates are statutorily based on second prior year district expenditures, program funding requirements related to support services for the upcoming biennium are projected to continue to increase.

B. STRATEGIES:

- In order to better assure the success of integration/desegregation policy, a number of strategies need to be implemented including significant efforts to improve learning for all students as well as closing the learning gap.
- Beginning in F.Y. 1995, the Office of Desegregation/Integration, with advice from the Desegregation/Integration Advisory Board, awarded grants for magnet schools and programs. The Office, in consultation with the Advisory Board, should also administer other programs relating to desegregation/integration. Those include Teachers of Color Program, Minority Teachers Incentive Program, Cultural Exchange Program, and the Alternative Licensure Fellowship Program. The Board of Teaching would remain responsible for the alternative licensure program. These programs would be combined into a Desegregation/Integration Improved Learning Block Grant.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of $2,302 for F.Y. 1996 and $2,302 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $2,302 in F.Y. 1996, and $2,302 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0822: MAGNET SCHOOL & PROGRAM BLOCK GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 1,500 | $ 1,500 | $ 1,500 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <276> | <141> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 1,500 | 1,224 | 1,359 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 1,500 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 1,500 | 1,224 | 1,359 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Restore Cap Reduction | | | 276 | 141 |
| 2. Reallocate Funds to Other Educ. Programs | | | 802 | 802 |
| Current Law Aid Funding Level (Line 4) | | | 1,224 | 1,359 |
| **RECOMMENDED AID ENTITLEMENT** | | | 2,302 | 2,302 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 2,302 | 2,302 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 1,500 | 2,302 | 2,302 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 1,500 | 2,302 | 2,302 |

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| | | |
|---|---|---|
| PROGRAM: | 08 | Other Educational Programs |
| AGENCY: | | Education Aids |
| | 0823 | CROSS-CULTURAL INITIATIVES |
| CITATION: | | Laws of 1993, Chap. 224, Art. 8, Sec. 22, Subd. 8 |
| MDE ADMIN: | 1205 | Lifework Development |
| FEDERAL: | | None |

PURPOSE:

To reduce bias and prejudice through activities designed to increase knowledge about multicultural education and by providing forums for diverse groups to talk about the education of their children.

Most education aid programs contribute to more than one education goal. This program contributes to two of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

DESCRIPTION:

There is a growing population of children and youth of color in Minnesota. There is considerable concern that the needs of these learners are not being met.

This initiative has been developed directly from the recommendations of learner task forces and is designed to provide ways to improve multicultural educational opportunities for all learners and teachers. Parents or community members who have an Asian-Pacific, Hispanic, Native American or African-American heritage now have the opportunity to participate more fully in educational decision making.

The cross-cultural initiatives consist of two program components that have had a significant impact on the educational needs of Minnesota's children and youth.

1. **State Multicultural Advisory Committee.** As with local boards of education, the State Board of Education has direct communication and interchange with persons who represent the viewpoints of the African-American, Asian-Pacific, Native American, and Hispanic communities.

   Appointed by the Commissioner of Education, the 12 member committee held 4 committee meetings during the past year and has presented to the State Board of Education its findings and recommendations concerning the Education Diversity Proposed Rule, Teachers of Color program, and the Cross-Cultural Grant process. The Multicultural Advisory Committee has also provided information and made recommendations concerning department procedures for improving school districts inclusive education, multicultural education plans, and performance based assessments.

2. **Cross-Cultural Grants.** Eight Cross-Cultural Grants were awarded to community groups representing persons of the following racial-ethnic heritages: (1) African-American; (2) American Indian; (3) Asian-Pacific; and (4) Hispanic. The community groups that received the grants formed a partnership with school districts and have used the funds to support programs that have enhanced cross-cultural understanding among K-12 students and staff. The average grant award was $15,675 and each community of color received a total amount of $31,250.

   A competitive grant application process was used to select the community groups that received the grant awards.

   The selection criteria were developed by the department in consultation with the State Multicultural Education Advisory Committee.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Funds for Multicultural Education Advisory Committee | | $ 0.0 | $ 10.0 | $ 5.0 | $ 5.0 |
| Grant Funding | | | | | |
| Number of Grants | -- | -- | 8 | 8 | 8 |
| Average Grant Award | | | $ 15.6 | $ 15.6 | $ 15.6 |
| Total Grants Awarded | | | $ 125.0 | $ 62.5 | $ 62.5 |
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | -- | $ 1 | $ 134 | $ 68 | $ 67 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 12) | ( 6) |
| Current Law Aid Entitlement (Line 4 on Fiscal Page) | -- | 1 | $ 134 | $ 56 | $ 61 |
| Proration Factor | -- | 1.000 | 1.000 | 0.816 | 0.906 |

PROGRAM: 08 Other Educational Programs
AGENCY: Education Aids

0823 CROSS-CULTURAL INITIATIVES
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement (Line 1 on Fiscal Page) | | $ 68[a] | $ 67 | $ 68* | $ 67* |
| Entitlement Changes Per Law: | | | | | |
| ■ Balance Forward Due To Timing Needed for Start-Up Activities and Program Planning | | ( 67) | 67 | | |
| Statutory Formula Aid (Unprorated) | | $ 1 | $ 134 | $ 68 | $ 67 |

[a] $ 135 biennial appropriation less $67 balance forward to F.Y. 1995.
(*) Biennial appropriation of $135 allocated to F.Y. 1996 and F.Y. 1997

**BUDGET ISSUES:**

**A. CHALLENGES:**

- The process of reviewing applications and awarding grants under this legislation made staff aware of the need for clarification. Specifically, the existing legislation ties funds to groups representing persons of color but does not adequately define those groups. The Department received applications from mainstream organizations who stated that they represent persons of color. MDE believes that at least half of the available funds should be allocated to organizations that are made up of persons of the targeted racial-ethnic groups.
- The Department also received numerous proposals from mainstream or multiethnic organizations to serve youth from a variety of racial and cultural backgrounds. MDE felt that these proposals met the legislative intent of promoting cross-cultural understanding and that these organizations and programs should also be eligible to receive grants.

**B. STRATEGIES:**

- The MDE will provide leadership to this area through the Offices of Desegregation and Integration and Office of Teaching and Learning.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0823: CROSS-CULTURAL INITIATVES (STATE BOARD OF EDUCATION)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 68* | $ 67 | $ 68 | $ 67 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <12> | <6> |
| 3. Other Adjustments | | | | |
| Balance Forward | <67> | 67 | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 1 | 134 | 56 | 61 |
| 5. Statutory Formula Aid (Detail in Narrative) | 1 | 134 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 1 | 134 | 56 | 61 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <56> | <61> |
| Current Law Aid Funding Level (Line 4) | | | 56 | 61 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **0** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 1 | 134 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **1** | **134** | **0** | **0** |

*$135 biennial appropriation less $67 balance forward to FY 1995

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | 0824 | AGRICULTURE - EDUCATION SPECIALIST |
| **CITATION:** | | Laws of 1993, Chapter 367, Sections 35 and 36 |
| **MDE ADMIN:** | 1205 | Lifework Development |
| **FEDERAL:** | | None |

**PURPOSE:**

To provide an education specialist with duties related to agriculture, secondary agriculture and education, and Future Farmers of America (FFA).

Most education aid programs contribute to more than one education goal. This program contributes to one of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

For additional information on the goals, priorities and performance indicators of the Minnesota Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

Laws of 1993, Chapter 367, Sections 35 and 36 required that the Department of Education maintain the functions and responsibilities related to agriculture, secondary agriculture education and the Future Farmers of America (FFA) by an education specialist. The legislation also requires that a person with a background in agriculture education be assigned to fulfill these responsibilities.

**PROGRAM STATUS:**

$35.0 in F.Y. 1994 and $35.0 in F.Y. 1995 were appropriated to the Commissioner of Education for this purpose.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | $ 35 | $ 35 | $ 35 | $ 35 |
| Aid Reduction Due To Insufficient Appropriation | -- | ( 0) | ( 0) | ( 0) | ( 0) |
| Current Law Aid Entitlement | -- | $ 35 | $ 35 | $ 35 | $ 35 |
| Proration Factor | -- | 1.000 | 1.000 | 1.000 | 1.000 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 35 | $ 35* | $ 35* |
| Statutory Formula Aid (Unprorated) | | -- | $ 35 | $ 35 | $ 35 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends discontinuing this activity.

While the goals of this program are worthwhile, fiscal constraints require that resources be directed toward MDE highest priorities. This recommendation, along with increased flexibility with general education funds, will increase school district discretion in managing resources most effectively toward improving student performance.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**0824: AGRICULTURE SPECIALIST--MDE (Laws 1993, Chapter 367)**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 35 | $ 35 | $ 35 | $ 35 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | | |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 35 | 35 | 35 | 35 |
| 5. Statutory Formula Aid (Detail in Narrative) | | | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 35 | 35 | 35 | 35 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds to Other Educ. Programs | | | <35> | <35> |
| Current Law Aid Funding Level (Line 4) | | | 35 | 35 |
| **RECOMMENDED AID ENTITLEMENT** | | | **0** | **0** |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | **0** | **0** |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | 35 | 35 | 0 | 0 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | **35** | **35** | **0** | **0** |

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PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

0825 EDUCATION AND EMPLOYMENT TRANSITIONS SYSTEMS (Information Only)

**BACKGROUND:**

The Governor's recommendations for the Department of Children and Education Services (DCES) includes an initiative in the amount of $5.0 million for the continuation and expansion of the youth apprenticeship demonstration projects previously funded in the K-12 Omnibus bill (see program 0816). The DCES recommendation includes $2.0 million for system planning and start-up funds for regional education and employment transition programs; $1.8 million for the continuation of existing youth apprenticeship demonstration efforts and state-level coordination efforts; and $1.2 million for development and administration of a statewide system of labor market information.

**PURPOSE:**

Minnesota's Education and Employment Transitions System must:

- build in each learner a sense of personal responsibility for acquiring the skills necessary for successful education and employment transitions;
- engage representatives of business, education, and the community in partnerships to plan, implement, evaluate, and continuously improve the system;
- respond to the diversity of culture, learning styles, geography, and special needs;
- balance the needs of learners to develop skills necessary for success in life and work and the needs of business to develop skilled, flexible workers;
- assist learners to understand work, the options leading to work, and the tools necessary to make transitions throughout life;
- be future-oriented and able to respond to shifting economic conditions and changing technology; and
- demonstrate efficient use of public and private resources to support education, training and retraining programs.

Several trends require changes in the way we educate our youth:

1. the international economy is becoming increasingly complicated and competitive;
2. students from elementary through early high school generally do not perform well on tests of educational achievement as compared to other advanced economies;
3. our population is aging — tomorrow's working age adults will have to run an economic machine to support more retired citizens than do today's working adults. Between 1990 and 1020, Minnesota's population ages 65 and older will increase by 23%, while the population aged 25 to 44 will decline by more than 14%; and
4. a substantial number of today's young adults are not completing high school or post-secondary training and as a result, many float aimlessly around a pool of low-skill, low-paying jobs. The current system does not adequately serve many young adults each year:

- In 1990, 5.1% (15,200) of Minnesota's youth, age 16 to 19, were high school dropouts.
- According to the 1990 census, 16.6% (72,010) of Minnesotan's between the ages of 18-24 had not completed high school.
- Of those that had completed high school, 33% had not yet started post-secondary training.

Traditionally, the American educational system has pointed towards earning a baccalaureate degree after a 4 or 5 year academic experience following graduation from high school. The college graduate was then expected to find a job commensurate with the new degree. But in the 1990s, there is strong evidence that the traditional school-to-work paradigm no longer works. As larger companies down-size to become more cost efficient, and as small companies expand and grow, there are increasing disparities between what business needs and what our education system is providing. A new comprehensive system for teen-aged students needs to be developed which will allow a student to point toward acquiring specific job skills that will be in demand when he/she "graduates".

Minnesota must begin considering steps that could be taken to bring the "supply side" and the "demand side" into synch. Minnesota has developed great programs to supply trained workers, but has never systematically considered whether our supply programs will fit tomorrow's demand. Predicting the "demand side" will not be easy because for many jobs specific skills have not been categorized, and the data needed to project the jobs/skills which will be needed in the future are currently inadequate.

Minnesota must expand the K-12 public education system to include multiple programs that lead to lifelong learning and work. Included among these are youth apprenticeship programs that integrate vocational academic education; classroom and workplace learning; and secondary and postsecondary education. These programs would be high quality, meeting state graduation standards and the standards of business and industry for success in the workplace. They would enhance existing education offerings and equip students to leave high school well prepared to enter the workforce.

Minnesota employers want workers who can attain highly developed technical skills. We must provide programs that give students those skills and the confidence to succeed in the work world.

A comprehensive system should have the following components:

- a regularly updated computer-based career planning and development system that provides users with information about current labor market trends and specific job availability;
- a widely accessible and regularly updated age appropriate printed and multi-media information systems that help users understand the skills needed for particular occupations, required

coursework in junior high through college and the ability to help the user identify occupations that match his skills/interests;

- a long-term curriculum-based approach to integrating work awareness, exploration, and preparation into the education of students from early elementary grades through graduation from high school and beyond;
- high quality work-based learning options for all learners including job shadowing, mentorships, service learning, internships, cooperative education, and apprenticeships especially in those fields offering high potential for future employment consistent with global and regional economies;
- strategies to assess learner and system achievement through demonstrating acquired skills and knowledge;
- professional education, technical assistance, and other support for local program and personnel development; and
- system accountability and customer assurance.

While the total system needs to be much more than just the work-based learning options like youth apprenticeship or internships, these pieces are the ones most in need of a structure that will encourage employer buy-in and business leadership, maximize student options, and permit efficient use of resources.

Minnesota's success in achieving its vision will depend on collaboration among our private business communities, public and private education systems, government agencies, worker representatives, community-based services, and learners. A primary objective during the development period will be to demonstrate how existing public and private resources for education and training can be restructured to maintain the system. Long-term maintenance of Minnesota's comprehensive education and employment transitions system must not depend on new sources of revenue. During a one to four year period, some additional funds are necessary to demonstrate the efficacy of various system components.

Overall, the system needs to actively engage the business communities in all aspects of planning and implementing system components. The strategies that follow reverse the public sector and "supplier" dominance of Minnesota's education and employment transitions programs and provide incentives for collaboration.

## GOVERNOR'S RECOMMENDATION

1. Establish regional governance structures to plan, implement and assess education and employment transitions programs in each of the state's economic development regions.

   a. Each regional structure will be comprised of 10 to 15 directors appointed by the governor. At least 50% of the directors must represent employers in the region. The remaining directors will be selected from among educators, learners, parents, workers, government, and community based organizations. Not more than 20% of the members can represent organizations that deliver education and training services.

   b. Each regional organization will develop a plan for an education and employment transitions system. Those plans will be based on the system characteristics outlined above and will be tied directly to the economic development opportunities of the region.

   c. Regional plans will identify public and private education and training services and coordinate their deployment to meet regional objectives.

   d. Regional plans will demonstrate how the system will be maintained beyond the start-up period using existing public and private sector education and training resources including secondary and post-secondary funding, private sector training funds and wages, and public sector training resources.

   e. State funding totalling $2.0 million for the 1996-97 biennium for system planning and start-up will be administered by the region structures.

2. Continue current youth apprenticeship demonstration efforts and develop state-level capacity to coordinate interregional system development and assist regional education and employment transitions systems assess, monitor, and improve their performance.

   a. Coordinate statewide system development to ensure access and program continuity across regional divisions.

   b. Establish standards for learner and system performance and implement a program of performance assessment, monitoring, and continuous improvement.

   c. Develop the capacity to:

      - reduce barriers to effective use of state resources;
      - provide technical and other assistance to regions for system component development;
      - develop appropriate professional education programs.

   d. Continue youth apprenticeship demonstration programs started with funding from the state.

   e. State funding totalling $1.8 million for the 1997-97 biennium will be administered by the Department of Children and Education Services (DCES) for the purposes outlined in this section. As discussed earlier in the agency narrative, while most staff from the

Department of Education will not be transferred to the DCES until FY 1997, the DCES Commissioner will have the discretion to transfer some positions or functions in FY 1996 as needed to administer the program.

3. Develop a statewide system of labor market information that is built on the current and future needs and business for appropriately prepared workers and meets the needs of learners for accurate and timely information about the availability of work and the skills necessary for successful entry into high-wage jobs.

   The Department of Children and Education Services will receive $1.2 million during the 1996-97 biennium to administer the LMI system. The Commissioner has discretion to contract with other agencies, such as the Department of Trade and Economic Development, as appropriate for this activity.

4. The MDE on behalf of the state of Minnesota will seek federal funding of up to $25 million over 5 years from the School-To-Work Opportunities Act of 1994 for the efforts described above. Again, the DCES Commissioner would have the discretion to transfer the MDE staff involved in this function as early as FY 1996.

5. In addition to the total of $5 million in one-time funds recommended here, ongoing funding would be provided from 2 sources:

   a. through the Post-Secondary Education Options program with some modifications to make the funding cost neutral over the extended life of the apprenticeship. Essentially, current general education funding for 11th and 12th grade students would follow them to the education and employment transition program; and

   b. through the use of current funds for the vocational technical system going into the Higher Education Board (HEB) base. The HEB would be asked to reserve in its budget approximately $2,000 per year per apprentice enrolled in one of the programs. The Boards could use these funds to negotiate with the HEB for training in HEB locations. If they could not reach agreement with HEB, the HEB would pay these amounts to the education and employment transition boards.

6. The Governor's Task Force on Higher Education and the Economy will be asked to consider alternative or additional ways in which greater incentives can be provided to Minnesota's higher education systems to be more responsive to the needs of employers in a rapidly changing international economy.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

0826 Teacher Certification
(Information Only)

**BACKGROUND:**

Of the amounts recommended for the University of Minnesota and the Higher Education Board, the Governor included recommendations for $500,000 for the University of Minnesota and $500,000 for the Higher Education Board for reallocation planning or curriculum development costs needed to adjust to changes in the programs aimed at preparing prospective K-12 teachers seeking licensure beginning in F.Y. 1999. The suggested changes are discussed below.

**PURPOSE:**

To strengthen the exit requirements for prospective elementary and secondary teachers and to ensure that new teachers enter the classroom with the foundation necessary to understand the theories and practices associated with the new graduation standards.

**DESCRIPTION:**

Certification for all prospective elementary and secondary teachers, beginning in FY 1999, will require the following:

1). Knowledge of the philosophy and contents of Minnesota's graduation standards

2). At least a B average in coursework required for graduation

3). At least a B average in English composition including demonstration of writing skills traditionally associated with completion of at least one additional year of composition or technical writing beyond the general requirement for a BA.

4). Knowledge of and practice in using current software and other technology for improving student learning.

Certification as a secondary teacher will require the following, beginning in F.Y. 1999:

1). A major with at least a B average in the academic discipline(s) the student is seeking certification to teach

2). Demonstration of skills in teaching and evaluating reading, including technical reading if appropriate, using the academic discipline for which certification is sought

3). Demonstration of skills in the teaching and evaluating of communication, including technical writing if appropriate, using the academic discipline for which certification is sought

4). Requires that evaluation of the prospective teacher's performance in their internship include an evaluation of their ability to use their chosen academic field as a medium for developing students' general reading, writing, and speaking skills

Certification as an elementary teacher will require the following, beginning in F.Y. 1999:

1). Completion of the following areas of coursework with at least an overall B average:

a). College level math or computer science (8 quarter credits)
b). College-level natural sciences (8 quarter credits)
c). American history and/or political science (12 quarter credits)
d). Western civilization, humanities, arts, or literature (12 quarter credits)
e). Non-western civilization, humanities, arts, or literature (12 quarter credits)

2). Demonstration of skills in teaching and evaluating reading

3). Demonstration of skills in teaching and evaluating writing

4). Demonstration of skills in teaching and evaluating mathematics

5). Requires that evaluation of the prospective teacher's performance in their internship include an evaluation of their use of a variety of subject areas as the foundation for developing students' general communication skills.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0827 NUTRITION EDUCATION AND TRAINING PROGRAM

CITATION: Child Nutrition Act (1966) as amended by P.L. 103-448
MDE ADMIN: 1211 Food and Nutrition

PURPOSE:

To provide opportunities for students (Preschool - Grade 12) to acquire the knowledge, skills, and attitudes to make informed and healthy food choices to maintain and promote health.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

DESCRIPTION:

Federal funds are appropriated annually by the U.S. Congress for the Nutrition Education & Training (NET) program. The U.S. Department of Agriculture is the national administrative office. Grants are awarded to states based upon student enrollment in the Child Care & Adult Food Program and in public and private schools in Minnesota. In F.Y. 1994, the Minnesota Department of Education received $175,428.00 based upon enrollment of 883,373 children.

Annually, a state plan is prepared that describes the nutrition education needs of children, teachers and school food service staff and the methods of meeting the needs with the resources available.

Each year the NET program provides serivces to children (preschool-12th grade), teachers, administrators, school nurses and school food service staff through:

- curriculum development grants and contracts;
- teacher and school food service conferences;
- development/dissemination of current nutrition information;
- workshops to increase the nutrition knowledge and instructional strategies of teachers; and
- project development for school and child care use.

The NET Program is evaluated by the participants that attend the conferences, workshops and receive the grant awards as to the usefulness of the service and resources provided.

The NET Program has three service outcomes:

- in-service training of teachers, school nurses, principals and child care staff in nutrition and strategies to integrate nutrition instruction into the curriculum;
- provide nutrition training and materials for school food service personnel; and
- development, identification, and dissemination of resource materials to target audiences.

Examples of accomplishments and effectiveness during F.Y. 1994 and F.Y. 1995 include:

- Planned and conducted two conferences that were attended by 600 educators.
- Planned and conducted a staff development conference for school food service staff. 160 people attended this Saturday conference.
- Planned and implemented a needs assessment survey of elementary children, teachers, school food service staff and school administrators.
- Developed and distributed a needs assessment survey of elementary children, teachers, school food service staff and school administrators.
- Developed and distributed a needs assessment survey of elementary children, teachers, school food service staff and school administrators.
- Developed and distributed the Food Guide Pyramid with Pepper and Cheddar to Family Child Care Sponsors. They in turn used the materials with 7,700 childcare providers and 26,600 children.
- Distributed over 7,000 nutrition education materials to health, personal and family life science and elementary teachers; school nurses; and school food service directors.
- Planned and established the Food and Nutrition Education and Training Resource Center, a center for lending nutrition resources.
- Provided instructional materials to 150,000 students.

PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Persons Reached | | | | | |
| Children | 6,800 | 32,736 | 20,000 | 20,000 | 20,000 |
| Teachers/Child Care Staff | 2,100 | 18,615 | 6,000 | 6,000 | 6,000 |
| Food Service Personnel | 500 | 1,280 | 1,000 | 1,000 | 1,000 |
| Funding Level | $ 169.2 | $ 175.4 | $ 174.5 | $ 174.0 | $ 174.0 |
| Administration | $ 82.7 | $ 89.5 | $ 94.2 | $ 94.0 | $ 94.0 |
| Program Services | $ 86.5 | $ 85.9 | $ 80.2 | $ 80.0 | $ 80.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The Nutrition Education and Training Program was permanently authorized under the 1994 Child Nutrition Reauthorization Bill (Public Law 103-448). State and national agendas indicate that meeting the nutritional needs of young children and youth is critical to their success as learners. However, if the proposed federal Personal Responsibility Act were to be implemented it is

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0827 NUTRITION EDUCATION AND TRAINING PROGRAM
(Continuation)

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unknown how the Nutrition Education and Training Program would be implemented in Minnesota.

**B. STRATEGIES:**

MDE will continue to provide technical assistance and support to school districts participating in this program.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0828 SCHOOL LUNCH PROGRAM
0829 SPECIAL MILK PROGRAM
0830 SCHOOL BREAKFAST PROGRAM
0831 CHILD AND ADULT CARE PROGRAM
0832 SUMMER FOOD SERVICE PROGRAM
0833 FOOD DISTRIBUTION PROGRAM

CITATION: National School Lunch Act, Section 4, 9, 11, 13, 14 and 17
MDE ADMIN: 1303 Food and Nutrition Service

PURPOSE:

To safeguard the health and well-being of Minnesota children and adults by providing technical, financial and food assistance to sponsors of congregate feeding programs through administering United States Department of Agriculture (USDA) nutrition programs.

**Child and Adult Care Program:** To maintain and improve the availability of nutritious meals and snacks to children through age 12 and functionally impaired adults, in nonresidential settings that provide child care or adult day care by reimbursing food and nutrition costs to program operators.

**School Breakfast Program and National School Lunch Program:** To reimburse schools that provide nutritious breakfasts and lunches to children, youth, and adults in school-sponsored programs up to completion of high school education, so that they may perform at full potential and develop lifelong sound eating habits; to promote customer selection of school meals based on the Dietary Guidelines for Americans, reinforcing nutrition principles taught in the classroom.

**Special Milk Program:** To provide reimbursement to schools and institutions that serve milk to children to meet their recommended daily intake of fluid milk.

**Summer Food Service Program:** To provide technical assistance and reimbursement to schools and institutions that serve nutritious meals to children from low-income families during the summer months when schools are not in session.

**Food Distribution Program:** To provide USDA donated food commodities to schools and other eligible agencies so that they can serve low cost nutritious meals to children and needy adults.

Most education programs contribute to more than one education goal. These programs provide federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to programs 0801, School Lunch/Milk Program, 0802, School Breakfast, and 0803, Summer Food Service, for further discussion on these programs' contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 148 and 180.

DESCRIPTION:

The Food and Nutrition activity is to effectively deliver six U.S. Department of Agriculture (Federal) nutrition programs (Child and Adult Care Food, School Breakfast, National School Lunch, Special Milk, Summer Food Service and Food Distribution Programs) through leadership, service and administration.

**Child and Adult Care Program:** Eligible organizations are licensed or approved child care centers, outside-school-hours care centers, sponsoring organizations, and family day care homes. USDA reimbursement is available for breakfast, lunches, suppers, and snacks that meet guidelines, Up to two meals and one snack per day per participant may be claimed for reimbursement; an additional meal or snack may be claimed for children in care for 8 hours or more. Rates of reimbursement for centers and for family day care homes are established by USDA. For centers, the amount of reimbursement also depends on household size and income. Sponsors of family day care home organizations receive administrative payments in relation to the number of homes sponsored.

**School Breakfast Program and National School Lunch Program:** Public and nonpublic schools and residential child care institutions are eligible to participate in either or both programs and receive reimbursement at rates that are established annually. Free and reduced price breakfasts and lunches are available to children who qualify based on family size and income. Low cost meals are available to other children. A basic federal rate of reimbursement for breakfasts, and a basic rate for lunches, is paid to the provider for all meals served. All sites receive reimbursement in addition to the basic rate for meals served free or at reduced price. For severe need sites, those sites with free and reduced price lunch participation of at least 40%, free and reduced price breakfasts are eligible for higher rates of reimbursement if justified by actual costs. Sites with at least 60% free and reduced price lunch participation receive slightly higher rates of reimbursement for lunches served at free or reduced price.

**Special Milk Program:** This program serves children who do not have access to school breakfast or lunch. Agencies are reimbursed for 1/2 pints of milk at a rate that is adjusted annually. Agencies which serve milk free to eligible needy are reimbursed at their average cost of milk.

**Summer Food Service Program:** Agencies in federally defined low-income areas receive reimbursement and donated commodities for meals served to eligible needy when the school meal programs are not operating. Agencies in low-income areas are recruited to participate in this program. Agencies receive an administrative aid as well as operating reimbursement.

**Food Distribution Program:** The department contracts with one or more providers to receive, store and distribute USDA donated commodities to eligible schools, charitable institutions, summer camps and summer food service program sites. Based on availability, desirable commodities are requested from the USDA on the behalf of eligible agencies and equitably

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0828 SCHOOL LUNCH PROGRAM
0829 SPECIAL MILK PROGRAM
0830 SCHOOL BREAKFAST PROGRAM
0831 CHILD AND ADULT CARE PROGRAM
0832 SUMMER FOOD SERVICE PROGRAM
0833 FOOD DISTRIBUTION PROGRAM

(Continuation)

allocated and delivered to program participants. Many less desirable commodities are processed into more desirable end products before delivery to eligible program participants.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **Child and Adult Care Program** | | | | | |
| 1. Public institutions | | | | | |
| Total institutions | 43 | 51 | 60 | 65 | 70 |
| Sites | 93 | 139 | 155 | 175 | 195 |
| Participants | 3,300 | 6,100 | 6,800 | 7,600 | 8,500 |
| USDA funding | $ 490 | $ 620 | $ 700 | $ 800 | $ 900 |
| 2. Private institutions | | | | | |
| Total institutions | 248 | 253 | 285 | 315 | 355 |
| Sites | 13,061 | 13,973 | 14,860 | 15,795 | 16,785 |
| Participants | 90,400 | 103,600 | 116,000 | 129,900 | 144,500 |
| USDA funding | $ 48,660 | $ 57,640 | $ 59,300 | $ 63,000 | $ 65,400 |
| 3. Total federal aid | $ 49,150 | $ 58,260 | $ 60,000 | $ 63,800 | $ 66,300 |
| **School Breakfast Program** | | | | | |
| 1. Public school districts | | | | | |
| School food authorities participating | 239 | 246 | 295 | 300 | 305 |
| Breakfasts served (000s) | | | | | |
| Paid | 1,198 | 1,409 | 1,548 | 1,611 | 1,692 |
| Reduced price | 474 | 561 | 602 | 626 | 658 |
| Free | 5,425 | 5,938 | 6,450 | 6,713 | 7,050 |
| Total breakfasts | 7,097 | 7,908 | 8,600 | 8,950 | 9,400 |
| USDA funding | $ 5,975 | $ 6,650 | $ 7,249 | $ 7,546 | $ 7,925 |
| 2. Nonpublic schools and residential care institutions | | | | | |
| School food authorities/ institutions | 66 | 66 | 72 | 73 | 74 |
| Breakfasts served (000s) | | | | | |
| Paid | 76 | 75 | 85 | 90 | 94 |
| Reduced price | 12 | 16 | 20 | 22 | 23 |
| Free | 799 | 850 | 945 | 998 | 1,058 |
| Total breakfasts | 887 | 941 | 1,050 | 1,110 | 1,175 |
| USDA funding | $ 884 | $ 890 | $ 1,000 | $ 1,055 | $ 1,115 |
| Total USDA funding | $ 6,819 | $ 7,540 | $ 8,249 | $ 8,601 | $ 9,040 |
| **School Lunch Program** | | | | | |
| 1. Public school districts | | | | | |
| School food authorities | 403 | 392 | 390 | 390 | 390 |
| Lunches served (000s) | | | | | |
| Paid | 49,779 | 49,985 | 50,200 | 50,400 | 50,600 |
| Reduced price | 6,054 | 6,250 | 6,400 | 6,600 | 6,800 |
| Free | 19,835 | 20,493 | 21,200 | 21,800 | 22,500 |
| Total | 75,668 | 76,728 | 77,800 | 78,800 | 79,900 |
| 2. Nonpublic schools and residential child care institutions | | | | | |
| School food authorities | 251 | 251 | 247 | 247 | 247 |
| Lunches served (000s) | | | | | |
| Paid | 3,482 | 3,577 | 3,650 | 3,750 | 3,850 |
| Reduced price | 357 | 369 | 380 | 390 | 400 |
| Free | 1,340 | 1,426 | 1,520 | 1,610 | 1,700 |
| Total | 5,179 | 5,372 | 5,550 | 5,750 | 5,950 |
| 3. Funding level | | | | | |
| Total Section 4 funds* | $ 13,162 | $ 13,700 | $ 14,250 | $ 14,800 | $ 15,400 |
| Total Section 11 funds** | $ 38,847 | $ 40,200 | $ 41,600 | $ 43,000 | $ 44,500 |
| Total federal funds | $ 52,009 | $ 53,900 | $ 55,850 | $ 57,800 | $ 59,900 |

*Paid for all student lunches
**Additional funding for free and reduced price lunches

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0828 SCHOOL LUNCH PROGRAM
0829 SPECIAL MILK PROGRAM
0830 SCHOOL BREAKFAST PROGRAM
0831 CHILD AND ADULT CARE PROGRAM
0832 SUMMER FOOD SERVICE PROGRAM
0833 FOOD DISTRIBUTION PROGRAM
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **Special Milk Program (SMP):** | | | | | |
| 1. Number of school food authorities | | | | | |
| Public schools* | | | | | |
| Split session | 109 | 106 | 106 | 106 | 106 |
| Milk only | 6 | 3 | 3 | 3 | 3 |
| Nonpublic schools* | | | | | |
| Split session | 69 | 71 | 71 | 71 | 71 |
| Milk only | 74 | 74 | 74 | 74 | 74 |
| Residential child care institutions | 4 | 4 | 4 | 4 | 4 |
| Nonresidential child care institutions | 72 | 74 | 74 | 74 | 74 |
| Summer camps | 105 | 110 | 110 | 110 | 110 |
| Total | 439 | 442 | 442 | 442 | 442 |
| 2. Number of 1/2 pints of milk consumed | | | | | |
| Public schools | 3,290 | 3,350 | 3,350 | 3,350 | 3,350 |
| Nonpublic schools | 2,112 | 2,150 | 2,150 | 2,150 | 2,150 |
| Residential child care institutions | 378 | 385 | 385 | 385 | 385 |
| Nonresidential child care institutions | 525 | 535 | 535 | 535 | 535 |
| Summer camps | 1,314 | 1,340 | 1,340 | 1,340 | 1,340 |
| Total | 7,619 | 7,760 | 7,760 | 7,760 | 7,760 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 3. Federal funding | $ 829 | $ 846 | $ 888 | $ 888 | $ 888 |
| **Summer Food Service Program:** | | | | | |
| Sponsoring organizations | 32 | 38 | 42 | 45 | 48 |
| Number of sites | 301 | 308 | 315 | 325 | 335 |
| Average daily attendance (July) | 15,767 | 16,500 | 17,200 | 18,000 | 19,000 |
| Total federal aid | $ 2,063 | $ 2,250 | $ 2,500 | $ 2,850 | $ 3,200 |
| **Food Distribution Program:** | | | | | |
| Number of food authorities | | | | | |
| Schools | 660 | 660 | 650 | 650 | 650 |
| Charitable institutions | 450 | 450 | 400 | 350 | 300 |
| Summer camps | 140 | 140 | 10 | 10 | 10 |
| Summer food service | 60 | 60 | 60 | 60 | 60 |
| Total | 1,210 | 1,110 | 1,020 | 970 | 970 |
| Value of commodities distributed | | | | | |
| Schools | $ 14,592 | $ 12,659 | $ 12,000 | $ 12,000 | $ 12,000 |
| Charitable institutions | 1,603 | 1,488 | 1,000 | 1,000 | 1,000 |
| Summer camps | 109 | 100 | 50 | 50 | 50 |
| Summer food service | 20 | 11 | 12 | 12 | 2 |
| Total | $ 16,325 | $ 14,260 | $ 13,062 | $ 13,062 | $ 13,062 |

**CHALLENGES:**

**Child and Adult Care Program (CACFP):** The lack of administrative funding for child care centers continues to deter many small child care centers from participating in the CACFP. The lack of administrative funding results in substantial numbers of Minnesota children not being able to participate in the CACFP and Minnesota foregoing significant additional federal funding. Adult Day Care Centers are increasing in numbers and most do not participate in CACFP. MDE has not yet gathered important information for seeking additional eligible customer agencies.

**School Breakfast Program:** Approximately 37% of public school districts did not offer a breakfast program during school year 1993-94. Only 6% of students statewide eat breakfast at school. Some real and perceived barriers include:

1. bus and classroom schedules preventing the integration of breakfast into the school day,
2. school breakfast being viewed as a program only for "poor" children or school districts, and
3. the perception of breakfast as a parental duty.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0828 SCHOOL LUNCH PROGRAM
0829 SPECIAL MILK PROGRAM
0830 SCHOOL BREAKFAST PROGRAM
0831 CHILD AND ADULT CARE PROGRAM
0832 SUMMER FOOD SERVICE PROGRAM
0833 FOOD DISTRIBUTION PROGRAM

(Continuation)

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**National School Lunch Program:** For a half-century, the determination of whether meals are reimbursable has been by the adherence of menus to meal patterns specified by the USDA. Following the meal patterns ensured that at least minimum amounts of foods from the specified food categories were offered. Soon, determination of whether meals are reimbursable will be based on whether the menus, and the foods selected by students each week, meet the guidelines for reduction of fat and salt and provision of specified nutrients. Computerized analysis of menus will be one method, and may be the only method, allowed to determine whether a week's breakfasts and lunches have met the guidelines and are reimbursable. While Minnesotans support this policy direction, many schools need assistance for implementation. This challenge also applies to the School Breakfast Program.

**Special Milk Program:** Some children do not have access to even the Special Milk Program. Agencies that serve the educational needs of children have not shown interest in participating in the milk program.

**Summer Food Service Program (SFSP):** The SFSP is not available in every qualifying area of the state. Rural program operation is generally impractical unless children are already assembled for other activities. Program reimbursement, and recordkeeping and application requirements also make it fiscally impractical for most institutions to sponsor the program on a single site, local area basis.

**Food Distribution Program:** The amount of commodities donated by the USDA continues to decrease because of lack of surpluses and the federal government's attempts to reduce its deficit. At the same time schools are demanding more nutritious and lower fat items that children will eat. Schools do not want to be a dumping ground for undesirable foods. These factors will require the commodity program to be increasingly selective when accepting commodities offered by the USDA.

STRATEGIES:

**Child and Adult Care Program:** MDE is exploring sources of additional funding and collaborating to develop systems for administration that are cost effective. Additional efforts are being made to promote CACFP to increase the number of participating Adult Day Care Centers. The establishment of a data base will provide MDE with lists of potential CACFP participants for the purpose of promoting programs targeted at increasing the number of CACFP participants.

**School Breakfast Program:** A variety of program promotion activities will be targeted to students, parents, teachers, principals, superintendents, food and nutrition staff and other groups that have a vested interest in children's health, nutrition and educational attainment. As most barriers are perceived rather than actual, MDE will continue to build coalitions that will publicize program benefits and emphasize the winning strategies used by successful programs.

**National School Lunch Program:** MDE will provide training, first for state staff and then for customer food and nutrition staff, on dietary guidelines, computerized methods of nutrient analysis, and collaborative strategies. Minnesota LunchPower, a non-computer method to meet dietary guidelines, will be used as a springboard. This strategy also relates to the School Breakfast Program.

**Special Milk Program:** Outreach activities are planned to focus on child care institutions and nonpublic schools.

**Summer Food Service Program:** An upgraded profile, including maps of qualifying areas of the state, is being developed using data provided by USDA and the Census Bureau. This information will be used to target promotional efforts to areas of need. More effort is being made to promote regional sponsorship, both for providing more access and for cost effectiveness. Prospective sponsors are being encouraged to collaborate with other community service agents to integrate the SFSP with other concurrent community activities for children. Also, our goal is to streamline the application process for 1995.

**Food Distribution Program:** Of the increasingly limited amount of commodities available from the USDA, the selection for commodities for distribution to eligible agencies will be based on fat content and overall desirability. A greater amount of the less desirable commodities will be processed into desirable end products.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0834 CONSOLIDATED FEDERAL PROGRAMS

CITATION: Federal Elementary and Secondary Education Act 1965; Chapter 2 of Title 1, P.L. 100-297
MDE ADMIN: 1202 State and Federal Programs (Targeted Populations)

**PURPOSE:**

The Federal Elementary and Secondary Education Act of 1965 was amended in 1988 (Chapter 2 of Title 1, Public Law 100-297) to support educational program improvement in 6 targeted areas. A block grant has replaced several smaller categorical grants. The 6 targeted areas for assistance are:

- programs to meet the needs of students at risk of failure;
- programs for the acquisition and use of instructional and educational materials;
- innovative programs designed to carry out school wide improvements;
- programs of training and professional development;
- programs designed to enhance personal excellence of students; and
- innovative projects to enhance the educational program and climate of the school.

School district applications may request funding in any single or any combination of these program areas.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 22, 24 and 124.

**DESCRIPTION:**

For F.Y. 1995 the U.S. Department of Education allocated $6,558,006 to the state to be disbursed as follows for Chapter 2 programs:

- 80%, or approximately $5,246,404 flow-through to school districts according to a formula developed by the Minnesota Department of Education (MDE). This formula takes into consideration total enrollment—both public and private schools—and certain student and demographic characteristics which contribute to high educational cost.
- 20% or approximately $1,311,602 supports programs initiated by the state.

From its 20% share, MDE supports leadership and management functions within MDE (MDE Agency Budget).

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Applications reviewed: | | | | | |
| Formula flow-through | 406 | 395 | 395 | 395 | 395 |
| School district participants: | | | | | |
| Formula flow-through | 406 | 395 | 438 | 438 | 438 |
| Workshops conducted | 8 | 8 | 8 | | |
| Monitoring visits | 122 | 60 | 120 | 120 | 120 |
| Evaluation reports | 450 | 450 | 450 | 450 | 450 |
| Teachers in staff development: | | | | | |
| Formula flow-through | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| Student participants: | | | | | |
| Formula flow-through | 370,000 | 370,000 | 320,000 | 320,000 | 320,000 |
| Flow-through funding: | | | | | |
| Formula and competitive grants | $ 6,300.0 | $ 6,100.0 | $ 5,200.0 | $ 5,300.0 | $ 5,300.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- An allocation based on the state formula has been determined for each public school district. The public school district is obliged to offer services available under Chapter 2 to children in nonpublic schools on an equitable basis. The allocation to each district reflects the school population in both public and nonpublic schools. Individual school districts and nonpublic schools have total discretion in selecting programs from the list of 6 targeted assistance areas.
- In F.Y. 1992, 297 applications were received for competitive grants and 22 were awarded. Awards are based on merits of the application which include a statement of need, description of the proposed program, an evaluation procedure, and an itemized budget.

**B. STRATEGIES:**

- For F.Y. 1996, approximately $5,300 of federal funds will be available upon submission of an annual application which is consistent with federal program requirements. Local school districts may elect to expend funds in any one or any combination of the 6 targeted areas. No change is

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0834 CONSOLIDATED FEDERAL PROGRAMS
(Continuation)

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proposed at this time relative to delivery of service. However, Congress could change priorities as it considers program re-authorization.

- Federal funding has been stable to declining slightly in recent years. This program has been reauthorized by Congress on Title VI of the new IASA. The program continues in its current mode with a modification in target areas.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0835 SCHOOL - WORK OPPORTUNITIES

CITATION: School-To-Work Opportunities Act of 1994
MDE ADMIN: 1205 Lifework Development

PURPOSE:

The School-To-Work Opportunities Act of 1994 provided Minnesota with $270,000 to design a comprehensive system of education and employment transitions. That system when implemented will enhance the opportunities for all Minnesota learners to develop the skills necessary to make successful transitions among education and employment throughout their lives.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 94 and 96.

DESCRIPTION:

Activities funded by the School-To-Work development grant include: Professional and administrative support of the Education and Employment Transitions Council (EETC); marketing efforts to reach Minnesota businesses, educators, labor, learners, and parents; evaluation of youth apprenticeship and other work-based learning efforts; and travel within and outside Minnesota to learn about approaches to developing statewide systems.

PROGRAM STATUS:

The development activities have assisted the EETC members and others to understand better the opportunities and challenges associated with developing a comprehensive education and employment transitions system. Two products will be produced: a report to the 1995 Minnesota Legislature that outlines the basic components of Minnesota's system, the resources necessary to implement the system, and strategies for implementation; and a request for five-year federal School-To-Work implementation funding.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Total Funding | -- | -- | $ 270.0 | $ 2,000.0 | $ 2,000.0 |

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- All activities of this grant will be performed and all funds will be encumbered by June 30, 1995.

B. STRATEGIES:

- Administrative support for the EETC will continue along with marketing efforts, evaluation of programs, and dissemination of best-practices to work-based learning efforts.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

**PROGRAM:** 08 Other Education Programs
**AGENCY:** Education Aids

**FEDERAL PROGRAMS:**

0836 AMERICORPS

**CITATION:** National Service Trust Act, 1993 (AmeriCorps)
**MDE ADMIN:** 1205 Lifework Development

**PURPOSE:**

The AmeriCorps program provides grants to states to expand opportunities for young Americans to serve their country, build their communities, and earn educational awards in return.

AmeriCorps is the new national service movement which will engage young people in full or part time service that gets things done in communities across Minnesota. The 216 AmeriCorps/Youth Works members will perform service that will have a direct and demonstrable impact in four critical issue ares: education, public safety, human needs, and the environment. An additional 144 Youth Works Corps members will serve their communities in similar capabilities and receive the same benefits.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 94 and 96.

**DESCRIPTION:**

AmeriCorps is operated in conjunction with the Minnesota Youth Works Program so that participating public non-profit agencies are funded jointly through state and federal grants. A total of 330 members will participate.

Through a competitive request for proposal (RFP) process, the Minnesota Commission on National and Community Service (formerly the Youth Works Task Force) selected eight programs as sponsors of these service corps for 1994-1995. In return for full-time service (1,700 hours per year), participants will receive a living allowance or stipend, health insurance, child care if needed, and post-service education award of $4,725 after their year of service. The education award may be used toward higher education costs or to pay off college loans.

The national AmeriCorps funding program is based in part on a population formula and in part on a national competitive process. The following three community organizations were selected to receive federal formula funding:

| | Federal Funding | State Funding |
|---|---|---|
| Two or More, Inc. | $ 342.6 | $ 128.0 |
| Pillsbury Center | $ 254.4 | $ 91.0 |
| Neighborhood House | $ 234.6 | $ 109.3 |
| Total | $ 831.6 | $ 328.3 |

The following three proposals were selected in federal competition:

| | Federal Funding | State Funding |
|---|---|---|
| City of St. Paul | $ 289.9 | $ 804.0 |
| Red Lake Tribal Council | $ 40.0* | $ 0.0 |
| Total | $ 329.9 | $ 804.0 |

* Six months planning grant

The Corporation for National Service also funds the Minnesota Commission on National and Community Service. The Governor appointed eighteen persons to serve on the Minnesota Commission that is responsible for a three-year comprehensive plan for community service, for selecting AmeriCorps grantees, and for providing training and technical assistance for community service programs.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| Number of program sponsors | -- | -- | 6 | 8 | 8 |
| Number of participants | -- | -- | 216 | 375 | 375 |
| Amount of grants | -- | -- | $1,161.6 | $2,939.0 | $2,939.0 |
| Minnesota Commission on National and Community Service | -- | $100.0 | $200.0 | $200.0 | $200.0 |
| Totals | $ 0.0 | $ 100.0 | $ 1,361.6 | $ 3,139.0 | $ 3,139.0 |
| Amount of Education Awards* | -- | -- | $ 1,023.5 | $ 1,771.9 | $ 1,771.9 |

* Direct federal disbursement of post-service education awards

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

0836 AMERICORPS
(Continuation)

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**BUDGET ISSUES:**

**A. CHALLENGES:**

- The National Corporation does not offer an incentive in the competitive grant process for states that have a state/federal funding partnership.

**B. STRATEGIES:**

- Continue to discuss issue with Congressional delegation.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

| | | |
|---|---|---|
| **PROGRAM:** | 08 | Other Education Programs |
| **AGENCY:** | | Education Aids |
| | | **FEDERAL PROGRAMS:** |
| | 0837 | FEDERAL IMPACT AID (Information Only) |
| **CITATION:** | | P.L. 81-874, Titles I and IV as amended<br>P.L. 81-815, as amended |
| **MDE ADMIN:** | 1209 | Education Finance |

**PURPOSE:**

Federal Impact Aid was established to assist school districts that are financially burdened as a result of existing, new, or expanded federal activities. Federal Impact Aid is designed to compensate school districts for the costs of educating children when enrollments and/or the availability of revenues from local sources have been adversely affected by federal ownership or federal activity.

**DESCRIPTION:**

For fiscal year ending 1994, 30 Local Education Agencies (LEAs) in Minnesota qualified and received approximately $5.5 million in funding for Federal Impact Aid. Because of new Impact Aid legislation, these same LEAs will be paid, for fiscal year 1995, 85% of the prior year revenue based on a current "Hold Harmless" clause. Revenue reductions targeted for fiscal year 1996 have made it difficult to determine how many Minnesota LEAs will retain Impact Aid revenue. It is projected that 700 of the nation's 2,700 LEAs currently receiving Impact Aid will lose funding.

The federal government is the nation's largest landowner and employer, with military installations, civilian government agencies, Indian reservations, and public housing. The federal government does not pay property taxes, the traditional source of financial support for schools. Since federal property is not subject to property tax, it does not provide financial support for the schools, even though the dependents of federal employees and residents of federal lands add to the cost of providing public education. When P.L. 81-874 and P.L. 81-815 were originally enacted in 1950, the primary focus was to respond to the impact of increased populations in centers of defense production and near military installations. Since that time, P.L. 103-382 has expanded the provisions of the program to recognize the impact represented by children residing on certain Indian lands. Additional Impact Aid is available for disabled children who reside on Indian land and disabled children who have a parent in the uniformed services. The definition of federal property has been broadened to include certain low-rent housing properties as well as tax-exempt properties owned by foreign governments.

Federal Impact Aid provides assistance to LEAs under one broad program with four components that is a recurring, current funded program requiring an annual application filed with the U.S. Department of Education by January 31.

**Public Law 103-382**
Public Law 103-382 provides financial assistance for current operations. Impact aid payments are made directly to school districts for the current fiscal year where they are usually commingled with state, local, and other funds used for any purpose benefiting all students enrolled in the district. Funds for this program are available from October 1 through September 30. The level of funding is dependent upon the availability of appropriations. Significant sections of this law are described below.

**Section 8002 (of P.L. 103-382)**
Authorizes assistance to school districts having a partial loss of tax base as a result of the acquisition of real property by the United States. An LEA may be eligible if 1) the property was acquired by transfer since 1938; 2) was not acquired by exchange for other federal property in the LEA agency which the United States owned before 1939; 3) the assessed valuation of such property represents 10% or more of the total assessed valuation of all realty in the LEA at the time or times of transfer; 4) the acquisition has placed a substantial and continuing financial burden on the LEA; and 5) the LEA is not being substantially compensated by increases in revenue from federal activities with respect to the Federal property.

**Basic Support Payments (Section 8003)**
Basic support payments constitute the major part of the Impact Aid program. Section 8003 establishes several broad categories of school children who may generate payments for their LEAs and requires the determination of the number in each category. Eligible school districts provide education for federally connected children who:

1. reside on federal property *and* live with a parent employed on Federal property, or
2. reside on federal property with a parent who is an official of a foreign government and is a foreign military officer,
3. reside on federal property *and* have a parent on active duty in the uniformed forces,
4. reside on Indian lands,
5. had a parent on active duty in the uniformed services but did not reside on federal property,
6. had a parent who is an official of and has been accredited by a foreign government and is a foreign military officer but did not reside on federal property,
7. resided in low-rent housing, or
8. resided with a parent employed on federal property.

A school district may be eligible for payments if the total number of Section 8003 children in average daily attendance (ADA) is 3% of the total average daily attendance or 400, whichever is the lesser.

The maximum amount the LEA is eligible to receive under Section 8003 for any fiscal year is the sum of its total weighted student units multiplied by one-half of the average per-pupil expenditure for all of the states for the third fiscal year preceding the fiscal year for which the determination is made.

**Payments for Children with Disabilities (Section 8003 (d))**
The new legislation includes a new formula and authorization for a separate appropriation for payments for children with disabilities. Revenues for children with disabilities shall be used to provide a free public education to children in accordance with the Individuals with Disabilities Education Act.

For children with disabilities who reside on Indian land and children with disabilities who are military dependents residing on federal property, the revenue weighting is 1.0 and it is estimated that the payment per child will be approximately $900. For military dependent children with disabilities

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0837 FEDERAL IMPACT AID
(Information Only)

(Continuation)

not residing on Federal property, the revenue weighting is .50 and it is estimated that payment will be approximately $450 per child.

**Payments to Heavily Impacted Districts (Section 8003 (f))**
Additional revenue is to be provided for LEAs which meet one or more of the following eligibility:

1. has an enrollment of federally connected children which is at least 50% of total enrollment of the LEA if the LEA receives Basic Support Payments (Section 8003); or
2. has an enrollment of federally connected children which is at least 40% of total enrollment of the LEA if the LEA does NOT receive Basic Support Payments (Section 8003) *and* has a tax rate for general fund purposes which is at least 95% of the average tax rate for general fund purposes of comparable LEAs; or
3. has an enrollment of federally connected children which is at least 35% of total enrollment of the LEA *and* has a tax rate for general fund purposes which is at least 125% of the average tax rate for general fund purposes of comparable LEAs in the state.

**Policies and Procedures for Children Residing on Indian Lands (Section 8004)**
Districts claiming assistance under Section 8003 for children residing on Indian lands must establish policies and procedures to ensure that:

1. the Indian children claimed participate on an equal basis in the school program with other children educated by the district;
2. the tribes and parents of the Indian children must receive copies of the applications and evaluations;
3. parents and tribes are consulted and involved in planning and developing such program and activities;
4. relevant applications, evaluation and program plans are disseminated to the parents and tribes; and
5. parents and tribes are afforded an opportunity to present their views on the education programs of the district.

PROGRAM STATUS:

| ISD | District Name | 1993 | 1994 | 1995 Estimated | 1996 | 1997 |
|---|---|---|---|---|---|---|
| 001 | Minneapolis | $ 60.5 | $ 68.1 | $ 57.8 | * | * |
| 004 | McGregor | 35.2 | 36.2 | 30.8 | | |
| 011 | Anoka-Hennepin | 15.4 | 20.0 | 17.0 | | |
| 025 | Pine Point | 35.2 | 77.0 | 65.5 | | |
| 031 | Bemidji | 84.5 | 42.2 | 35.9 | | |
| 032 | Blackduck | 20.0 | 26.7 | 22.7 | | |
| 036 | Kelliher | -- | 38.5 | 32.7 | | |
| 038 | Red Lake | 2,227.5 | 2,247.3 | 1,910.2 | | |
| 093 | Carlton | 65.0 | -- | -- | | |
| 094 | Cloquet | 252.1 | 228.4 | 194.1 | | |
| 113 | Walker | 97.4 | 97.7 | 83.0 | | |
| 115 | Cass Lake | 503.0 | 623.6 | 530.0 | | |
| 118 | Remer | 45.9 | -- | -- | | |
| 162 | Bagley | 96.1 | -- | -- | | |
| 166 | Cook County | 49.4 | 24.7 | 21.0 | | |
| 192 | Farmington | 2.0 | 2.8 | 2.4 | | |
| 280 | Richfield | 9.3 | 9.6 | 8.1 | | |
| 309 | Park Rapids | 85.5 | -- | -- | | |
| 317 | Deer River | 319.8 | 162.7 | 138.3 | | |
| 381 | Lake Superior | 4.4 | 4.7 | 4.0 | | |
| 432 | Mahnomen | 651.5 | 666.2 | 566.2 | | |
| 435 | Waubun | 364.0 | 266.5 | 226.5 | | |
| 473 | Isle | -- | 24.1 | 20.5 | | |
| 480 | Onamia | 230.9 | 246.5 | 209.5 | | |
| 573 | Hinckley | 15.1 | 27.7 | 23.6 | | |
| 625 | St. Paul | 74.7 | 111.1 | 94.4 | | |
| 652 | Morton | 146.0 | 155.9 | 132.5 | | |
| 696 | Ely | 1.9 | 2.3 | 2.0 | | |
| 700 | Hermantown | 8.2 | 18.6 | 15.8 | | |
| 707 | Nett Lake | 172.7 | 199.7 | 169.7 | | |
| 708 | Tower-Soudan | 29.3 | 36.6 | 31.1 | | |
| 709 | Duluth | 16.8 | 16.1 | 13.6 | | |
| 710 | St. Louis County | 70.3 | -- | -- | | |
| 742 | St. Cloud | 12.0 | 18.9 | 16.0 | | |
| 2580 | East Central | -- | 36.0 | 30.6 | | |
| Total | | 5,802.0 | 5,536.3 | 4,705.9* | ** | ** |

* Reduction due to 85% hold-harmless clause in federal legislation.
** Unable to estimate due to change in federal legislation.

PROGRAM: 08 Other Education Programs
AGENCY: Education Aids

FEDERAL PROGRAMS:

0837 FEDERAL IMPACT AID
(Information Only)

(Continuation)

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BUDGET ISSUES:

A. CHALLENGES:

- Because of new Impact Aid legislation LEAs will be paid for F.Y. 1995 85% of the prior year revenue based on a current "hold harmless" clause. Revenue reductions targeted for F.Y. 1996 have made it difficult to determine how many Minneasota LEAs will retain Impact Aid revenue. It is projected that 700 of the nation's 2,700 LEAs currently receiving Impact Aid will lose funding.

B. STRATEGIES:

- Federal Impact Aid will continue to provide direct aid payments to Minnesota school districts which are financially burdened as a result of federal activities or ownership. Although nationwide, Impact Aid is primarily a program for military and other federal activities, LEAs which include Indian lands are the main benefactors in Minnesota. The amount of Impact Aid received by Minnesota LEAs makes a significant impact in providing programs and services to students. The Minnesota Department of Education will continue to provide assistance to LEAs in their application for Federal Impact Aid.

GOVERNOR'S RECOMMENDATION:

This activity is supported entirely with federal funds.

# PUBLIC LIBRARIES (10)

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| | | |
|---|---|---|
| PROGRAM: | 10 | Public Libraries |
| AGENCY: | | Education Aids |
| | 1001 | LIBRARIES - BASIC GRANTS |
| CITATION: | | M.S. 134.31 - 134.36 |
| MDE ADMIN: | 1207 | Library Development and Services |
| FEDERAL: | 1005 | Public Library Aid |

**PURPOSE:**

To promote, encourage, and assist in the provision of public library services for every Minnesotan. Public libraries provide self-directed educational opportunities for learners of all ages. Grants are provided for development and operation of 12 regional public library systems to strengthen and improve public library services, and for statewide interlibrary loan and reference information services. These systems serve all areas of the state, including rural, sparsely populated areas. Specific objectives of the program include:

- providing incentives for counties and cities to work together in regional public library systems, thereby improving and extending services to users at the most reasonable possible cost;
- promoting reading and use of library materials and use of information resources;
- sharing library materials within each region and statewide through interlibrary loan systems and reciprocal borrowing; and
- strengthening library materials collections to better meet the needs of the public.

Appropriations in this activity are used for maintenance of effort in order to qualify for federal Library Services and Construction Act Title I funds (Activity 1005), projected to be $1.4 million each year.

Most education aid programs contribute to more than one education goal. This program contributes to three of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 113, 115, 116, 118 and 119.

**DESCRIPTION:**

The state-funded public library grant program consists of two types of grants established in state law. These grants are Regional Library Basic System Support and Interlibrary Exchange Grants.

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 area. 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, revised by the 1992 Legislature, is .82% of the adjusted net tax capacity, 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 $7.64 in 1995; it is increased each year by 1/2 of the percentage of increase of the adjusted net tax capacity statewide. 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. During F.Y. 1993, 1994 and 1995, however, grants may be made if a unit maintains effort at the level of the second preceding year. This change was enacted by the 1992 Legislature.

Eligibility criteria for Regional Library Basic System Support are contained in Rules of the State Board of Education, Parts 3530.0200 - 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 1991 Legislature and effective in F.Y. 1993, is contained in M.S. 134.35. The formula allots 57.5% of available funds to the system in an equal amount per capita, 12.5% of available funds in an equal amount per square mile, 5% of available funds in an equal amount to each system, and 25% of available funds for equalization of funding from counties where the adjusted net tax capacity per capita falls below that state average adjusted net tax capacity per capita. The formula factors address the costs of providing services in the rural, sparsely populated areas of the state. 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 Grants are paid to the Minnesota Higher Education Coordinating Board (HECB) to provide the services of the MINITEX Library Information Network to public libraries, and the St. Paul Public Library for services of the Public Library Access Network (PLANET). The amounts of the grants are determined annually through negotiation, and are based on costs for providing projected levels of services. Services provided by MINITEX 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, and back up

reference service for answering reference questions that the local library lacks materials to answer. Services provided by PLANET are interlibrary loan from Twin Cities public libraries and private college libraries.

The 12 regional public library systems and the counties they serve are shown in Table 10-1.

TABLE 10-1
MINNESOTA REGIONAL PUBLIC LIBRARY SYSTEMS

Arrowhead Library System
Population 304,229
Carlton County
Cook County
Itasca County
Koochiching County
Lake County
Lake of the Woods County
St. Louis County

East Central Regional Library
Population 126,942
Aitkin County
Chisago County
Isanti County
Kanabec County
Mille Lacs County
Pine County

Lake Agassiz Regional Library
Population 132,124
Becker County
Clay County
Clearwater County
Mahnomen County
Norman County
Polk County
Wilkin County

Great River Regional Library
Population 326,099
Benton County
Morrison County
Sherburne County
Stearns County
Todd County
Wright County

Kitchigami Regional Library
Population 129,883
Beltrami County
Cass County
Crow Wing County
Hubbard County
Wadena County

Southeastern Libraries Cooperating
Population 432,499
Dodge County
Fillmore County
Freeborn County
Goodhue County
Houston County
Mower County
Olmsted County
Rice County



Southeastern Libraries Cooperating, con't
Wabasha County
Winona County
Steele County

Metropolitan Library Service Agency
Population 2,383,482
Anoka County
Carver County
Dakota County
Hennepin County
Ramsey County
Scott County
Washington County

Northwest Regional Library
Population 49,615
Kittson County
Marshall County
Pennington County
Red Lake County
Roseau County

Pioneerland Library System
Population 158,788
Big Stone County
Chippewa County
Kandiyohi County
Lac Qui Parle County
McLeod County
Meeker County
Renville County
Swift County
Yellow Medicine County

Traverse des Sioux Library System
Population 217,616
Blue Earth County
Brown County
Faribault County
LeSueur County
Martin County
Nicollet County
Sibley County
Waseca County
Watonwan County

Viking Library System
Population 112,676
Douglas County
Grant County
Otter Tail County
Pope County
Stevens County
Traverse County

Plum Creek Library System
Population 118,988
Cottonwood County
Jackson County
Lincoln County
Lyon County
Murray County
Nobles County
Pipestone County
Redwood County
Rock County

PROGRAM: 10 Public Libraries
AGENCY: Education Aids

1001 LIBRARIES - BASIC GRANTS
(Continuation)

## PROGRAM STATUS:

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| a. Items loaned by public libraries | 42,318.2 | 42,570.6 | 42,800.0 | 43,100.0 | 43,400.0 |
| b. State rank in public library lending per capita | 4 | 5 | 5 | 5 | 5 |
| c. Number of reference questions asked | 5,919.9 | 6,208.6 | 6,400.0 | 6,600.0 | 6,800.0 |
| d. State rank in reference questions per capita | 4 | 4 | 4 | 4 | 4 |
| e. Number of Friends of Libraries organizations | 180 | 185 | 190 | 195 | 200 |
| f. Interregional reciprocal borrowing | 357.4 | 397.0 | 430.0 | 460.0 | 490.0 |
| g. Interlibrary loan requests processed through Public Library Access Network (PLANET) and MINITEX Library Network | 87.9 | 90.2 | 92.8 | 95.5 | 98.3 |
| h. Interlibrary loan requests supplied by regional systems (Calendar Year) | 305.9 | 307.0 | 309.0 | 311.0 | 313.0 |
| i. State rank in public library expenditures per capita | 13 | 13 | 13 | 13 | 13 |
| j. State rank in public library staff per capita | 19 | 19 | 19 | 19 | 19 |

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| k. Number of people coming to public libraries | 20,437.1 | 20,603.9 | 20,800.0 | 21,000.0 | 21,200.0 |
| l. Number of people attending programs at public libraries | 925.1 | 930.0 | 935.0 | 940.0 | 945.0 |
| m. Items in public library collections | 16,200.5 | 16,300.0 | 16,400.0 | 16,500.0 | 16,600.0 |
| n. State Grants | | | | | |
| a. Regional library basic support grants | | | | | |
| Number of grants | 12 | 12 | 12 | 12 | 12 |
| Expenditures | $7,204.6 | $7,147.1 | $7,156.4 | $7,156.4 | $7,156.4 |
| b. Grants for interlibrary exchange | | | | | |
| Number of grants | 2 | 2 | 2 | 2 | 2 |
| Expenditures | $614.4 | $671.9 | $662.6 | $662.6 | $662.6 |
| Total number of grants | 14 | 14 | 14 | 14 | 14 |

## PROGRAM FUNDING

| | | | | | |
|---|---|---|---|---|---|
| A. Statutory Formula AID: | $ 7,818 | $ 7,819 | $ 7,819 | $ 7,819 | $ 7,819 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 1,441) | ( 735) |
| Current Law Aid Entitlement | $ 7,818 | $ 7,819 | $ 7,819 | $ 6,378 | $ 7,084 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 7,819 | $ 7,819 | $ 7,819* | $ 7,819* |
| Statutory Formula Aid (Unprorated) | | $ 7,819 | $ 7,819 | $ 7,819 | $ 7,819 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

## BUDGET ISSUES:

### A. CHALLENGES:

- Reduction in state aid by more than 10% of the second preceding year's funding level will result in Minnesota losing federal funding for public libraries.
- Use of Minnesota's public libraries is steadily increasing. There has been a 48.4% increase in the number of items borrowed in the past decade.
- Use of statewide interlibrary loan networks is steadily increasing.

PROGRAM: 10 Public Libraries
AGENCY: Education Aids

1001 LIBRARIES - BASIC GRANTS
(Continuation)

- There are increasing public expectations for greater public access in public libraries to online information networks, such as Internet.
- Regional, county and city 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 service. In the 6 federated regional public library systems, most funds are provided to county and city libraries for their operations. The federated regional public library systems expend state and local funds, and those local funds received under service contracts, for operation of cooperative services such as bookmobile service, library automation, interlibrary loans, delivery of materials, and collection development.

**B. STRATEGIES:**

- With reductions in funding, regional public library systems and public libraries will have to consider requesting increased local support or reduce services and hours open to the public.
- Reduced funding for statewide interlibrary loan would result in a reduction in the number of requests that MINITEX and PLANET could receive from public libraries.
- Minnesota would continue to remain eligible for federal funding for public libraries in F.Y. 1996. Future eligibility is unknown because the act expires at the end of F.Y. 1996 and reauthorizing legislation has not been introduced.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $6,900 for F.Y. 1996 and $6,234 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $7,037 in F.Y. 1996 ($1,172 for F.Y. 1995 and $5,865 for F.Y. 1996), and $6,334 in F.Y. 1997 ($1,035 for F.Y. 1996 and $5,299 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**1001: LIBRARIES - BASIC GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 7,819 | $ 7,819 | $ 7,819 | $ 7,819 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <1,441> | <735> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 7,819 | 7,819 | 6,378 | 7,084 |
| 5. Statutory Formula Aid (Detail in Narrative) | 7,819 | 7,819 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 7,819 | 7,819 | 6,378 | 7,084 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Partially Restore Cap Reduc.; Reallocate Funds Btwn Years | | | 522 | <850> |
| Current Law Aid Funding Level (Line 4) | | | 6,378 | 7,084 |
| **RECOMMENDED AID ENTITLEMENT** | | | 6,900 | 6,234 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 6,900 | 6,234 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 1,172 | 1,172 | 1,172 | 1,035 |
| Current Year 85 Percent | 6,647 | 6,647 | 5,865 | 5,299 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 7,819 | 7,819 | 7,037 | 6,334 |

| | | |
|---|---|---|
| **PROGRAM:** | 10 | Public Libraries |
| **AGENCY:** | | Education Aids |
| | 1002 | LIBRARIES - COOPERATION GRANTS |
| **CITATION:** | | M.S. 134.351 - 134.354 |
| **MDE ADMIN:** | 1207 | Library Development and Services |
| **FEDERAL:** | | None |

**PURPOSE:**

To encourage the systemic and collaborative provision of library and information services, available to all Minnesotans, through linkages of academic, public, school, and special libraries. Collaborating libraries within seven multicounty, multitype library cooperation systems develop mutual programs that strengthen the service capacity each participating library can offer to its primary local users. These cooperative systems bring together the human, material and information resources and services that support all levels of education, learning and decision-making in Minnesota. Specific objectives of the program include:

- developing regionwide long-range plans that address needs of the region and determine priority actions to best meet needs with available library and information resources;
- developing and operating ways to share library and information resources among participating libraries;
- developing and operating systems for communication among participating libraries;
- developing and operating systems for delivery of materials and information among participating libraries; and
- encouraging the development of common machine-readable bibliographic databases that support information sharing and exchange.

Most education aid programs contribute to more than one education goal. This program contributes to three of the Department of Education's *goals*:

- **Adult Literacy and Lifelong Learning:** All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.

- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 113, 115, 116, 118, and 119.

**DESCRIPTION:**

Within the general purpose and qualifying program areas, each multicounty multitype library system develops and operates services tailored to the needs of its region. All systems operate programs that allow participating libraries to extend and improve the services they provide to users at a cost lower than would be possible if each library were operating independently. Examples of services are improved communication among the library and information community, interlibrary loan and reference backup, building of machine-readable bibliographic databases and electronic communications systems, delivery of library materials and information between libraries, and staff development opportunities.

Multicounty multitype library systems use operating grants to initiate, operate, or contract for planned service programs. A formula established in State Board of Education rule establishes operating grant awards that allocate 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 multitype 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 systems among libraries, 4) development of bibliographic databases, and 5) a communication system among libraries. State law requires that each multitype library system file an annual report with the Minnesota Department of Education (MDE) on projects conducted with grant funds. State rules establish grant application procedures. They also require each system to file a 5-year long-range plan. Public libraries participating in a multitype library system also are required to participate in their regional public library system.

The 7 multicounty multitype library systems operating in Minnesota and the numbers of participants are identified in Table 10-2.

TABLE 10-2
MULTICOUNTY MULTITYPE LIBRARY SYSTEMS

| Central Minnesota Libraries Exchange | | Metronet | |
|---|---|---|---|
| Office: St. Cloud | | Office: St. Paul | |
| Number of Participants: | 122 | Number of Participants: | 166 |
| Academic | 9 | Academic | 26 |
| Public | 2 | Public | 13 |
| School | 87 | School | 46 |
| Special | 24 | Special | 81 |

| North County Library Cooperative | | Northern Lights Library Network | |
|---|---|---|---|
| Office: Virginia | | Office: Alexandria | |
| Number of Participants: | 96 | Number of Participants: | 145 |
| Academic | 10 | Academic | 13 |

PROGRAM: 10 Public Libraries
AGENCY: Education Aids

1002 LIBRARIES - COOPERATION GRANTS
(Continuation)

TABLE 10-2
Continued

| North County Library Cooperative, con't | |
|---|---|
| Public | 31 |
| School | 34 |
| Special | 21 |

| Northern Lights Library Network, con't | |
|---|---|
| Public | 15 |
| School | 101 |
| Special | 16 |

| Southcentral Minnesota Interlibrary Exchange | |
|---|---|
| Office: Mankato | |
| Number of Participants: | 80 |
| Academic | 6 |
| Public | 11 |
| School | 50 |
| Special | 13 |

| Southeast Library System | |
|---|---|
| Office: Rochester | |
| Number of Participants: | 96 |
| Academic | 11 |
| Public | 29 |
| School | 49 |
| Special | 7 |

| Southwest Area Multicounty Multitype Interlibrary Exchange | |
|---|---|
| Office: Marshall | |
| Number of Participants: | 113 |
| Academic | 9 |
| Public | 17 |
| School | 76 |
| Special | 11 |

**PROGRAM STATUS:**

This program provides resources to encourage systemic and collaborative activities of libraries throughout Minnesota. Specifically, this program focuses on the following outcomes:

1. **Access to Information**
   Access to information becomes more equitable because resources, which are spread across diverse collections, become available to individuals other than those with primary access to only their local library.

2. **Access to Technology**
   Technologies that are not feasible within the budget of one library are achievable when shared within a regional system.

3. **Increase Use of Library Resources**
   Knowing what is in a remote library promotes sharing those resources and increases their use.

4. **Increase Staff Effectiveness**
   Skills of service staff and their effectiveness in meeting public needs are strengthened through pooling and sharing expertise to learn from one another.

5. **Increase Responsiveness to Community Needs**
   The experience of organizing and negotiating collaboration prepares library staff for new challenges; it develops problem solving skills and exercises creativity to find solutions within available resources.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Equity of Access | | | | | |
| Participating Library Jurisdictions | 824 | 816 | 810 | 805 | 800 |
| Participating Service Outlets | 1934 | 1955 | 1965 | 1975 | 1985 |
| 2. Affordable Technologies | | | | | |
| Machine-Readable Catalog Records (000s) | 17,620 | 19,000 | 21,000 | 23,000 | 25,000 |
| Access to Regional Databases - Access Points | 800 | 900 | 1,000 | 1,100 | 1,200 |
| Electronic Messaging Systems - Uses | 6,500 | 8,000 | 9,000 | 10,000 | 11,000 |
| 3. Expanded Resource Sharing | | | | | |
| Interlibrary Transactions | 40,452 | 42,000 | 45,000 | 49,000 | 53,000 |
| Reference Questions Referred | 3,091 | 3,200 | 3,500 | 3,800 | 4,200 |
| 4. Service Skill & Effectiveness | | | | | |
| Continued Education Attendance | 2,153 | 2,200 | 2,300 | 2,500 | 2,800 |
| Program Participation Updates - Transmissions | 46,934 | 50,000 | 54,000 | 58,000 | 62,000 |
| 5. Collaborative Problem-Solving | | | | | |
| Shared Activities | 117 | 122 | 127 | 133 | 140 |

**PROGRAM:** 10 Public Libraries
**AGENCY:** Education Aids

1002 LIBRARIES - COOPERATION GRANTS
(Continuation)

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| PROGRAM FUNDING | | | | | |
| A. Statutory Formula AID: | $ 527 | $ 527 | $ 527 | $ 527 | $ 527 |
| Aid Reduction Due To Insufficient Appropriation | ( 0) | ( 0) | ( 0) | ( 97) | ( 50) |
| Current Law Aid Entitlement | $ 527 | $ 527 | $ 527 | $ 430 | $ 477 |
| Proration Factor | 1.000 | 1.000 | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | $ 527 | $ 527 | $ 527* | $ 527* |
| Statutory Formula Aid (Unprorated) | | $ 527 | $ 527 | $ 527 | $ 527 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- As the changing environment drives Minnesotans to continue their learning across the lifespan, the demand for library services continues to grow.
- As education shifts to results-oriented, individualized learning plans, students require increased and varied information resources.
- While the cooperative library systems support provision of information from libraries of all types, level funding has limited system capacity to respond to needs.

**B. STRATEGIES:**

- Reductions in state funding could result in reductions in services of multitype library systems.
- An increase in federal Library Services and Construction Act Title III funds in F.Y. 1996 could help offset the reduction in state spending.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $464 for F.Y. 1996 and $421 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $474 in F.Y. 1996 ($79 for F.Y. 1995 and $395 for F.Y. 1996), and $427 in F.Y. 1997 ($69 for F.Y. 1996 and $358 for F.Y. 1997).

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**1002: LIBRARIES - COOPERATIVE GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ 527 | $ 527 | $ 527 | $ 527 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <97> | <50> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | 527 | 527 | 430 | 477 |
| 5. Statutory Formula Aid (Detail in Narrative) | 527 | 527 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | 527 | 527 | 430 | 477 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Partially Restore Cap Reduction; Reallocate Funds Btwn Years | | | 34 | <56> |
| Current Law Aid Funding Level (Line 4) | | | 430 | 477 |
| **RECOMMENDED AID ENTITLEMENT** | | | 464 | 421 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 464 | 421 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year 15 Percent | 79 | 79 | 79 | 69 |
| Current Year 85 Percent | 448 | 448 | 395 | 358 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | 527 | 527 | 474 | 427 |

| | | |
|---|---|---|
| PROGRAM: | 10 | Public Libraries |
| AGENCY: | | Education Aids |
| | 1003 | LIBRARIANS OF COLOR |
| CITATION: | | M.S. 134.155 |
| MDE ADMIN: | 1207 | Library Development and Services |
| FEDERAL: | 1005 | Public Library Aid |

**PURPOSE:**

To recruit and educate people of color in the field of library science or information management.

This program contributes to the following Department of Education *goal*:

- **Teacher Education and Professional Development:** All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.

This program also contributes to the following *current priority* of the Minnesota Department of Education (MDE):

- **Integration/Desegregation/Educational Diversity**

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

This grant program was established by the 1994 Minnesota Legislature to promote increased diversity on staffs of public libraries. The Commissioner of Education, in consultation with the Multicultural Advisory Committee, awards grants for professional development programs to recruit and educate people of color in library science or information management. Eligible applicants are public libraries with a growing minority population, in collaboration with an accredited institution of higher education with a library program in Minnesota. In awarding grants, the Commissioner considers whether the program is likely to increase the recruitment and retention of people of color in librarianship, whether grant recipients will establish or have a mentoring program for persons of color, and whether grant recipients will provide a library internship for persons of color while participating in the program.

Grant recipients are to establish an advisory council representing communities of color to assist in implementation of the professional development program. Students assisted under this program agree to work in the public library assisting them for either two or three years, depending upon the degrees obtained under the program.

**PROGRAM STATUS:**

The first grants under this program are expected to be made in January, 1995.

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 55 | $ 55 | $ 55 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 10) | ( 5) |
| Current Law Aid Entitlement | -- | -- | $ 55 | $ 45 | $ 50 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 55 | $ 55* | $ 55* |
| Statutory Formula Aid (Unprorated) | | -- | $ 55 | $ 55 | $ 55 |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year for this program.

**BUDGET ISSUES:**

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $48 for F.Y. 1996 and $48 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $48 in F.Y. 1996, and $48 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**1003: LIBRARIANS OF COLOR**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 55 | $ 55 | $ 55 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <10> | <5> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 55 | 45 | 50 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 55 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 55 | 45 | 50 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 3 | <2> |
| Current Law Aid Funding Level (Line 4) | | | 45 | 50 |
| **RECOMMENDED AID ENTITLEMENT** | | | 48 | 48 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 48 | 48 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 55 | 48 | 48 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 55 | 48 | 48 |

| | | |
|---|---|---|
| **PROGRAM:** | 10 | Public Libraries |
| **AGENCY:** | | Education Aids |
| | 1004 | CHILDREN'S LIBRARY SERVICES GRANTS |
| **CITATION:** | | Laws 1994, Chap. 647, Art. 10, Sec. 3 |
| **MDE ADMIN:** | 1207 | Library Development and Services |
| **FEDERAL:** | 1005 | Public Library Aid |

**PURPOSE:**

To strengthen public library services to children, young people and their parents through collaborations and partnerships of public libraries and other community agencies.

Most education aid programs contribute to more than one education goal. This program contributes to three of the Department of Education's *goals*:

- **Learner Achievement:** All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- **Learning Readiness:** All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- **Parental and Community Participation:** All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994.

**DESCRIPTION:**

The Commissioner of Education makes grants to public libraries for collaborative activities involving a public library and at least one child or family organization, such as a school district, an early childhood family education program, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

The Commissioner appoints an advisory task force, with at least two members who are practicing children's services librarians, to review applications and make recommendations for funding. Public libraries applying for grants must: (1) demonstrate that their project results in collaboration with a public or private agency that improves library services to children, young people, and their families; (2) include a plan for replication of the project in other parts of the state, if appropriate; (3) involve personnel from the regional public library system and the multitype library system in planning; and (4) include an evaluation component in the project.

This grant program was established by the 1994 Legislature, and the first grants will be awarded by the end of January, 1995.

**PROGRAM STATUS:**

| ($ in 000s) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| **PROGRAM FUNDING** | | | | | |
| A. Statutory Formula AID: | -- | -- | $ 50 | $ 50 | $ 50 |
| Aid Reduction Due To Insufficient Appropriation | -- | -- | ( 0) | ( 9) | ( 5) |
| Current Law Aid Entitlement | -- | -- | $ 50 | $ 41 | $ 45 |
| Proration Factor | -- | -- | 1.000 | 0.816 | 0.906 |
| B. Aid Entitlement Reconciliation: | | | | | |
| Appropriation-Implied Entitlement | | -- | $ 50 | $ 50* | $ 50* |
| Statutory Formula Aid (Unprorated) | -- | $ 50 | $ 50 | $ 50 | |

(*) This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

F.Y. 1995 is the first year for this program.

**BUDGET ISSUES:**

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends an aid entitlement of $43 for F.Y. 1996 and $43 for F.Y. 1997.

Based on these entitlements, the Governor recommends an appropriation of $43 in F.Y. 1996, and $43 in F.Y. 1997.

EDUCATION AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

**1004: CHILDREN'S LIBRARY SERVICES GRANTS**

| | ESTIMATED F.Y. 1994 | ESTIMATED F.Y. 1995 | GOVERNOR'S REC F.Y. 1996 | GOVERNOR'S REC F.Y. 1997 |
|---|---|---|---|---|
| 1. Appropriation-Implied Entitlement | $ | $ 50 | $ 50 | $ 50 |
| 2. Adjustment Per Laws '93, Ch. 224, Art. 15, Sec. 3 | | | <9> | <5> |
| 3. Other Adjustments | | | | |
| 4. CURRENT LAW AID FUNDING LEVEL | | 50 | 41 | 45 |
| 5. Statutory Formula Aid (Detail in Narrative) | | 50 | | |
| 6. Funding Excess/Deficiency | | | | |
| 7. Funding Excess/Deficiency after Adjustments | | | | |
| 8. CURRENT LAW LEVY | | | | |
| 9. CURRENT LAW FUNDING LEVEL: AID & LEVY (Lines 4+8) | | 50 | 41 | 45 |
| **GOVERNOR'S RECOMMENDATIONS : AID** | | | | |
| 1. Reallocate Funds Between Years | | | 2 | <2> |
| Current Law Aid Funding Level (Line 4) | | | 41 | 45 |
| **RECOMMENDED AID ENTITLEMENT** | | | 43 | 43 |
| GOVERNOR'S RECOMMENDATIONS : LEVY | | | | |
| Current Law Levy (Line 8) | | | | |
| RECOMMENDED LEVY | | | | |
| **TOTAL RECOMMENDED FUNDING LEVEL: AID & LEVY** | | | 43 | 43 |
| APPROPRIATIONS BASIS: | | | | |
| Prior Year | | | | |
| Current Year | | 50 | 43 | 43 |
| Transfers Per M.S. 124.14, Subd. 7 | | | | |
| **Total-State General Funds** | | 50 | 43 | 43 |

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| | | |
|---|---|---|
| PROGRAM: | 10 | Public Libraries |
| AGENCY: | | Education Aids |

**FEDERAL PROGRAMS:**

| | | |
|---|---|---|
| | 1005 | PUBLIC LIBRARY AID |
| CITATION: | | Library Services and Construction Act (LSCA) P.L. 101-254 |
| MDE ADMIN: | 1207 | Library Development and Services |

**PURPOSE:**

To assist the states in extending and improving public library services, improving public library facilities, and promoting cooperation among all types of libraries. Specific objectives of the three titles of the act that are administered by the state include:

- extending public library services to areas of the state without service;
- improving public library services where they are inadequate;
- improving public library services for persons who are physically handicapped, institutionalized, disadvantaged, bilingual, or elderly;
- strengthening major urban resource libraries in cities having populations of 100,000 or more;
- strengthening the state library administrative agency;
- improving public library facilities through new construction, expansion, or remodeling; and
- planning and operating programs of cooperation and resource sharing involving public, college and university, school, and special libraries.

A basic allotment is made to each state, and remaining funds are distributed proportionally to the states on a population basis. Title 1 funds for public library services must be matched approximately 50/50, and maintenance of effort is required.

Funds appropriated under Libraries - Basic Grants (1001) are used for maintenance of effort. The state must provide at least 90% of the amount appropriated in the second preceding fiscal year. This program expires at the end of F.Y. 1996, but reauthorization is anticipated.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to library systems throughout the state so that libraries can provide essential programs and services that contribute to one or more of the Department of Education's goals and priorities. Refer to program 1001, Libraries-Basic Grants, for further discussion on this program's contributions to MDE goals and priorities.

For additional information on the goals, priorities, and performance indicators of the Department of Education, refer to the Annual MDE Performance Report, September 1994, pages 113, 115, 116, 118, and 119.

**DESCRIPTION:**

Federal funds are to be used by the state for purposes identified in the Act and in the state's 5 year long-range program for library development. Within each title of the Act, the amount of federal funds assigned to each of the grant categories is determined by the state. Because the amount of federal funds available varies from year to year, and because the allotment often is not determined until well into the state fiscal year, these funds are used in Minnesota primarily for programs of limited duration or for capital outlay expenditures.

The federal library grant program supports 5 types of grants:

1. Regional library basic system support grants to the 12 regional public library systems to assist them in developing and performing ongoing public library services. Systems determine which of the LSCA Title 1 priorities they will address with grant funds. Grant amounts are determined by a formula established in state law -- the same formula used for distribution of state funds.

2. Major urban resource library grants are made to city libraries in Minneapolis and St. Paul. 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 exceeds $60 million.

3. Grants to improve library services in institutions operated by the Minnesota Department of Human Services and the Minnesota Department of Corrections, and to assist in development of services of the Communications Center, State Services for the Blind, in the Minnesota Department of Jobs and Training. The amounts of these grants are based on project applications filed by the departments. These federal funds supplement state funds for institution library service and provide services which otherwise could not be provided.

4. Public library construction grants awarded for construction or remodeling of public library buildings. Under State Board of Education rules, grants may be made for up to 33% of the cost of the project up to $200,000. Grants have been awarded recently for projects in Farmington, Park Rapids and Princeton. Projects are under way or have been completed recently in Aitkin, Benson, Duluth and Renville.

5. Multicounty multitype library cooperation grants to assist the 7 multitype library systems develop and operate cooperative programs involving academic, public, school, and special libraries. Services include interlibrary loan and delivery of library materials requested, and staff development. Grant amounts are determined by a formula in State Board rule -- the same formula used for distribution of state funds. In addition to the ongoing operating grants, a special networking and cooperation grant will be awarded in F.Y. 1996 with carryover funds.

**PROGRAM STATUS:**

While the program expires at the end of F.Y. 1996, reauthorization is anticipated so F.Y. 1996 and F.Y. 1997 amounts are projected from the F.Y. 1995 appropriation.

PROGRAM: 10 Public Libraries
AGENCY: Education Aids

**FEDERAL PROGRAMS:**

1005 PUBLIC LIBRARY AID
(Continuation)

| ($ in 000s) Types of Aid (Grants) | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | Current Law F.Y. 1996 | Current Law F.Y. 1997 |
|---|---|---|---|---|---|
| 1. Regional library basic system support grants | | | | | |
| Number of grants | 12 | 12 | 12 | 12 | 12 |
| Expenditures | $ 1,200.0 | $ 1,257.3 | $ 1,300.0 | $ 1,300.0 | $ 1,300.0 |
| 2. Major urban resource library grants | | | | | |
| Number of grants | 2 | 2 | 2 | 2 | 2 |
| Expenditures | $ 54.5 | $ 54.5 | $ 54.5 | $ 54.5 | $ 54.5 |
| 3. Grants to improve library services in human services and corrections institutions and for the blind and physically handicapped | | | | | |
| Number of grants | 3 | 3 | 3 | 3 | 3 |
| Expenditures | $ 55.9 | $ 55.9 | $ 55.9 | $ 55.9 | $ 55.9 |
| 4. Public library construction grants | | | | | |
| Number of grants | 3 | 2 | 3 | 3 | 3 |
| Expenditures | $ 314.5 | $ 310.0 | $ 310.0 | $ 310.0 | $ 310.0 |
| 5. Multi-county multi-type library cooperation operating grants | | | | | |
| Number of grants | 7 | 7 | 7 | 8 | 8 |
| Expenditures | $ 341.2 | $ 338.0 | $ 338.0 | $ 404.0 | $ 404.0 |
| Totals | | | | | |
| Number of grants | 27 | 26 | 27 | 28 | 28 |
| Expenditures | $ 1,966.1 | $ 2,015.7 | $ 2,058.4 | $ 2,124.4 | $ 2,124.4 |

NOTE: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

**BUDGET ISSUES:**

**A. CHALLENGES:**

- Originally scheduled to expire at the end of F.Y. 1995, Congress acted in October to extend LSCA while it studies reauthorization. No reauthorizing legislation has yet been introduced. Reauthorization is anticipated, perhaps with different emphases than in current legislation.

**B. STRATEGIES:**

- For almost forty years, federal funds have come to Minnesota under successive reauthorizing of this program, assisting in supporting statewide library development and cooperation. Elimination of a federal library development and cooperation program would result in severe reductions in library services to Minnesotans. Staff will work with persons from other states through the national library associations, in developing proposals for consideration by the new Congress.

- All Minnesotans have access to public library service. Use of Minnesota public libraries has steadily increased since 1980. In recent years, the growth in library loans of materials to persons who live outside the regional service area has been a great convenience for working commuters, vacationers, and others who live near regional library boundaries.

**GOVERNOR'S RECOMMENDATION:**

This activity is supported entirely with federal funds.

# DISCONTINUED/NONRECURRING PROGRAMS (11)

PROGRAM: 11 Discontinued/Nonrecurring Programs
AGENCY: Education Aids

1100 STATE AND FEDERAL CATEGORICAL AID PROGRAMS

PURPOSE:

The budget process requires a report of discontinued education aids or grants if there is any expenditure in F.Y. 1993, F.Y. 1994, or F.Y. 1995.

| ($ in 000s) | F.Y. 1993 Expenditures | F.Y. 1994 Appropriation Basis | F.Y. 1995 Appropriation Basis |
|---|---|---|---|
| **A. State Aid Programs** | | | |
| School District Borrowing Aid | $ 1,175.0 | | |
| GED and Learn to Read on TV | 98.0 | | |
| Education Districts | 359.0 | | |
| Outcome Based Education Contracts | 640.0 | | |
| Arts Planning Grants | 38.0 | | |
| Teacher Education Improvement (Bd.T) (Laws 91, Chap. 265, Art. 7) | 42.0 | | |
| Cooperative Desegregation Grants | 200.0 | | |
| State PER Assistance | 542.0 | | |
| Basic Skills Evaluation | 74.0 | | |
| C&C Facilities Planning Grant Co. | 100.0 | | |
| Worthington Lakeview | 11.0 | | |
| Ed Courseware | 29.1 | | |
| Spec. Ed. - Residential | 2,522.0 | 2,616.0 | |
| Regional Mgmt Information Centers | 3,274.0 | 3,275.0 | |
| Individualized Learning and Development | 15,674.0 | 2,403.0 | |
| ECSU Aid | 733.0 | 733.0 | 110.0 |
| Sec. Vocational Cooperatives | 23.0 | 142.0 | 24.0 |
| Nett Lake Insurance/Unemployment | 15.0 | 26.0 | 50.0 |
| Education in Agriculture Leadership | 12.0 | 21.0 | 29.0 |
| Environmental Projects (LCMR) | 369.0 | 1,540.0 | 2.0 |
| Spec. Ed. - Advisory Councils | | 15.0 | |
| North Branch Community School | | 200.0 | |
| ECFE - Home Visiting | | 450.0 | |
| Local Collaboratives | | 4,470.0 | |
| Library Demonstration Grant | | 30.0 | |
| Coop. Sec. Facility Planning | | 100.0 | |
| Facility Collaboration Planning Grant #2580 | | 50.0 | |
| Metro Deaf Transportation | | 21.0 | 68.0 |
| Mountain Iron-Buhl Grant | | 75.0 | 75.0 |
| AmerSignLang- Proficiency Evaluation | | 12.0 | 10.0 |
| Richfield Grant | | | 500.0 |
| Warroad Grant | | | 50.0 |
| Additional General Education Aid | | | 15,550.0 |
| Task Force on Disabilities | | | 25.0 |
| Student Suspensions and Expulsions Study | | | 40.0 |
| Student Survey | | | 150.0 |
| Violence Prevention Education (Chap. 576) | | | 999.0 |
| Violence Prevention High Risk Youths (Chap. 576) | | | 2,200.0 |
| Local Grass Roots Collaboration | | | 100.0 |
| Truancy Project (Chap. 576) | | | 100.0 |
| Learning Readiness (Laws 94, Chap. 576) | | | 1,500.0 |
| Facility Planning Grant Lakefield et. al. | | | 100.0 |
| Facility Planning Grant - N. St. Paul et. al. | | | 100.0 |
| ITV Grants - Districts in Scott/Carver Cos. | | | 189.0 |
| ITV Grant - Cromwell | | | 125.0 |
| Time and Technology Grant - Cloquet | | | 83.0 |
| Coalition for Education Reform and Accountability | | | 50.0 |
| Low Income Concentration Grant | | | 1,000.0 |
| Free Breakfast Grants | | | 167.0 |
| Nett Lake Youth Program | | | 25.0 |
| Red Lake Multicultural Grant | | | 69.0 |
| Sexuality and Family Life Survey | | | 25.0 |
| Burnsville Facility Grant | | | 500.0 |
| **B. Programs to be transferred to other agencies** | | | |
| Summer Health Intern Grants (Transferred to Health) | 32.0 | | |
| Community Living - Disabled Youths (Transferred J&T) | 245.0 | | 250.0 |
| Total State Programs Discontinued | $ 26,207.1 | $ 16,179.0 | $ 24,265.0 |
| **C. Federal Flow-Through Programs** | | | |
| Adult Ed. English Literacy | 6.0 | | |
| Homeless Adults | 79.0 | | |
| Vocational Education Supplementary Grant | | 61.0 | |
| Total Federal Programs Discontinued | $ 85.0 | $ 61.0 | $ 0.0 |
| **Total Discontinued** | $ 26,292.1 | $ 16,240.0 | $ 24,265.0 |

1100.L

*1996-97 Biennium*

*Strategic Budget*

# *Children and Family Services*

This is a special document supplementing the regular budget documents.
It describes three major strategies to strengthen services for children.

It also contains :

- recommended appropriations for the Education-Employment Transition Program and the new Department of Children and Education Services; and
- information on transfers into the new agency from other state agencies.

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# 1996-97 BIENNIAL BUDGET

## -INDEX-

## CHILDREN AND FAMILY SERVICES

**1996-97 BIENNIAL BUDGET**

**PROGRAM STRUCTURE**

1996-97 BIENNIAL BUDGET

## CROSSWALK TO REGULAR BUDGET DOCUMENTS FOR RECOMMENDED TRANSFER PROGRAMS

| Program Transferred/Agency | Budget Document/Agency Program |
|---|---|
| Part H (Early Intervention) (MDE) | Education Aids (EA) / Federal |
| Early Ch. Family Ed (MDE) | EA / Community and Family Education (CFE) |
| Learning Readiness (MDE) | EA / CFE |
| Way to Grow (MDE) | EA / CFE |
| Early Childhood Screening (MDE) | EA / CFE |
| Head Start (ES) | Economic Development (ED) / Community Services |
| Child Care (DHS) | Health and Human Services (HHS) / Economic Self-Sufficiency |
| Migrant Child Care (DHS) | HHS / Children |
| Child Care Res & Refferal (DHS) | HHS / Children |
| Child Care Service Development (DHS) | HHS / Chldren |
| Youth Employment and Training (ES) | ED / Community Services |
| Community Education (MDE) | EA / CFE |
| Adult Basic Education (MDE) | EA / CFE |
| Even Start (MDE) | EA / CFE |
| Supplemental Food Program (DOH) | HHS / Family Health |
| Maternal and Child Health (DOH) | HHS / Family Health |
| Teen Pregnancy Prevention (MNPl) | State Gov't / Strategic and Long Range Planning (SLRP) |
| Dental Health (DOH) | HHS / Family Health |
| School Health (DOH) | HHS / Family Health |
| Drug Free Schools & Communities(MDE) | EA / CFE |
| Chemical Abuse Prevention (MDE) | EA / CFE |
| AIDS Education (MDE) | EA / Federal |
| Youth Violence Prevention (ES) | ED / Community Services |
| Violence Prevention (MDE) | EA / CFE |
| Children's Trust Fund (DHS) | HHS / Children |
| Home Visiting (DOH) | HHS / Family Health |
| Project Cornerstone (ES) | ED / Community Services |
| Information Redesign (MNPl) | State Gov't / SLRP |
| Action for Children (MNPl) | State Gov't / SLRP |
| Minnesota Children's Initiative (MNPl) | State Gov't / SLRP |
| Family Service Collaboratives (DHS) | HHS / Children |
| Family Service Collaboratives (MDE) | EA / CFE |

## GOVERNOR'S RECOMMENDATION:

The Governor recommends 3 strategies to strengthen Minnesota's families and ensure successful development of the state's youngest children and youth.

- establishment of a Department of Children and Education Services;
- consolidation of funding at the local level for a number of existing categorical programs; and
- development of an education and employment transition program.

The Department of Children and Education Services (DCES) will incorporate the *basic education* functions of the existing Department of Education (MDE), which will be eliminated. In addition, it will include a career preparation function and a *family and community services* function. Functions of the new agency are described in Chart 1.

By joining critical and closely related existing programs in state government, DCES organizational strategies will improve the well-being of the children of Minnesota and enhance the delivery of services to children and families. When completely operational, the agency will bring together programs that attempt to ensure that:

- all children come to school ready to learn;
- that Minnesotans will excel in basic academic skills;
- that children will be healthy; that communities will be safe, friendly and caring;
- that families will provide a stable environment for their children; and
- Minnesotan's will have advanced education and training to make the state a leader in the global economy.

Chart 2 shows the link between these goals and programs which will be transferred from the several state agencies.

In F.Y. 1997 all programs currently operated by the MDE are recommended to be transferred to the DCES. In addition, $130,845,000 in state, federal, and special revenue funding, and 34 positions from 4 other state agencies (Department of Human Services, Department of Health, Economic Security, and Minnesota Planning) would also transfer to DCES in F.Y. 1997. Transfer of 2 other programs from the Department of Health, the Supplemental Food Program and the Maternal and Child Health Program (MCH), will be conditioned on federal government action.

While DCES will be created in July 1995, transfer of most programs and staff from other agencies is not anticipated to occur until July 1996. During the interim period, it is expected that a Partnership Planning Team consisting of representatives from the Legislative Commission on Children, Youth and Their Families, Action for Children, and local governments/organizations will be formed to guide detailed planning for DCES. Along with a number of other policy, organization and fiscal issues, this planning work will review the programs proposed for transfer in this budget, and a number of other programs. These programs are identified in appendices A, B, and C. Recommendations for organization refinements and modifications will then be brought to the 1996 and 1997 legislative sessions.

Implementation of both the new agency strategy and the funding consolidation strategy discussed under the family and community services program will be deliberate and systematic. As state government attempts to navigate new and turbulent waters, expectations must be measured and priorities carefully established. It is anticipated that the major organizational, funding, and delivery system changes embraced by these strategies will take at least 4 to 6 years to achieve. Chart 5 displays the anticipated schedule for this change.

The new agency requires an additional biennial investment of $150,000 in F.Y. 1996 only to provide salary and support resources for a new commissioner.

The funding consolidation strategy does not require additional investments.

The education and employment transitions strategy requires an additional biennial appropriation of $5,000,000. Each function is described in the following pages. The charts, tables, and appendices of this budget document detail the several dimensions of these functions and strategies.

Total funding for DCES operations and programs in F.Y. 1997 is shown in the table below.

| | | |
|---|---|---|
| From Faribault Academies | | |
| General Fund | $ | 7,803 |
| Federal Funds | | 231 |
| Other Funds | | 953 |
| From Department of Education | | |
| General Fund | $ | 14,833 |
| Federal Funds | | 16,724 |
| Other Funds | | 4,061 |
| From Education Aids | | |
| General Fund | $ | 2,814,757 |
| Federal Funds | | 275,333 |
| Other Funds | | 33,014 |
| From Other Agency Operations Transferred In | | |
| General Fund | $ | 1,350 |
| Federal Funds | | 1,424 |
| Other Funds | | 468 |
| From Other Agency Grants Transferred In | | |
| General Fund | $ | 68,094 |
| Federal Funds | | 59,509 |
| Other Funds | | -0- |
| From New Operations Funds Recommended In This Budget | | |
| General Fund | $ | 600 |
| From New Grant Funds Recommended In This Budget | | |
| General Fund | $ | 1,900 |
| Total Operations and Grants | $ | 3,301,054 |

NOTE: Transfers from other agencies include only direct costs of program administration. Indirect cost transfer amounts will be determined during the new agency planning phase, and included with the 1996 legislative session recommendations.

# Chart 1

## Functions of

## Department of Children and Education Services

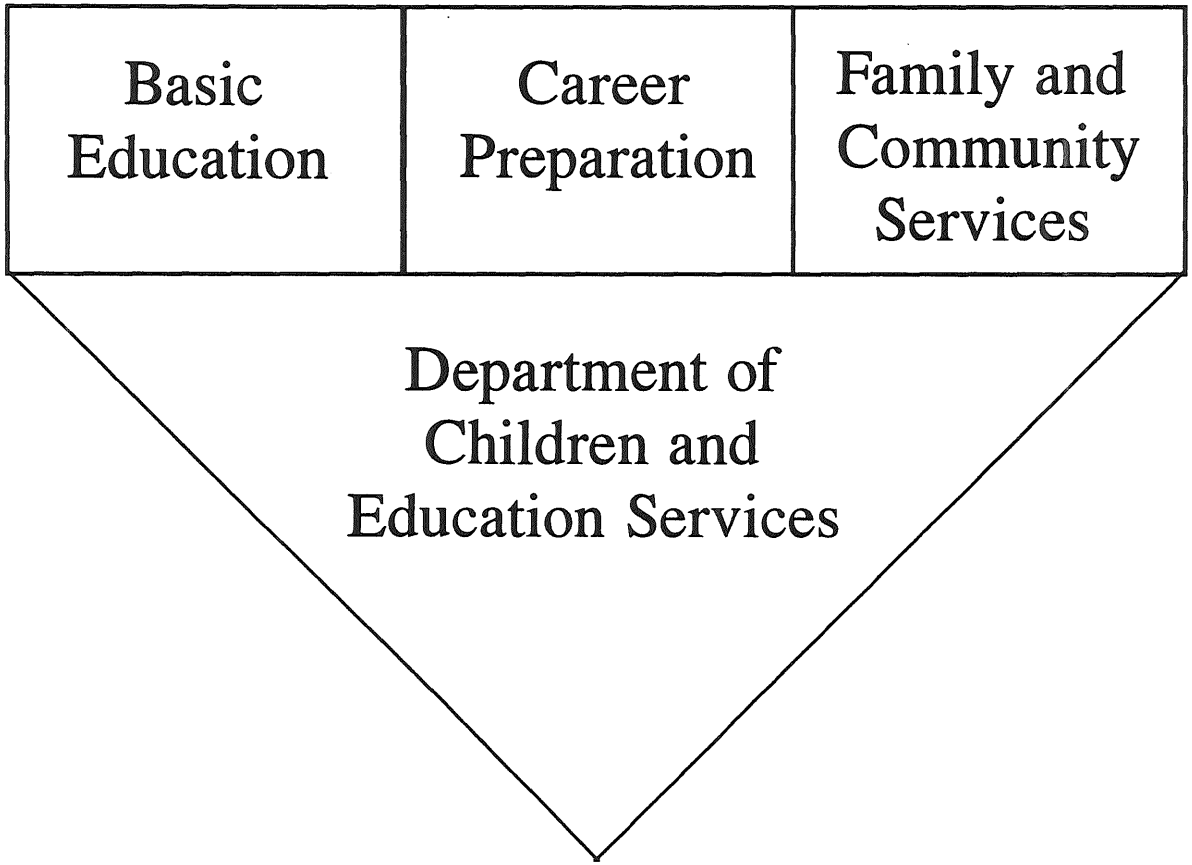


Chart 2

# Linking Services

## Department of Children and Education Services Goals and Programs

| | | |
|---|---|---|
| Part H (Early Intervention) | *(MDE)* | **Ensure All Children Come to School Ready to Learn** |
| Early Ch. Family Ed. | *(MDE)* | |
| Learning Readiness | *(MDE)* | |
| Way to Grow | *(MDE)* | |
| Early Childhood Screening | *(MDE)* | |
| Head Start | *(ES)* | |
| Child Care | *(DHS)* | |
| Basic Education | *(MDE)* | **Minnesotans will Excel in Basic Academic Skills** |
| Community Education | *((MDE)* | |
| Adult Basic Education | *(MDE)* | |
| Even Start | *(MDE)* | |
| Youth Career Preparation | *(MDE)* | **Minnesotans will have Advanced Education and Training to Make the State a Leader in the Global Economy** |
| Youth Employment and Training | *(ES)* | |
| Supplemental Food Program | *(DOH)* | **Children will be Healthy** |
| Maternal and Child Health | *(DOH)* | |
| Teen Pregnancy Prevention | *(MNPl)* | |
| Dental Health | *(DOH)* | |
| School Health | *(DOH)* | |
| Drug Free Schools & Communities | *(MDE)* | |
| Chemical Abuse Prevention | *(MDE)* | |
| AIDS Education | *(MDE)* | |
| Children's Trust Fund | *(DHS)* | **Families will Provide a Stable Environment for their Children** |
| Home Visiting | *(DOH)* | |
| Youth Violence Prevention | *(ES)* | **Communities Will Be Safe, Friendly, & Caring** |
| Violence Prevention | *(MDE)* | |

- Programs to be transferred into the new agency are linked above to the primary goal each addresses. Programs not listed address primarily system management goals.

- Transfer of policy direction and administrative control of programs now in other agencies, as shown above, will enhance policy coordination and collaboration, reduce existing service fragmentation, increase program flexibility, and improve the focus on measurable outcomes.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN AND EDUCATION SERVICES

| PROGRAM RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| CAREER PREPARATION | | | | | | 2,500 | | | 5,771 |
| FAMILY AND COMMUNITY SERVICES | | | | | | | | | 134,208 |
| BASIC EDUCATION | | | | | | | | | 37,971 |
| EXECUTIVE MANAGEMENT | | | | | | 150 | | | |
| TOTAL EXPENDITURES BY PROGRAM | | | | | | 2,650 | | | 177,950 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | 2,650 | | | 94,742 |
| TRUNK HIGHWAY | | | | | | | | | 21 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | | | | 624 |
| SPECIAL REVENUE | | | | | | | | | 2,661 |
| FEDERAL | | | | | | | | | 60,101 |
| FEDERAL MDES | | | | | | | | | 17,787 |
| AGENCY | | | | | | | | | 1,426 |
| GIFTS AND DEPOSITS | | | | | | | | | 583 |
| ENDOWMENT | | | | | | | | | 5 |
| TOTAL FINANCING | | | | | | 2,650 | | | 177,950 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | | | | | | | | | |
| TOTAL FTE | | | | | | 1.0 | | | 590.3 |

**PROGRAM:** Executive Management

**PROGRAM DESCRIPTION:**

In F.Y. 1996 the Executive Management Function of the DCES will require an appropriation of $150,000 to for the compensation of a commissioner and some support services. The appropriation of this amount is requested only on a one time basis for start-up activities. It will not be necessary beginning in F.Y. 1997 when the Department of Education is eliminated and positions and funding are transferred from the Departments of Health, Human Services, Economic Security, and Planning.

While DCES will be created in July 1995, transfer of most programs and staff from other agencies is not anticipated to occur until July 1996. During the interim period, it is expected that a Partnership Planning Team consisting of representatives from the Legislative Commission on Children, Youth and Their Families, Action for Children, and local governments/organizations will be formed to guide detailed planning for DCES. Along with a number of other policy, organization and fiscal issues, this planning work will review the programs proposed for transfer in this budget, along with a number of other programs. These programs are identified in appendices A, B, and C. Recommendations for refinements and modifications will then be brought to the 1996 and 1997 legislative sessions.

While no staff will be formally transferred from these agencies until F.Y. 1997, commissioners on the Children's Cabinet and their staff will be heavily involved in planning for the new DCES and its programs during F.Y. 1996.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN AND EDUCATION SERVICES
PROGRAM: EXECUTIVE MANAGEMENT

| | | | | FY 1996 | | | FY 1997 | | |
|---|---|---|---|---|---|---|---|---|---|
| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | Current Spending | Agency Plan | Governor Recomm. | Current Spending | Agency Plan | Governor Recomm. |
| EXECUTIVE MANAGEMENT | | | | | | 150 | | | |
| TOTAL EXPENDITURES BY ACTIVITY | | | | | | 150 | | | |
| GOV'S INITIATIVES: | | FUND | | | | | | | |
| (B) NEW AGENCY - ADMINISTRATION AND SUPPORT | | GEN | | | | 150 | | | |
| TOTAL GOV'S INITIATIVES | | | | | | 150 | | | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | 150 | | | |
| TOTAL FINANCING | | | | | | 150 | | | |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | | | | | | | | | |
| TOTAL FTE | | | | | | 1.0 | | | |

**PROGRAM:** Basic Education

**PROGRAM DESCRIPTION:**

This program incorporates most of the operations and grant monies from the Department of Education except for the following activities that are functionally most related to either the career preparation function or the family and community services function:

Youth Career Preparation
Youth Works
Apprenticeships, etc

ECFE
Part H
Learning Readiness
Way to Grow
Early Childhood Screening
Community Education
Adult Basic Education
Even Start
Drug Free Schools and Communities
Chemical Abuse Prevention
AIDS Education
Violence Prevention

Total funding for DCES basic education operations and grants in F.Y. 1997 is shown in the table below.

| | |
|---|---|
| From Faribault Academies | |
| General Fund | $ 7,803 |
| Federal Funds | 231 |
| Other Funds | 953 |
| From Department of Education | |
| General Fund | $ 13,593 |
| Federal Funds | 12,395 |
| Other Funds | 2,996 |
| From Education Aids | |
| General Fund | $ 2,770,930 |
| Federal Funds | 260,919 |
| Other Funds | 32,546 |
| From New Operations Funds Recommended In This Budget | |
| General Fund | $ -0- |
| From New Grant Funds Recommended In This Budget | |
| General Fund | $ -0- |
| Total Operations and Grants | $ 3,102,366 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN AND EDUCATION SERVICES
PROGRAM: BASIC EDUCATION

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| BASIC EDUCATION | | | | | | | | | 37,971 |
| TOTAL EXPENDITURES BY ACTIVITY | | | | | | | | | 28,894 |

| GOV'S INITIATIVES: | FUND | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (A) TRANSFER FROM DEPT OF EDUCATION | GEN | | | | | | | | 13,483 |
| (A) TRANSFER FROM DEPT OF EDUCATION | TH | | | | | | | | 21 |
| (A) TRANSFER FROM DEPT OF EDUCATION | GEN | | | | | | | | 110 |
| (A) TRANSFER FROM DEPT OF EDUCATION | SR | | | | | | | | 1,962 |
| (A) TRANSFER FROM DEPT OF EDUCATION | FED | | | | | | | | 12,395 |
| (A) TRANSFER FROM DEPT OF EDUCATION | AG | | | | | | | | 830 |
| (A) TRANSFER FROM DEPT OF EDUCATION | G&D | | | | | | | | 183 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | GEN | | | | | | | | 8,075 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | GEN | | | | | | | | 514 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | SR | | | | | | | | 85 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | FED | | | | | | | | 231 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | AG | | | | | | | | 33 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | G&D | | | | | | | | 44 |
| (A) TRSFR FROM DEPT. OF ED, RESIDENTIAL ACADEMIES | END | | | | | | | | 5 |
| TOTAL GOV'S INITIATIVES | | | | | | | | | 37,971 |

| SOURCES OF FINANCING: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | | | | 21,558 |
| TRUNK HIGHWAY | | | | | | | | | 21 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | | | | 624 |
| SPECIAL REVENUE | | | | | | | | | 2,047 |
| FEDERAL | | | | | | | | | 12,626 |
| AGENCY | | | | | | | | | 863 |
| GIFTS AND DEPOSITS | | | | | | | | | 227 |
| ENDOWMENT | | | | | | | | | 5 |
| TOTAL FINANCING | | | | | | | | | 37,971 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| TOTAL FTE | | | | | | | | | 499.2 |

**Strategic Budget for Children and Family Services 1996-97**

**PROGRAM:** Career Preparation

**INTRODUCTION:**

Several trends require changes in the way we educate our youth:

1. the international economy is becoming increasingly complicated and competitive;

2. our population is aging — tomorrow's working age adults will have to run an economic machine to support more retired citizens than do today's working adults. Between 1990 and 2020, Minnesota's population aged 65 and older will increase by 23%. In contrast, our population aged 25 to 44 will decline by more than 14%; and

3. a substantial number of today's young adults are not completing high school or post-secondary training and as a result, many float directionless around a pool of low-skill, low-paying jobs. The current system does not adequately serve many young adults each year:

   - In 1990, 5.1% (15,200) of Minnesota's youth, age 16 to 19, were high school dropouts.
   - According to the 1990 census, 16.6% (72,010) Minnesotan's between the ages of 18 and 24 had not completed high school.
   - Of those that had completed high school, 33% had not yet started post-secondary training.

Traditionally, the American educational system has pointed towards earning a baccalaureate degree after a 4 or 5 year academic experience following graduation from high school. The college graduate was then expected to find a job commensurate with the new degree. But in the 1990s there is strong evidence that our traditional school-to-work paradigm no longer works. As larger companies down-size to become more cost efficient, and as small companies expand and grow, there are increasing disparities between what business needs and what our education system is providing. A new comprehensive system for teenaged students needs to be developed which will allow a student to point toward acquiring specific job skills that will be in demand when he/she "graduates".

Minnesota must begin considering steps that could be taken to bring the "supply side" and the "demand side" into synch. Minnesota has developed great programs to supply trained workers, but has never systematically considered whether our supply programs will fit tomorrow's demand. Predicting the "demand side" will not be easy because for many jobs specific skills have not been categorized, and the data needed to project the jobs/skills which will be needed in the future are currently inadequate.

Minnesota must expand the K-12 public education system to include multiple programs that lead to lifelong learning and work. Included among these are youth apprenticeship programs that integrate vocational academic education; classroom and workplace learning; and secondary and postsecondary education. These programs would be high quality, meeting state graduation standards and the standards of business and industry for success in the workplace. They would enhance existing education offerings and equip students to leave high school well prepared to enter the workforce.

Minnesota employers want workers who can attain highly developed technical skills. We must provide programs that give students those skills and the confidence to succeed in the work world. If government and business come together now at all levels (federal, state, and local) to rethink and reshape the way we educate our youth, our country's economic future and the life-satisfaction of future generations of young adults can be assured.

**VISION** All Minnesotans will make successful education and employment transitions.

**GUIDING PRINCIPLES** Minnesota's Education and Employment Transitions System must:

- build in each learner a sense of personal responsibility for acquiring the skills necessary for successful education and employment transitions;
- engage representatives of business, education, and the community in partnerships to plan, implement, evaluate, and continuously improve the system;
- respond to the diversity of culture, learning styles, geography, and special needs;
- balance the needs of learners to develop skills necessary for success in life and work and the needs of business to develop skilled, flexible workers;
- assist learners to understand work, the options leading to work, and the tools necessary to make transitions throughout life;
- be future oriented and able to respond to shifting economic conditions and changing technology; and
- demonstrate efficient use of public and private resources to support education, training and retraining programs.

A comprehensive system should have the following components:

- a regularly updated computer-based career planning and development system that provides users with information about current labor market trends and specific job availability;
- a widely accessible and regularly updated age appropriate printed and multi-media information system that helps users understand the skills needed for particular occupations, required coursework in junior high through college, and the ability to help the user identify occupations that match his skills/interests;
- a long-term curriculum-based approach to integrating work awareness, exploration, and preparation into the education of students from early elementary grades through graduation from high school and beyond;
- high quality work-based learning options for all learners including job shadowing, mentorships, service learning, internships, cooperative education, and apprenticeships especially in those fields offering high potential for future employment consistent with global and regional economies;
- strategies to assess learner and system achievement through demonstrating acquired skills and knowledge;

- professional education, technical assistance, and other support for local program and personnel development; and
- system accountability and customer assurance.

While the total system needs to be much more than just the work-based learning options like youth apprenticeship or internships, these pieces are the ones most in need of a structure that will encourage employer buy-in and business leadership, maximize student options, and permit efficient use of resources.

Minnesota's success in achieving its vision will depend on collaboration among our private business communities, public and private education systems, government agencies, worker representatives, community-based services, and learners. A primary objective during the development period will be to demonstrate how existing public and private resources for education and training can be restructured to maintain the system. Long-term maintenance of Minnesota's comprehensive education and employment transitions system must not depend on new sources of revenue. During a 1 to 4 year period, some additional funds are necessary to demonstrate the efficacy of various system components.

Overall, the system needs to actively engage the business communities in all aspects of planning and implementing system components. The strategies that follow reverse the public sector and "supplier" dominance of Minnesota's education and employment transitions programs and provide incentives for collaboration.

## GOVERNOR'S RECOMMENDATION

1. Establish regional governance structures to plan, implement and assess education and employment transitions programs in each of the state's economic development regions.

   a. Each regional structure will be comprised of 10 to 15 directors appointed by the Governor. At least 50% of the directors must represent employers in the region. The remaining directors will be selected from among educators, learners, parents, workers, government, and community based organizations. Not more than 20% of the members can represent organizations that deliver education and training services.

   b. Each regional organization will develop a plan for an education and employment transitions system. Those plans will be based on the system characteristics outlined above and will be tied directly to the economic development opportunities of the region.

   c. Regional plans will identify public and private education and training services and coordinate their development to meet regional objectives.

   d. Regional plans will demonstrate how the system will be maintained beyond the start-up period using existing public and private sector education and training resources including secondary and post-secondary funding, private sector training funds and wages, and public sector training resources.

   e. State funding totalling $2.0 million for the 1996-97 biennium for system planning and start-up will be administered by the regional structures.

2. Continue current youth apprenticeship demonstration efforts and develop state-level capacity to coordinate interregional system development and assist regional education and employment transitions systems assess, monitor, and improve their performance.

   a. Coordinate statewide system development to ensure access and program continuity across regional divisions.

   b. Establish standards for learner and system performance and implement a program of performance assessment, monitoring, and continuous improvement.

   c. Develop the capacity to:

      - reduce barriers to effective use of state resources;
      - provide technical and other assistance to regions for system component development;
      - develop appropriate professional education programs.

   d. Continue youth apprenticeship demonstration programs started with funding from the state.

   e. State funding totalling $1.8 million for the 1997-97 biennium will be administered by the Department of Children and Education Services (DCES) for the purposes outlined in this section. As discussed earlier in the agency narrative, while most staff from the Department of Education will not be transferred to the DCES until F.Y. 1997, the DCES commissioner will have the discretion to transfer some positions or functions in F.Y. 1996 as needed to administer the program.

3. Develop a statewide system of labor market information (LMI) that is built on the current and future needs and business for appropriately prepared workers and meets the needs of learners for accurate and timely information about the availability of work and the skills necessary for successful entry into high-wage jobs.

   The DCES will receive $1.2 million during the 1996-97 biennium to administer the LMI system. The commissioner has discretion to contract with other agencies, such as the Department of Trade and Economic Development, as appropriate for this activity.

4. The MDE on behalf of the state of Minnesota will seek federal funding of up to $25 million over 5 years from the School-To-Work Opportunities Act of 1994 for the efforts described above. The DCES commissioner would have the discretion to transfer the MDE staff involved in this function as early as F.Y. 1996.

5. In addition to the total of $5 million in one-time funds recommended here, ongoing funding would be provided from 2 sources:

   a. through the Post-Secondary Education Options program with some modifications to make

the funding cost neutral over the extended life of the apprenticeship. Essentially, current general education funding for 11th and 12th grade students would follow them to programs such as Youth Apprenticeships.

b. through the use of current funds for the vocational technical system going into the Higher Education Board (HEB) base. The HEB would be asked to reserve in its budget approximately $2,000 per year per apprentice enrolled in one of the programs. The boards could use these funds to negotiate with the HEB for training in HEB locations. If they could not reach agreement with HEB, the HEB would pay these amounts to the education and employment transition boards.

6. The Governor's Task Force on Higher Education and the Economy will be asked to consider alternative or additional ways in which greater incentives can be provided to Minnesota's higher education systems to be more responsive to the needs of employers in a rapidly changing international economy.

Total funding for DCES career preparation operations and programs in F.Y. 1997 is shown in the table below.

| | | |
|---|---|---|
| From Department of Education | | |
| General Fund | $ | 503 |
| Federal Funds | | 1,705 |
| Other Funds | | 1,063 |
| From Education Aids | | |
| General Fund | $ | 1,712 |
| Federal Funds | | 3,266 |
| Other Funds | | -0- |
| From Other Agency Operations Transferred In | | |
| General Fund | $ | 63 |
| Federal Funds | | 405 |
| Other Funds | | -0- |
| From Other Agency Grants Transferred In | | |
| General Fund | $ | 2,990 |
| Federal Funds | | 15,842 |
| Other Funds | | -0- |
| From New Operations Funds Recommended In This Budget | | |
| General Fund | $ | 600 |
| From New Grant Funds Recommended In This Budget | | |
| General Fund | $ | 1,900 |
| Total Operations and Grants | $ | 30,049 |

NOTE: Included in the above totals are transfers from the Youth Employment and Training Program of the Department of Economic Security totaling $19,300,000. These transfers are shown on the Family and Community Services program fiscal page.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN AND EDUCATION SERVICES
PROGRAM: CAREER PREPARATION

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| CAREER PREPARATION | | | | | | 2,500 | | | 5,771 |
| TOTAL EXPENDITURES BY ACTIVITY | | | | | | 2,500 | | | 5,771 |
| GOV'S INITIATIVES: | | FUND | | | | | | | |
| (B) EDUCATION/EMPLOYMENT TRANSITION INITIATIVE | | GEN | | | | 2,500 | | | 2,500 |
| (B) TRANSFER FROM DEPARTMENT OF EDUCATION | | GEN | | | | | | | 503 |
| (B) TRANSFER FROM DEPARTMENT OF EDUCATION | | SR | | | | | | | 492 |
| (B) TRANSFER FROM DEPARTMENT OF EDUCATION | | FED | | | | | | | 1,705 |
| (B) TRANSFER FROM DEPARTMENT OF EDUCATION | | G&D | | | | | | | 8 |
| (B) TRANSFER FROM DEPARTMENT OF EDUCATION | | AG | | | | | | | 563 |
| TOTAL GOV'S INITIATIVES | | | | | | 2,500 | | | 5,771 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | | | | 2,500 | | | 3,003 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | | | | | | | | | 492 |
| FEDERAL | | | | | | | | | 1,705 |
| GIFTS AND DEPOSITS | | | | | | | | | 8 |
| AGENCY | | | | | | | | | 563 |
| TOTAL FINANCING | | | | | | 2,500 | | | 5,771 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| TOTAL FTE | | | | | | | | | 19.0 |

**PROGRAM:** Family and Community Services

## INTRODUCTION:

Minnesota state government manages and funds a complex array of services for children and families. The federal government sponsors another large set of services targeted at children and families, a number of which are not directly linked to state programs. As these resources move from the state and federal levels to the local level, a maze of parallel funding streams, intergovernmental relationships, and service delivery corridors is formed. A year ago, resource inventory work for the Minnesota Children's Initiative identified programs in this maze (outside of the core K-12 education function) with estimated total biennial funding from all public sources of $4.4 billion.

As the federal government and Minnesota's local governments (through the Family Services Collaboratives program) restructure funding and service delivery systems to address this challenge, state government must also respond. The proposed new DCES, along with the funding consolidation strategy described below, is Minnesota's response.

## GOVERNOR'S RECOMMENDATION:

The Family and Community Services function in DCES will be the focus for the state's family and children's policy and system development effort, with the initial emphasis on early childhood services to children ages 0-6. However, this function will not stand independently of its other major state government partners (Department of Health (DOH), Economic Security (ES), and Department of Human Services (DHS), and a number of other small agencies. Through the Children's Cabinet, the major responsibilities for children and family policy and funding which will remain in those 3 agencies will be closely coordinated with services of the new agency. Other possible program responsibility changes will be examined closely, as described below.

Co-location and transfer of policy direction and administrative control for a number of critical programs which address similar results for children and families will provide a new leadership focus and enhance policy coordination and collaboration within state government. It will also:

- reduce existing service fragmentation;
- enhance the ability of state government to help local governments and communities to flexibly design services that will work best for their communities; and
- improve the capabilities of both state and local government to focus resources on measurable outcomes to improve the well-being of children and families.

Programs within the Family and Community Services function are shown in Chart 3. The Governor is recommending that several of these programs receive significant increases in F.Y. 1996-97. They are as follows:

| | Dollars in Thousands | |
|---|---|---|
| | F.Y. 1996 | F.Y. 1997 |
| ■ Child Care | $12,396 | $28,450 |
| ■ Family Services Collaboratives | 7,000 | 8,000 |
| ■ Information Redesign | 500 | 500 |

Further detail on these recommendations can be found in the budget documents of the agencies from which these programs are transferred.

## FUNDING CONSOLIDATION

Legislation to be introduced in the 1995 legislative session will enable local governments, *at their option*, to consolidate, for purposes of collaborative policy development and service delivery, funding currently received through a number of state and federal categorical grants.

This strategy, which will be implemented as early as January 1996, will:

- facilitate cohesive state, local and intergovernmental policy development;
- provide local flexibility needed to shape and deliver appropriate holistic services with optimum cost effectiveness; and
- focus state and local government resources on service quality and outcomes management rather than grants processes.

The guiding system development principles behind consolidation, which go hand in hand with the new agency strategy, are:

- a family focus;
- accountability for outcomes;
- integration of services;
- preventive and developmental; and
- local "ownership" and control.

The consolidated funding concept and process is quite similar to earlier efforts of the state to provide flexible funding. These include the Community Health Services (CHS), Community Social Services (CSSA), and Community Corrections "block" grants and others, such as Learning Readiness, which give grantees significant discretion. But there are significant differences which will provide local governments and communities with much more freedom to shape services:

- Consolidation at the local level means that, by appropriate intergovernmental agreement, these funds can be "blended" with funds of other local governments and organizations, without detailed service contracts and without detailed audit trails. Local flexibility is extended considerably.

- Consolidation at the local level does not mean the state is creating another broad categorical with detailed regulations and reporting requirements. The basis of accountability should be strong outcome planning and evaluation, not regulation and reporting. The state, in partnership with local governments and organizations, will develop up-front planning and evaluation standards to assure such accountability.

The state will continue to explore new service delivery approaches or service expansions with local government. Professional discipline expertise will continue to focus on emerging challenges. However, this work will be of a developmental or demonstration nature and will not result in the creation of new categorical programs.

Like the federal government, Minnesota state government has, over the years, developed a number of programs which address a particular problem, population group, or service. There were many

sound reasons for their creation. Because they were targeted, it was believed they would achieve accountability. They enabled state and local government professionals in the respective disciplines to focus their expertise. And because they carried their own "identity," advocacy groups and sponsors could rally around them. As a result, Minnesota has large and diverse investments which have helped the state to maintain a high quality of living standard.

However, these investments now present major challenges. Parts of the service systems are fragmented, thus preventing holistic treatment of problems and clouding accountability for results. Some services are overly targeted, with the result that some children and families "fall through the cracks." Often, the focus seems to be on "services" — not outcomes, thus further diminishing accountability. And, to the extent these programs reflect only state government priorities, they often do not give local governments and organizations the flexibility to respond to community priorities.

Over the past several years state and local government has begun to address this challenge. These efforts include the Children's Cabinet; the Legislative Commission on Children, Youth, and Their Families; the Family Service Collaboratives grant program; and other initiatives listed in Chart 4. This work provides a solid foundation for decategorization and funding consolidation.

Under the consolidated funding approach, local government and other local grantees who have formed a collaborative association for purposes of developing local policy and integrating service delivery to children and families may elect to blend some or all of the funds currently received from state and federal categorical programs with other local funding in a consolidated or integrated fund to be governed by the collaborative. The collaborative and local grantees would then be accountable for using blended funds to address outcomes consistent with the current categorical program as specified in a collaborative plan to be reviewed and approved by the state. Each grantee's funding would be calculated as per current law for each categorical. Initially, 50 categorical programs would be included in this strategy. Consolidation of federal program funding would be conditioned on necessary waivers or federal law changes to be obtained by state and local governments. Proposed legislation will define the local collaborative or association as in the existing family services collaboratives grants legislation—that is, at least 1 school district, 1 county, and 1 public health organization. The planning and service delivery areas would be consistent with county boundaries, with special provisions for jurisdictions which cross county lines. It is envisioned that cities and other organizations throughout a county would also become part of the collaborative and that multi-county area collaboratives would be formed.

This strategy will not be mandated. Local grantees in areas of the state not ready for the strategy would continue to receive funding per existing law.

To implement this strategy, the state government would work with its major partners, as described under the new agency strategy, to develop local planning, state review, and accountability procedures. The schedule calls for completion of these procedures/requirements by October 1, 1995. This would enable local "collaboratives" or similar associations who have had a history of collaboration and who meet all requirements, to be eligible to receive funding for consolidation locally by January 1, 1996. It is anticipated that, because of the significant lead time for local decision-making and the disciplined planning which will be required, only a few areas will be able to pursue the January 1996 program entry schedule. However, it is planned to allow entry into the program every 6 months. Thus, areas not prepared by January can enter in July 1996 or at any 6-month point thereafter.

Since areas of the state vary in their readiness to achieve the level of integrated planning and service delivery envisioned by this strategy, both state policy and the implementation schedule must be flexible. It is believed that full implementation will take at least 4 to 6 years. (See Chart 4.) Local grantees working collaboratively will be given the flexibility to set their own timetable for consolidating funding. Some may opt to consolidate a number of grants early; others may opt to start with only 4 or 5, then phase-in others based on findings of local planning and analysis.

It is the intent of this strategy to achieve consolidation of funding statewide over a period of years. Thus, ultimately, local governments and organizations would receive funding in very large "blocks" consisting of many formerly categorical dollars.

Existing categoricals to be available for consolidation go somewhat beyond the early childhood and prevention thrust of the new agency family and community services function. This reflects a judgment that each local area should be able to plan for and blend resources for as broad a service continuum as local priorities require, while still preserving a more cautious and limited approach for state government organization.

**Management Support System**

For both the new agency and funding consolidation strategies to work, certain basic support system elements, which unify state agency work and link state government and local government, must be in place. This process has begun and will be accelerated by several budget recommendations for F.Y. 1996-97 discussed elsewhere.

The major support system elements are:

- Unification of System Change;
- Information Management;
- Evaluation Capacity Development;
- Outcome-Based Budget Systems; and
- Removing Barriers to Service Integration.

Each of these elements is described briefly below:

- **Unification**

  Over a period of time, state and local governments have focused efforts on persons in our communities with unique needs, and a specific set of services and other delivery system strategies designed to meet those needs. Recently, both levels of government have attempted to broaden these efforts by creating "integration" or "collaborative" ventures centered on those targeted groups and delivery systems. The Children's Initiative planning work with the Pew Trusts identified 7 such collaboratives involving significant state involvement. A major successful current venture is the Children's Mental Health Collaboratives program. It is

believed there are many more collaboratives which are either special state efforts, or regional or area-based. These ventures have often been successful in addressing the defined target group, but they have also hampered broader collaboration and have diluted resources at the local level.

We must now define a framework in which these diverse collaborations can be unified. It is believed that both the new agency strategy and the funding consolidation strategy will help accomplish this goal.

- **Evaluation Capacity Development**

As state and local governments move toward funding consolidation with a focus on outcomes, greatly enhanced evaluation technical skill and information support will be indispensable. This work has started in individual agencies and will be reinforced by the Children's Initiative work.

- **Outcome-Based Budgeting**

The state has taken a major step forward with the performance reporting system implemented during the current biennium. Some local governments have progressed still further. Unification, information management, evaluation capacity, and accounting system work must be coordinated to flow into budget system improvements.

- **Removing Barriers to Service Integration**

"Mandate reform," health care waivers and other work have already given the state momentum in building this component. Funding consolidation and broad federal waivers will be another large step forward. The executive branch will continue to develop new approaches for consideration by the legislature as appropriate.

Total funding for DCES Family & Community Services operations and programs in F.Y. 1997 is shown in the table below.

| | | |
|---|---|---|
| From Department of Education | | |
| General Fund | $ | 737 |
| Federal Funds | | 2,624 |
| Other Funds | | 2 |
| From Education Aids | | |
| General Fund | $ | 42,115 |
| Federal Funds | | 11,148 |
| Other Funds | | -0- |
| From Other Agency Operations Transferred In | | |
| General Fund | $ | 1,287 |
| Federal Funds | | 1,019 |
| Other Funds | | 468 |
| From Other Agency Grants Transferred In | | |
| General Fund | $ | 65,104 |
| Federal Funds | | 43,667 |
| Other Funds | | -0- |
| From New Operations Funds Recommended In This Budget | | |
| General Fund | $ | -0- |
| From New Grant Funds Recommended In This Budget | | |
| General Fund | $ | -0- |
| Total Operations and Grants | $ | 168,171 |

The Governor's local grants and aids budget recommendations also include changes that can be beneficial to family and community service programs. The Governor's local aids budget recommends that several general purpose city, county, town, and special district aids be consolidated into a single county-wide homestead block grant. These aid programs include City/Township Local Government Aid (LGA); Homestead Agricultural Credit Aid (HACA, both basic and mobile home); Disparity Reduction Aid (DRA); and Attached Machinery Aid. Specifically, the Governor recommends that current law formulas be used to distribute these aids to cities, counties, townships, and special districts in 1996 per his recommended funding level. These aids would then be summed to the county level, establishing the initial base year funding amount for the new county homestead block grant.

Beginning in C.Y. 1996, the Governor also recommends that each county establish an Aid Distribution Council (ADC) which will have the responsibility and the authority to allocate their county block grant dollars (the first year that these ADC's would affect within county aid distributions would be C.Y. 1997) within their respective counties based on local needs and program priorities. Each ADC will be comprised of an equal number of representatives from the governing bodies of the county government, cities, and school district taxing jurisdictions from within the county.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN AND EDUCATION SERVICES
PROGRAM: FAMILY AND COMMUNITY SERVICES

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| FAMILY AND COMMUNITY SERVICES | | | | | | | | | 134,208 |
| TOTAL EXPENDITURES BY ACTIVITY | | | | | | | | | 134,208 |

| GOV'S INITIATIVES: | FUND | |
|---|---|---|
| (P) TRANSFER FROM MN PLANNING | GEN | 500 |
| (P) TRANSFER FROM MN PLANNING | G&D | 348 |
| (P) TRANSFER FROM ECONOMIC SECURITY | GEN | 15,187 |
| (P) TRANSFER FROM ECONOMIC SECURITY | FES | 17,787 |
| (P) TRANSFER FROM HUMAN SERVICES | GEN | 53,160 |
| (P) TRANSFER FROM HUMAN SERVICES | FED | 43,146 |
| (P) TRANSFER FROM HUMAN SERVICES | SR | 120 |
| (P) TRANSFER FROM HEALTH DEPARTMENT | GEN | 597 |
| (P) TRANSFER FROM DEPT OF EDUCATION | GEN | 737 |
| (P) TRANSFER FROM DEPT OF EDUCATION | SR | 2 |
| (P) TRANSFER FROM DEPT OF EDUCATION | FED | 2,624 |
| TOTAL GOV'S INITIATIVES | | 134,208 |

| SOURCES OF FINANCING: | |
|---|---|
| DIRECT APPROPRIATIONS: | |
| GENERAL | 70,181 |
| STATUTORY APPROPRIATIONS: | |
| SPECIAL REVENUE | 122 |
| FEDERAL | 45,770 |
| FEDERAL MDES | 17,787 |
| GIFTS AND DEPOSITS | 348 |
| TOTAL FINANCING | 134,208 |

| FTE BY EMPLOYMENT TYPE: | |
|---|---|
| REGULAR | |
| TOTAL FTE | 72.1 |

Chart 3

# Program Responsibilties

## Family and Community Services Function

Part H (Early Intervention)
Early Ch. Family Ed.
Learning Readiness
Way to Grow
Early Childhood Screening
Head Start
Child Care

**Ensure All Children Come to School Ready to Learn**

Basic Education
Community Education
Adult Basic Education
Even Start

**Minnesotans will Excel in Basic Academic Skills**

Youth Career Preparation
Youth Employment and Training

**Minnesotans will have Advanced education and training to make the state a leader in the global economy**

Supplemental Food Program
Maternal and Child Health
Teen Pregnancy Prevention
Dental Health
School Health
Drug Free Schools & Communities
Chemical Abuse Prevention
AIDS Education

**Children will be Healthy**

Youth Violence Prevention
Violence Prevention

**Communities Will Be Safe, Friendly, and Caring**

Children's Trust Fund
Home Visiting

**Families Will Provide a Stable Environment for Their Children**

Youth Violence Prevention
Violence Prevention

**Communities Will Be Safe, Friendly & Caring**

**Responsibilities of Family and Community Services Shaded**

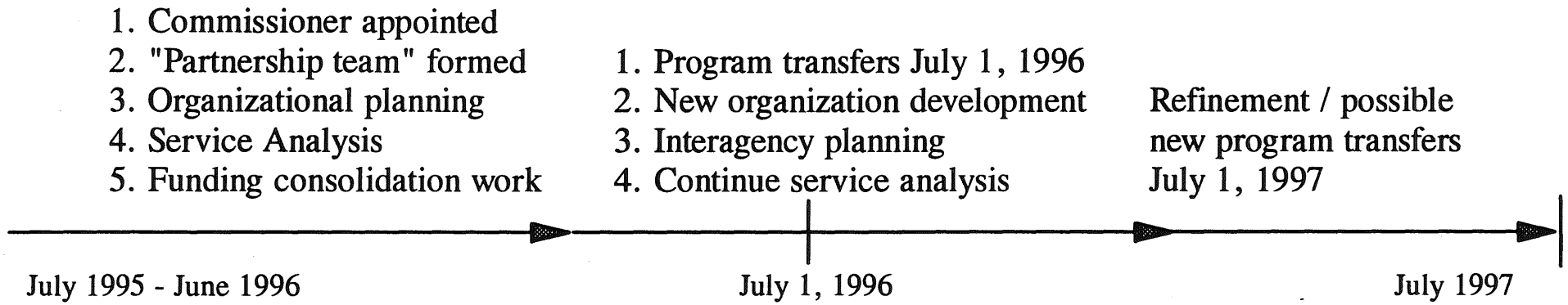
## CHART 4

## MINNESOTA INITIATIVES TO IMPROVE SYSTEM INTEGRATION AND ACCOUNTABILITY

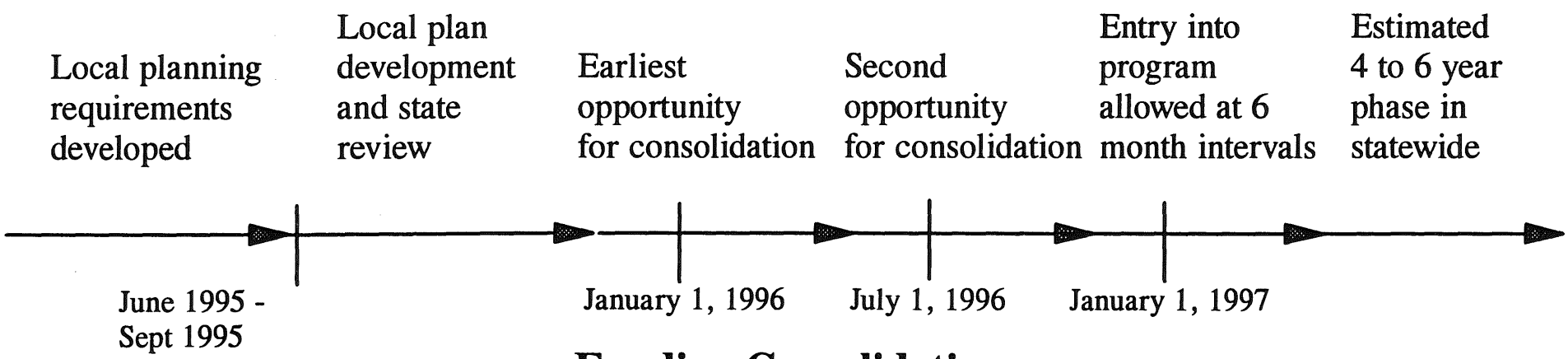
- Children's Cabinet
- Legislative Commission on Children, Youth, and Their Families
- Family Service Collaboratives
- Children's Mental Health Collaboratives
- Health Care Reform
- Milestones
- Study of Government Spending
- Statewide Accounting System Development
- Performance Reporting
- Integrated Children and Family Services Data Plan
- Statewide Information and Referral System Development
- Minnesota Children's Initiative
- Project Cornerstone

Chart 5

# Planning and Implementation Schedule




## Establishment of New Agency




## Funding Consolidation

## Strategic Budget for Children and Family Services 1996-97

**Program: Family and Community Services** **APPENDIX A**

**I. Programs to be transferred to Department of Children and Education Services and to be available for consolidation at the local level**

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| **Department of Economic Security** | | | | | |
| 1. Head Start | | | | | |
| State | $8,481 | $11,498 | $11,506 | $11,506 | $11,506 |
| 2. Project Cornerstone | | | | | |
| Federal | 59 | 48 | 100 | 100 | 100 |
| 3. Youth Violence Prevention | | | | | |
| State | 600 | 603 | 1,798 | 628 | 628 |
| Federal | 952 | 1,366 | 1,440 | 1,440 | 1,440 |
| **Total** | **1,552** | **1,969** | **3,238** | **2,068** | **2,068** |
| 4. Youth Employment and Training | | | | | |
| State | 3,558 | 5,564 | 5,158 | 3,804 | 3,053 |
| Federal | 10,385 | 16,550 | 16,247 | 16,247 | 16,247 |
| **Total** | **13,943** | **22,114** | **22,351** | **20,051** | **19,300** |
| **Subtotal for transfer F.Y. 1997** | | | | | **32,974** |
| **Minnesota Planning** | | | | | |
| 5. Information Redesign | | | | | |
| State | -0- | -0- | -0- | 500 | 500 |
| 6. Action for Children | | | | | |
| Other | 41 | 14 | -0- | -0- | -0- |
| 7. Teen Pregnancy Prevention | | | | | |
| Other | 312 | 309 | 168 | 168 | 168 |
| 8. Minnesota Children's Initiative | | | | | |
| Other | 149 | 56 | 180 | 180 | 180 |
| **Subtotal for transfer F.Y. 1997** | | | | | **848** |

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| **Department of Human Services** | | | | | |
| 9. Child Care (Admin shown only in F.Y. 1997) | | | | | |
| State | 18,671 | 22,634 | 23,694 | 33,086 | 45,851 |
| Federal | 23,807 | 30,068 | 33,130 | 36,134 | 39,592 |
| **Total** | **42,478** | **52,702** | **56,824** | **69,220** | **85,443** |
| 10. Children's Trust Fund | | | | | |
| State | 295 | 20 | 22 | 372 | 372 |
| Federal | 47 | 72 | 113 | 363 | 363 |
| Other (Spec. Rev.) | 742 | 972 | 470 | 120 | 120 |
| **Total** | **1,084** | **1,064** | **605** | **855** | **855** |
| 11. Migrant Child Care | | | | | |
| State | 200 | 200 | 200 | 300 | 300 |
| Federal | 447 | 447 | 447 | 447 | 447 |
| **Total** | **647** | **647** | **647** | **747** | **747** |
| 12. Family Service Collaboratives | | | | | |
| State | | 2,500 | 1,000 | 3,500 | 4,000 |
| 13. Child Care Resource/Referral | | | | | |
| State | 592 | 588 | 588 | 888 | 988 |
| Federal | 488 | 652 | 540 | 540 | 540 |
| **Total** | **1,080** | **1,240** | **1,128** | **1,428** | **1,528** |
| 14. Child Care Service Development | | | | | |
| State | 881 | 515 | 535 | 527 | 1,649 |
| Federal | 1,162 | 2,059 | 1,864 | 1,864 | 2,204 |
| **Total** | **2,043** | **2,574** | **2,399** | **2,391** | **3,853** |
| **Subtotal for transfer F.Y. 1997** | | | | | **96,426** |
| **Department of Health** | | | | | |
| 15. Dental Health | | | | | |
| State | 196 | 208 | 196 | 196 | 232 |
| 16. Home Visiting | | | | | |
| State | 242 | 300 | 300 | 300 | 300 |
| 17. School Health | | | | | |
| State | 65 | 65 | 65 | 65 | 65 |
| **Subtotal for transfer F.Y. 1997** | | | | | **597** |

**Program: Family and Community Services** (Continuation)

**APPENDIX A**

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Department of Health Conditional Transfer | | | | | |
| 18a. Special Supplemental Food Program for Women, Infants, and Children (WIC) | | | | | |
| State | 890 | 2,990 | 2,990 | 2,990 | 2,990 |
| Federal | 40,119 | 39,714 | 41,613 | 41,613 | 41,613 |
| Other | 9,104 | 12,167 | 15,623 | 15,623 | 15,623 |
| **Total** | 50,113 | 54,871 | 60,226 | 60,226 | 60,226 |
| 18b. Commodity Supplemental Food Program for Mothers and Children (MAC) | | | | | |
| Federal | 600 | 516 | 561 | 561 | 561 |
| 19. Maternal Child Health (MCH) | | | | | |
| State | 3,994 | 3,604 | 4,011 | 3,734 | 3,734 |
| Federal | 8,066 | 9,589 | 9,261 | 9,261 | 9,261 |
| Other | 178 | 235 | 630 | 630 | 630 |
| **Total** | 12,238 | 13,428 | 13,902 | 13,625 | 13,625 |
| Department of Education (Grants funding only.) | | | | | |
| 20. Community Education | | | | | |
| State | 3,464 | 3,101 | 3,319 | 1,921 | 846 |
| 21. Adult Basic Education | | | | | |
| State | 5,869 | 5,904 | 7,998 | 8,374 | 8,374 |
| Federal | 158 | 352 | 414 | 414 | 414 |
| **Total** | 6,027 | 6,256 | 8,412 | 8,788 | 8,788 |
| 22. Even Start | | | | | |
| Federal | 624 | 1,197 | 1,266 | 1,266 | 1,266 |
| 23. Early Intervention Services for Infants and Toddlers with Disabilities (Part H) | | | | | |
| State | -0- | -0- | -0- | -0- | 2,035 |
| Federal | 1,464 | 1,124 | 3,202 | 3,202 | 3,202 |
| **Total** | 1,464 | 1,124 | 3,202 | 3,202 | 5,237 |
| 24. Early Childhood Family Education (ECFE) | | | | | |
| State | 13,123 | 13,464 | 13,876 | 13,919 | 13,921 |
| 25. ECFE — Tribal Contract Schools | | | | | |
| State | 68 | 68 | 68 | 58 | 58 |

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| 26. Learning Readiness | | | | | |
| State | -0- | 9,485 | 9,515 | 9,504 | 9,505 |
| 27. Way to Grow | | | | | |
| State | 143 | 475 | 475 | 409 | 409 |
| 28. Violence Prevention | | | | | |
| State | 1,449 | 1,450 | 1,450 | 1,450 | 1,450 |
| 29. Early Childhood Screening | | | | | |
| State | 1,666 | 1,543 | 1,550 | 1,352 | 1,317 |
| 30. Family Service Collaboratives | | | | | |
| State | -0- | 4,470 | -0- | 3,500 | 4,000 |
| 31. Drug Free Schools and Communities | | | | | |
| Federal | 9,189 | 8,914 | 6,239 | 6,239 | 6,239 |
| 32. Chemical Abuse Prevention | | | | | |
| State | 324 | 203 | 200 | 200 | 200 |
| 33. AIDS Education | | | | | |
| Federal | 4 | 26 | 27 | 27 | 27 |
| **Total Education F.Y. 1997** | | | | | **53,263** |
| **Total Transfer F.Y. 1997 ES, MN Pl., DHS, DOH (excludes 18a, b, and 19)** | | | | | **130,845** |
| **TOTAL EDUCATION AND TRANSFERS** | | | | | **184,108** |

## II. Description of Programs to be Transferred to Department of Children and Education Services and to be available for consolidation locally.

### Department of Economic Security

1. *Head Start* serves children age 3-5 and their families. Its goal is to develop a greater degree of social competence in children and to promote economic self sufficiency for parents. It addresses emotional, social, health, nutritional, and psychological needs of children in low income families. Federal funding granted directly to community programs are supplemented by state appropriations.

2. *Project Cornerstone* is a federally funded state and local collaborative program designed to link Head Start services to other community resources.

3. *Youth Violence Prevention* consists of a set of state and federally funded activities designed to reduce the number of youth entering or re-entering the juvenile justice system. Its components are: Juvenile Justice; Youth Intervention; City Grants (violence prevention); and Truancy and Curfew Centers.

4. *Youth Employment and Training* activities, which are supported by both federal funds and state appropriations, seek to enhance long-term employability of economically disadvantaged and/or at risk youth; and to place economically disadvantaged and/or at-risk youth in unsubsidized employment. It includes the federally funded summer youth program, the Minnesota Youth Program (year-round services), the federally funded year-round Youth Training Program, and the Minnesota YouthBuild program.

### Minnesota Planning

5. *Information Redesign* is a proposed follow-up to the information management plan now being developed. It will shorten design phases of future systems/projects and reduce the development of duplicate applications and increase interagency data accessibility.

6. *Action for Children* is an advisory bipartisan commission created in 1991 to develop recommendations for bettering the lives of Minnesota's children. It consists of 25 leaders in education, business and government. Minnesota Planning provides staff assistance to the commission, which receives private sector gift funding.

7. *Teen Pregnancy Prevention*, which receives foundation funding, helps Minnesota communities build local collaboratives to reduce teen pregnancy and promote youth development. It provides education, information, and technical assistance services.

8. *Minnesota Children's Initiative* is a 3-year project funded by the Pew Charitable Trusts which focuses on delivery system changes designed to improve service access, cohesive and consistent system change, improved resource utilization, and enhanced capacity to obtain and use system feedback. It is a partnership between the state, Becker and Cass counties, and the city of St. Paul.

### Department of Human Services

9. *Child Care* provides state and federally supported financial assistance which enables parents in families meeting income eligibility standards to pursue education, job search, and employment opportunities. It consists of five components: AFDC Employed, STRIDE, ACCESS, Transition Year, and Basic Sliding Fee.

10. *Children Trust Fund* provides funding to community-based programs designed to help prevent child maltreatment and to provide education, leadership, and resources to local prevention organizations and programs. It receives support from state appropriations and federal grants.

11. *Migrant Child Care* provides comprehensive, culturally relevant early childhood care and education services for children of Hispanic migrant families while their parents are working in the fields. Services are provided through 13 grantees throughout the state.

12. *Family Service Collaboratives* grants are provided to local collaboratives consisting of local governments and other community organizations to design and implement integrated service delivery systems which will improve outcomes for children and families. This program is funded by appropriations to both Department of Human Services and the Department of Education.

13. *Child Care Resource and Referral* improves and expands child care services and helps families access appropriate care. Grants funded by state and federal resources are provided to 20 regional child care resource and referral agencies.

14. *Child Care Service Development* improves and expands child care services by supporting, through grants to local agencies, facilities, training and special services; and by providing interim financing.

### Department of Health

15. *Dental Health* provides professional leadership, supervision, and management in developing statewide dental public health programs.

16. *Home Visiting* provides grants and technical assistance to local public health agencies which support home visiting services designed to prevent childhood injury, abuse, and neglect.

17. *School Health* provides consultation and support on health-related issues.

### Department of Health <u>Conditional Transfers</u>

18. *Supplemental Food Program*, which seeks to prevent the occurrence of nutrition-related health problems, consists of the Special Supplemental Food Program for Women, Infants, and Children (WIC) and the Commodity Supplemental Food Program for Mothers and Children (MAC). This program provides nutritious foods, nutrition education serves, and linkages to other health services for low income pregnant women and children.

19. *Maternal and Child Health* provides grants to local agencies (which are funded by both federal and state resources), guidelines, and technical assistance designed to strengthen outreach and education, and ensure the provision of adequate and timely prenatal care which will ensure optimal pregnancy outcomes.

**Department of Education**

20. *Community Education* provides a broad range of lifelong education services beyond the regular K-12 program for persons of all ages. These services are recommended by local advisory committees and approved by the local school board.

21. *Adult Basic Education* provides educational and risk-reduction support services appropriate for adults whose educational levels are barriers to full participation in society. These services help uneducated and undereducated adults to improve individual and family skills.

22. *Even Start* is a family literacy program which includes academic instruction for adults eligible for adult basic education and parent/child education programs.

23. *Early Intervention Services for Infants and Toddlers with Disabilities (Part H)* is a federal and state (as of F.Y. 1997) funded collaborative program which provides services to children ages birth to 3 years and their families.

24. *Early Childhood Family Education* serves families with children from birth to kindergarten enrollment. Programs involve both parents and children and are tailored to meet the defined needs of each community.

25. *Early Childhood and Family Education — Tribal Contract Schools* supports Early Childhood Family Education services for parents and children enrolled or eligible for enrollment in a federally recognized American Indian Tribe.

26. *Learning Readiness* services address the health, nutrition, and social service needs of 4-year-old children with the goal of enhancing future school success. It represents not a "separate" program but instead a concept for providing a continuum of services tailored to individual needs.

27. *Way to Grow* provides funding for 5 community level programs which serve children pre-birth to age 6. Services promote intellectual, social, emotional, and physical development, and school readiness by coordinating and improving access to community and neighborhood based services.

28. *Violence Prevention* provides grants to city, county, school district, and neighborhood organizations to identify and address community needs related to violence prevention.

29. *Early Childhood Screening* provides early detection of health, developmental, and family factors that may interfere with learning, growth, and development; supports planning for educational and health programs focusing on those at risk; and links families to learning readiness initiatives.

30. *Family Service Collaboratives* provides education's share of funding for the program described under Department of Human Services.

31. *Drug Free Schools and Communities* assists district to establish, operate, and improve programs of drug abuse education and prevention in coordination with related community efforts and resources to eliminate the use of drugs and alcohol by youth.

32. *Chemical Abuse Prevention* (Alcohol-Impaired Driver) provides educational services designed to reduce alcohol-related accidents, deaths, and injuries and the incidence of impaired driving by youth.

33. *AIDS Education* supports education services designed to prevent the spread of HIV/AIDS among youths.

**Program: Family and Community Services** **APPENDIX B**

**II. Programs available for consolidation at local level (In addition to those in Appendix A) and to be reviewed for possible future transfer to DCES**

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| **Department of Public Safety** | | | | | |
| 1. Drug Policy and Violence Prevention | | | | | |
| State | $1,549 | $2,171 | $4,644 | $2,202 | $2,203 |
| Federal | 7,710 | 7,125 | 6,228 | 7,039 | 7,039 |
| **Total** | **8,659** | **9,296** | **10,872** | **9,241** | **9,242** |
| **Department of Human Services** | | | | | |
| 2. Family Preservation | | | | | |
| State | 3,298 | 3,298 | 3,298 | 3,298 | 3,298 |
| Federal | 1,300 | 1,650 | 1,650 | 2,350 | 2,500 |
| **Total** | **4,598** | **4,928** | **4,948** | **5,648** | **5,798** |
| 3. Community Social Services | | | | | |
| State | 55,807 | 51,302 | 50,676 | 51,676 | 53,102 |
| Federal | 46,150 | 46,777 | 47,419 | 47,419 | 47,419 |
| **Total** | **101,957** | **98,079** | **98,095** | **99,095** | **100,521** |
| 4. Project Empowerment (chronic neglect) | | | | | |
| State | 100 | 100 | 100 | 100 | 100 |
| 5. Family Preference-Bonus Incentive | | | | | |
| State | 525 | 745 | 725 | 725 | 725 |
| 6. Families First | | | | | |
| State | 520 | 723 | 720 | 720 | 720 |
| 7. Child Abuse Basic Grant | | | | | |
| Federal | 53 | 102 | 172 | 172 | 172 |
| 8. Children's Justice | | | | | |
| Federal | 162 | 127 | 182 | 182 | 182 |
| 9. Crisis Nurseries | | | | | |
| State | -0- | 75 | 250 | 550 | 550 |
| Federal | 222 | 371 | 371 | 371 | 371 |
| **Total** | 222 | 446 | 621 | 921 | 921 |

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| 10. Independent Living | | | | | |
| Federal | 881 | 1,331 | 1,305 | 1,305 | 1,305 |
| 11. Safe House | | | | | |
| State | 133 | 133 | 133 | 133 | 133 |
| 12. Substance Abuse Prevention | | | | | |
| State | 89 | 350 | 350 | 350 | 350 |
| Federal | 758 | 487 | 500 | -0- | -0- |
| **Total** | **847** | **837** | **850** | **350** | **350** |
| 13. Asian Youth/Child Welfare | | | | | |
| State | 80 | 79 | 80 | 80 | 80 |
| 14. Asian Youth | | | | | |
| State | 391 | 466 | 500 | 500 | 500 |
| 15. Family Safety Centers | | | | | |
| State | 164 | 195 | 200 | 200 | 200 |
| 16. Indian Child Welfare | | | | | |
| State | 1,531 | 1,484 | 1,638 | 1,509 | 1,509 |
| Federal | -0- | -0- | 425 | 425 | 425 |
| **Total** | **1,531** | **1,484** | **2,063** | **1,934** | **1,934** |
| 17. Maternal & Child Health | | | | | |
| State | 837 | 843 | 859 | 609 | 609 |
| 18. Minorities Families First | | | | | |
| State | 460 | 460 | 460 | 460 | 460 |
| 19. Asian Coalition for Youth | | | | | |
| Federal | -0- | -0- | 540 | 540 | 540 |
| 20. Adoption Assistance | | | | | |
| State | 1,674 | 3,225 | 3,680 | 5,579 | 7,047 |
| Federal | 1,749 | 2,544 | 3,000 | 3,000 | 3,000 |
| **Total** | **3,423** | **5,769** | **6,680** | **8,579** | **10,047** |
| **Department of Corrections** | | | | | |
| 21. Victim Services | | | | | |
| State | 6,283 | 7,943 | 10,315 | 10,797 | 10,897 |
| Federal | 1,460 | 1,541 | 1,605 | 1,585 | 1,585 |
| Other (Spec. Rev.) | 218 | 220 | 76 | 76 | 76 |
| **Total** | **7,941** | **9,704** | **11,996** | **12,458** | **12,558** |

**Program: Family and Community Services** **APPENDIX B**
(Continuation)

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated | Governor Recommendation | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Department of Health | | | | | |
| 22. Family Planning Special Project Grants | | | | | |
| State | 2,055 | 3,827 | 3,855 | 3,855 | 3,855 |

**II. Description of programs available for consolidation at local level (in addition to those in Appendix A) and to be reviewed for possible future transfer to DCES (Note: Only major programs are described here. The regular budget documents and the Annual Performance Report contain descriptions of most of those programs shown in Section I, but not described here)**

Department of Public Safety

1. ***Drug Policy and Violence Prevention*** supports a broad range of grants to state agencies, local governments, and other local organizations designed to reduce drug abuse and violence and reduce the supply of drugs. In addition to grant-making, the program provides information, technical assistance, and training; and fosters cooperation among the various organizations involved in reducing violence and drug abuse.

Department of Human Services

2. ***Family Preservation*** provides grants to counties which support family-based in-home services designed to strengthen families and offer an alternative to out-of-home placement, or return a child home from placement.

3. ***Community Social Services*** provides grants to counties which can be used flexibly to deliver services to children and families and disabled adults and the elderly.

4-20 Other

Department of Corrections

21. ***Victim Services*** provides grants to local agencies who provide services to battered women and their children, victims of sexual violence, child abuse, and other crimes. The program also provides technical assistance and training for grantees, and supports the efforts of local constituency programs.

Department of Health

22. ***Family Planning*** provides project grants to local communities who deliver services designed to reduce unintended pregnancies and assist women in planning pregnancy.

**Program: Family and Community Services** **APPENDIX C**

**Programs to be reviewed to determine feasibility of transfer to Department of Children and Education Services or consolidation at local level**

| | Expenditures (Dollars in Thousands) | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Department of Economic Security | | | | | |
| 1. Community Services | | | | | |
| Federal | $4,625 | $4,655 | $4,600 | $4,600 | $4,600 |
| 2. Weatherization | | | | | |
| Federal | 8,693 | 9,000 | 9,000 | 9,902 | 9,902 |
| 3. Energy Assistance (2 accounts) | | | | | |
| Federal | 54,338 | 76,092 | 64,046 | 52,000 | 52,000 |
| 4. Shelter (2 accounts) | | | | | |
| Federal | 626 | 964 | 1,373 | 1,166 | 1,166 |
| 5. Temporary Housing | | | | | |
| Federal | 418 | 860 | 860 | 860 | 860 |
| 6. Lead Abatement | | | | | |
| State | -0- | 92 | 308 | 200 | 200 |
| 7. Minnesota Economic Opportunity Grant | | | | | |
| State | 1,508 | 5,699 | 6,950 | 7,000 | 7,000 |
| 8. Displaced Homemaker | | | | | |
| State | 1,360 | 1,361 | 1,362 | 1,362 | 1,362 |
| 9. Food Banks | | | | | |
| State | 400 | 600 | 600 | 600 | 600 |
| 10. Surplus Commodities | | | | | |
| Federal | 574 | 593 | 571 | 571 | 571 |

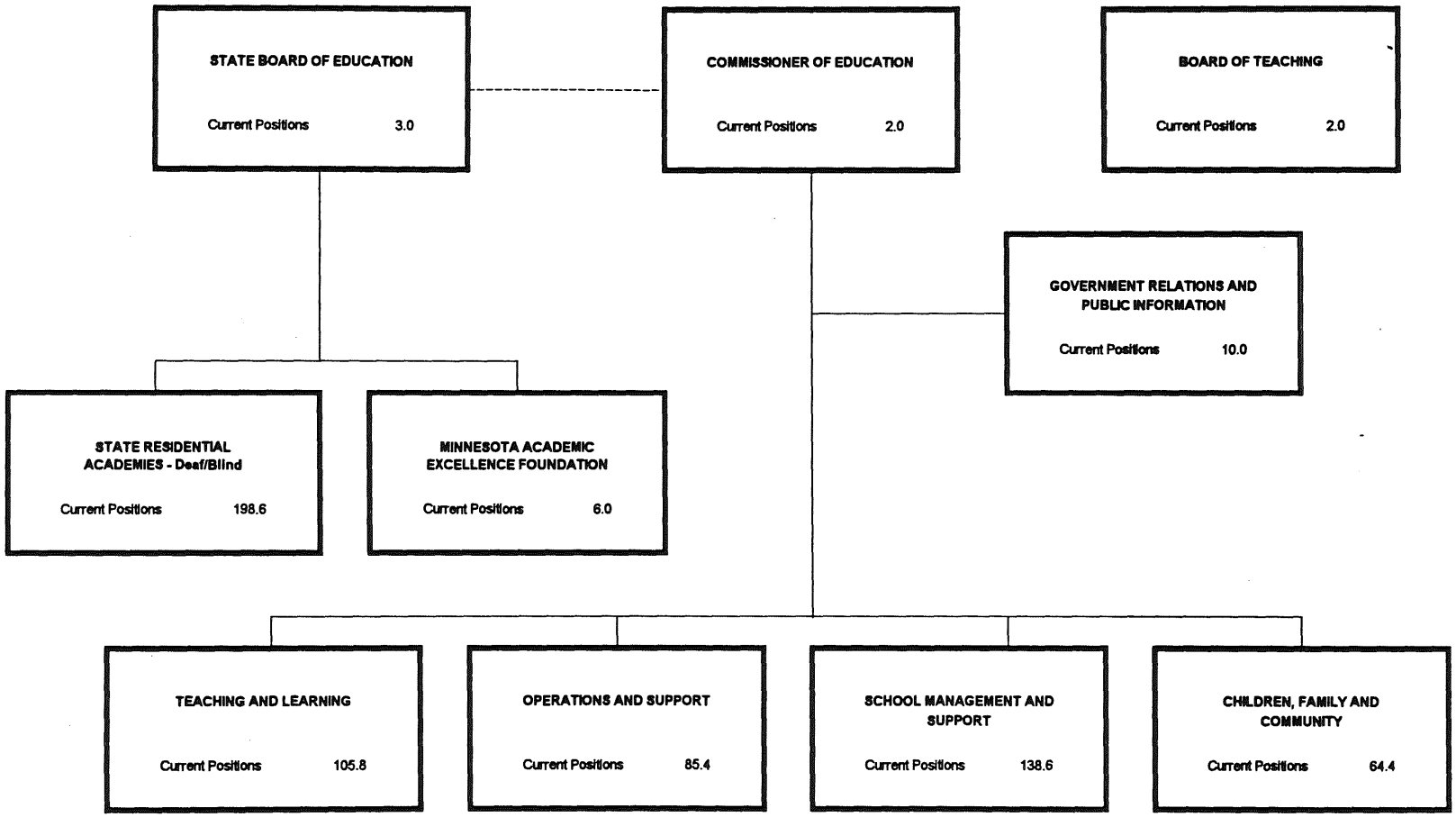
| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | | | Estimated Governor Recommendation | | |
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Department of Human Services | | | | | |
| 11. Children's Mental Health | | | | | |
| State | 3,860 | 4,475 | 4,734 | 7,134 | 12,434 |
| Department of Health | | | | | |
| 12. Minnesota Children with Special Health Needs (MCSHN) | | | | | |
| State | 2,870 | 1,424 | 1,508 | 1,501 | 1,501 |
| Federal | -0- | -0- | 100 | -0- | -0- |
| **Total** | 2,870 | 1,424 | 1,608 | 1,501 | 1,501 |

1996-97 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: EDUCATION, DEPARTMENT OF

# Department of Education
# Organization Chart - 11/94




**June 30, 1994 FTE Employees:**

| | |
|---|---|
| **Residential Academies:** | **74.0 **** |
| **MDE** | **385.0** |
| **Total** | **459.0** |

****Limited staff on payroll on June 30, 1994 due to school not in session**

# 1996-97 Biennial Budget
# Agency Budget Brief
## ($ in thousands)

**Agency:** Education, Department of

**Fund:** General

**Summary of Agency Actions:**

| | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
|---|---|---|---|
| BASE YEAR (F.Y. 1995) | $15,600 | $15,600 | $31,200 |
| BASE ADJUSTMENT: | | | |
| Appropriations Carried Forward | (968) | (968) | (1,936) |
| Documented Rent/Lease Increase | 39 | 72 | 111 |
| Attorney General Costs | (28) | (28) | (56) |
| CURRENT SPENDING | $14,643 | $14,676 | $29,319 |
| AGENCY DECISION ITEMS: | | | |
| Appropriation Cap Reduction | (2,750) | (1,465) | (4,215) |
| Reallocation Office of Grants and Development | 66 | 66 | 132 |
| Reallocation Communications Office | 52 | 52 | 104 |
| Reallocation Building Improvements | (118) | (118) | (236) |
| Utility Costs for Library Addition | 7 | 7 | 14 |
| Transfer Youth Apprenticeship Position to MDE | 40 | 40 | 80 |
| AGENCY PLAN | $11,940 | $13,258 | $25,198 |
| GOVERNOR'S INITIATIVES | | | |
| Restore base funding level | 2,750 | 1,465 | 4,215 |
| Transfer to Department of Children and Education Services | -0- | (14,723) | (14,723) |
| GOVERNOR'S RECOMMENDATIONS | $14,690 | $-0- | $14,690 |

**Brief Explanation of Agency Plan:**

- The plan removes $968,000 of F.Y. 1995 carryover from the appropriation base each year. The carryover was generated by one-time savings from vacancies and spending restrictions.
- In accordance with budget guidelines, the plan includes base adjustments of $39,00 in F.Y. 1996 and $72,000 in F.Y. 1997 to reflect higher lease costs for the Capitol Square Building in the next biennium.
- The plan transfers $28,000 earmarked for Attorney General reimbursement directly to that office.
- The plan includes an appropriation cap reduction of $2,750,000 in F.Y. 1996 and $1,465,00 in F.Y. 1997. These funds represent the proportion of the appropriation limits reduction (Laws 1993, Chapter 224, Article 15, Section 3) attributable to the Department of Education budget.
- The plan reallocates $118,000, designated for building improvement during FY 95, to emerging priorities: $66,000 each year for the Office of Grants and Development and $52,000 each year for the Communications Office.
- The plan includes a $7,000 transfer from the Minnesota Residential Academies for utility costs at the Minnesota Library for the Blind & Physically Handicapped. These costs were formerly paid by the Academies to the Department of Education, which will assume the direct obligation for payment on July 1, 1995.
- The plan includes a $40,000 transfer from Minnesota Technology for a Youth Apprenticeship position already receiving work direction from the Department.

**Revenue Summary:**

- The plan includes a fee increase of $5 (from $40 to $45) for teacher and school administrator licenses to fully recover licensure costs as required by Minnesota Statutes. The increase will generate approximately $135,000 in revenue in F.Y. 1996 and $137,500 in F.Y. 1997.

**Affected Statutes:** None.

**GOVERNOR'S RECOMMENDATIONS:** The Governor recommends restoring base funding to the FY 1995 level, in the amount of $2,750.0 in FY 1996 and $1,465.0 in FY 1997. The agency was directed to prepare their plan at the restored level, and the Governor concurs with that plan. The Governor also concurs with the agency's plan to increase the teacher and administrator licensure fee by $5. This increase will allow for elimination of the accumulated deficit by the end of the biennium, as required by statute. The Governor further recommends the transfer of all activities and programs to the Department of Children and Education Services in FY 1997. As described in the individual activity narratives in the Education Aids budget, certain activities are recommended for transfer to the Family and Community Services function in the DCES, with other activities recommended for transfer to the Youth Career Preparation function. All remaining activities and programs in the Department of Education are recommended for transfer to the Basic Instruction function of the DCES. At the discretion of the DCES Commissioner, activities or programs may be transferred to the new department at an earlier date, if desired.

# 1996-97 Biennial Budget
# Agency Budget Brief
## ($ in thousands)

**Agency:** Education, Department of

**Fund:** Trunk Highway

**Summary of Agency Actions:**

| | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
|---|---|---|---|
| BASE YEAR (F.Y. 1995) | $23 | $23 | $46 |
| BASE ADJUSTMENT: | | | |
| Appropriations Carried Forward | (2) | (2) | (4) |
| CURRENT SPENDING | $21 | $21 | $42 |
| AGENCY PLAN | $21 | $21 | $42 |
| GOVERNOR'S INITIATIVES | | | |
| Transfer to Department of Children and Education Services | -0- | (21) | 21 |
| GOVERNOR'S RECOMMENDATIONS | $21 | $-0- | $21 |

**Brief Explanation of Agency Plan:**

The Trunk Highway Fund for the Department of Education is used for program operations and office costs for the Driver Education program. No salaries or grants are involved. The annual budget of $21,000 has been apportioned among office, staff travel and program costs such as developing curriculum materials and conducting workshops for educators addressing current issues and concerns with young drivers.

The plan removes $2,000 F.Y. 1995 carryover from the appropriation base for each year.

**Revenue Summary:**

None.

**Affected Statutes:**

None.

**GOVERNOR'S RECOMMENDATIONS:**

The Governor concurs with the agency's plan, and recommends transfer of this program to the Department of Children and Education Services in F.Y. 1997.

AGENCY: Education, Department of

## AGENCY DESCRIPTION:

The Minnesota state constitution contains language calling for the Legislature to establish a general and uniform system of public schools. Specifically,

> The Legislature shall make such provisions by taxation or otherwise as will secure a thorough and efficient system of public schools throughout the state (Minn. Constitution, Art. XIII, Sec. 1).

According to Minnesota Statute 124A.698,

> The state seeks to provide sufficient funding while encouraging equity, accountability, and incentives toward quality improvement. To help achieve these goals and to help control future spending growth, the state will fund core instruction and related support services, will facilitate improvement in the quality and delivery of services, and will equalize revenues raised locally for discretionary purposes.

The mission of public education in Minnesota is to be a system for lifelong learning, to ensure individual academic achievement, an informed citizenry, and a highly productive workforce. The system focuses on the learner, promotes and values diversity, provides participatory decision making, ensures accountability, models democratic principles, creates and sustains a climate for change, provides personalized learning environments, encourages learners to reach their maximum potential, and integrates and coordinates human services for learners (M.S. 120.0111).

Legislation adopted in 1993 further indicates that "...the state's focus should be on performance rather than procedures," and that the Legislature's goal is to move "...from a means-based system of education to one that is accountable for outcomes." (Minn. Laws (1993), Ch. 224, Art. 12, Sec. 1).

The Minnesota Department of Education (MDE) provides leadership in the implementation of legislative initiatives and coordination of state and federal programs for the state's public education system.

The goals and priorities toward which the MDE directs its efforts are derived from three sources: *Challenge 2000*, a vision of change for the 21st century and beyond, shaped through the input and contributions of Minnesotans and adopted by the State Board of Education in 1989; *Minnesota Milestones*, representing statewide goals derived from public hearings in 1991 and 1992; and eight national education goals outlined in *Goals 2000: The Educate America Act*.

These goals are summarized as follows:

| | |
|---|---|
| Learning Readiness | All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning. |
| Learner Achievement | All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work. |
| Safe, Drug Free, Accessible, Co-Located Learning Environments | All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies. |
| Teacher Education and Professional Development | All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals. |
| Adult Literacy and Lifelong Learning | All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency. |
| Parental and Community Participation | All Minnesota schools will establish partnerships with parents and communities which will result in the collaborative promotion of the social, emotional, and academic growth of children. |
| Sufficient, Fair, and Efficient Funding | Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement. |

In order to realize these goals, the current priorities of the Minnesota Department of Education (MDE) include:

- **Graduation Standards:** As directed by Statute 127.11, the State Board of Education is preparing to promulgate a rule which requires that, beginning with the graduating class of 2000, students graduate from high school when they achieve required learning "results" rather than on the basis of course credits or seat time alone. This Graduation Rule initiative is a top priority of the Department of Education as it collaborates with the Board to research, design, pilot, and prepare for implementation of both minimum and rigorous standards for students and schools statewide.

- **Coalition for Education Reform and Accountability:** The finance system for Minnesota educational services needs adjustment so that resources will be better aligned to implement the provisions of the new graduation rule. The Coalition for Education Reform and Accountability (CERA) was established to promote public understanding of and support for policies and practices that help Minnesota students attain world-class education outcomes and succeed in the 21st century. The Coalition promotes innovation and sustainable reform in education.

- **Lifework Development and Technology Competence:** Lifework development is a priority because the overwhelming majority of Minnesota youth will work most of their adult lives. In addition, these youth will play important societal roles as family members and community leaders. "Lifework" refers to one's work over a lifetime and how that work is accomplished and enhanced (a) through planned and evaluated learning experiences, and (b) in relationship to the other roles, in addition to being a worker, that one plays as a member of a family and community. A lifework development system will help learners prepare for these important life

roles in a deliberate, purposeful manner. Technology competence is the ability to apply knowledge, tools, and skills to solve practical problems creatively, extend human capabilities, and evaluate the impact of technology. Helping students become competent in technology is a priority because domestic and international societies and economies are becoming increasingly technological.

- **Education Facilities Improvement:** As Minnesota's education system changes to address the goals of the graduation standards and to "assure the success of all learners," the delivery system will need to be structured so that maximum learning will result. The MDE is providing leadership to improve the delivery of education through effective organizational structures and use of technology in safe, healthy, and accessible learning sites.

- **Integration/Desegregation/Educational Diversity:** The demographics of Minnesota are changing to reflect a population which is becoming more diverse. As a result, our public schools must provide learning opportunities which assure that the learning gap between those living in poverty -- frequently learners of color -- and their peers is erased; that learners understand and are sensitive to issues and culture of others; and that learners are educated in integrated settings. The State Board of Education and MDE are providing leadership to assure that this effort is successfully implemented.

- **Collaboration and Service Co-Location:** Education reform depends on comprehensive support services. Many Minnesota students come to school each day with personal, family, and social problems that interfere with learning, school attendance, progress toward graduation, and future employability. The problems are frequently multifaceted and inter-related. Simply put, problems tend to come in packages. The multiple problems of children, youth, and their families cannot be fully addressed or resolved by the educational system alone. Educators must reach out and work with the larger network of community service agencies to address these needs effectively. Collaboration will require education and community service agencies to establish joint goals and actions, and pool resources to effectively serve young people and their parents. This basic principle is a significant first step toward developing a responsive system in which all learners can succeed.

## EDUCATION SYSTEM:

Beginning with the territorial legislature's establishment of common schools in 1849, Minnesota developed an extensive, innovative system of education to meet the changing needs of its citizens.

### Student Statistics

Currently, about 900,000 students (pre-kindergarten through grade 12) attend public or nonpublic schools in Minnesota. Of this total, more than 800,000 are enrolled in the state's 379 school districts. After several years of declining enrollment, the student population recently started to increase and is expected to reach about 940,000 (public and nonpublic) by 2005. In contrast, the total number of school districts has declined in recent years, as rural districts have consolidated due to changing population patterns, including the rapid growth of families living in the state's metropolitan areas. The 10 largest districts enroll 29% of Minnesota's public school students. About half of Minnesota's students attend school in the seven-county Twin Cities area.

Supported by state and local taxpayers, Minnesota now provides more than $5,500 for each public school student. Total funding from state and local sources for all education programs administered through MDE is about $4.6 billion (refer to Table 1). In addition, MDE administers about $300 million in federal education aid for school-related programs.

### Staff Statistics

The number of federal, state, and local supported professional staff totals 52,300. Nearly 90% of these staff are teachers.

### Educational Programs and Services

Minnesota's priorities for educational reform and improvement currently focus on strategies for encouraging change within schools by providing parents, students, teachers, and community members greater authority over school programs and services. For years the MDE and school districts statewide have emphasized the importance of extending parents' and students' choices in educational programs. A wide variety of educational programs and services are available to Minnesota parents and students. With limited restrictions, students can now attend any of the state's public schools through open enrollment. Or, they may choose one of the more than 200 public or private alternative programs, which generally address the needs of at-risk students. Students may wish to opt for one of the 13 new charter schools, the latest Minnesota innovation in student choice, which permits teachers and parents to form and operate their own schools.

Education offerings for all public schools have expanded in recent years, often prompted by lawmakers' responses to specific societal concerns. For example, the traditional curricula have been augmented with programs aimed at preventing violence, reducing the spread of AIDS, eliminating harassment, promoting bus safety, and preparing special education students for work and community living.

About 10% of the state's 11th and 12th graders earn high school credit by taking postsecondary classes. This has been prompted in large part by passage of the Postsecondary Enrollment Options law in 1985, the first of several policy changes enacted in recent years that have given students greater choice in education. Such programs helped earn Minnesota the reputation as a national leader in education reform.

Beyond these public options, students may decide to attend one of Minnesota's more than 560 nonpublic schools. Parents and students choosing this option receive limited support, including transportation, aid for textbooks and materials, school lunch, and special services for the disabled. As with the public system, enrollments in nonpublic schools have accelerated in recent years.

Along with recent efforts to expand the choices available to students, education policymakers are working to shift the focus of learning to student outcomes. This shift will be made through a new graduation rule, now being developed by the State Board of Education and MDE staff. The new graduation rule, which will become effective in 1996, will define standards or outcomes that students must achieve before they receive a diploma. By focusing on results, the new graduation rule will set clear, higher level standards appropriate for the skills demanded in today's economy.

Minnesota public schools also provide more educational opportunities for preschool children and adults. With services ranging from education for children with disabilities from birth to school-age,

helping parents meet the needs of their preschool children, learning readiness activities, and numerous community and adult education classes, contemporary Minnesota schools provide an array of opportunities for citizens of all ages.

Minnesota Department of Education's (MDE) Role

As Minnesota schools change to meet more diverse needs, MDE, too, is changing. The more than 400 staff members, under the direction of the Commissioner of Education, are assuming more complex and diverse roles. Major functions include administering an increasingly complex financing system, which includes hundreds of separate aid and levy categories; developing new graduation standards and helping schools with their curriculum and instruction needs; administering federal programs, such as food and nutrition, special education, and Chapter 1; and assisting the State Board of Education in directing the Minnesota State Residential Academies for the Deaf and Blind, which employ more than 200 staff.

Finally, MDE responds to numerous inquiries from school officials who seek help meeting the increased demands of their jobs, policymakers who need up-to-date information to make sound decisions, and parents and the general public who need information and advice on how to make the most of the various educational opportunities available in Minnesota schools. This informational function is critically important, because Minnesota's education system differs greatly from its beginnings in the 19th Century.

AGENCY CHALLENGES:

Minnesota's education system is undergoing substantive program and system change, leaving the "usual way of doing business" behind and transforming the entire system. We are moving from a focus on organizational processes and inputs to a system based on achievement and results; from accepting limited success as an expected result for some to expecting achievement for all; from single agency strategies and systems to cross-agency systems and collaborative systems which have joint responsibility for improved outcomes; from a "top-down" decision making process to a shared decision making system where sites are given the authority to make decisions and expect to be held accountable for results; from a system that offers few options for school attendance and curriculum content to one that offers choices for parents and children on the location and type of school they can select; and ultimately from a finance system designed around inputs to a system designed to facilitate and reward the attainment of results.

Some of the specific challenges being faced by the education community include:

- **Emphasis on Results.** The change from an input and process system to a results based system is complex. Carefully defining the desired results is the core of the process. Accurate measurement of student performance, storing such data and using it to aid in instructional improvement are concepts which need continuing work.

- **Demographic Changes.** The demographics of Minnesota reflect a population which is becoming more diverse. Population shifts are impacting district organization. Core cities have no majority race, bringing into question traditional desegregation policy. Cultural misunderstanding is resulting in increased problems both in schools and in neighborhoods.

- **Student Needs.** More and more of our students bring complex problems with them to school. More than 9.5% of the student population lives in poverty. Students needing remedial programs have increased by 15%. As society becomes more violent, students are bringing their problems with them from their homes and neighborhoods and are placing them at the schoolhouse gate.

- **Co-location and Interagency Service Delivery.** Agencies are recognizing the need to collaborate to better deliver needed services. Improved collaborative efforts not only with governmental agencies, but also with private community agencies, churches and with families is crucial if we are to become a society which values achievement and strives to attain high standards.

- **Education Finance Model.** The way Minnesota funds education is at issue. Through the work of the Coalition on Education Reform and Accountability (CERA) recommendations will be forthcoming on this crucial policy issue.

- **Role of the Federal Government.** With the enactment of Goals 2000, the federal government will be providing revenue and direction which is consistent with Minnesota's vision. While the federal effort is in the right direction, it also needs to provide additional flexibility in areas such as special education, nutrition and others to enable Minnesota to achieve its goals.

- **Resource Limitations:** Each of the organizations involved in education recognize that fiscal resources are limited. To balance the budget, "caps" have been placed on the total amount of K-12 spending in the F.Y. 1996-97 biennium. The state's financial outlook suggests that constraints on state spending are likely to continue. Meeting agency needs and providing leadership and assistance to school districts in this environment will require continued attention to streamlining how objectives are achieved and focusing our efforts to best meet the needs of our customers.

AGENCY STRATEGIES:

**Results, Flexibility and Accountability.** The department's strategies include clearly identifying the expected results, providing districts with increased flexibility and holding districts accountable for results. In September 1994, the MDE finalized its "Performance Report" This report was the result of a systemic and continuing effort to better focus the MDE on specific goals and priorities and to identify performance indicators to aid in determining progress toward achieving those goals. Just as the education reform effort is becoming more of a "results based" system, the MDE too, as documented in the 1994 Performance Report, is moving to a results based system.

The graduation standards effort is being designed on a "results, flexibility, accountability" model. Additional resources are proposed for the biennium to accelerate the development of this system, and to provide districts with incentives to design and implement the new graduation system. The MDE's leadership to implement this results oriented model will be enhanced through these changes.

As detailed in the Governor's Education Aids budget, we are proposing that districts be given increased flexibility in how funds are used at the district level. In order for that effort to be successful, the MDE program managers will need to apply flexibility and offer assistance to districts as the application, implementation and evaluation system for this effort is developed.

The MDE will also need to administer these programs using a flexible approach and providing leadership and direction to districts on the outcomes we expect students to achieve.

**Interagency Collaboration.** The state has begun to deliver services utilizing an interagency collaborative approach. Most current efforts are on a program by program basis segregated by agency. In the next biennium the Department of Education will significantly increase its commitment to working with other agencies to develop collaborative systems that can better meet the needs of families and children and use public resources most efficiently. Agencies will not only commit to accomplishing results, they also need to be committed to combining revenue sources to address the needs of our common clients/customers/students/families.

**Improved Use of Technology.** Since the MDE proposed the development of an "integrated data base" (IDB) in the late 1980's this model has been evolving. The Minnesota Automated Reporting Student System (MARSS), coupled with the tools of Internet, are making electronic information systems common place. MDE will provide leadership to the effort to improve technology in our schools. In addition, the MDE will be continuing its effort to collect more information electronically and less by "paper-pencil" methods.

**REVENUE SUMMARY:**

The Department of Education administers approximately 60 federal grants and projects which account for more than 50% of the agency operating budget. The federal funds were projected at present levels for the F.Y. 1996-97 biennium, except for the School-to-Work Program with a projected increase of $1,000,000 per year, and Goals 2000: Educate America Act with a projected increase of $200,000 annually. Generally, there is some uncertainty regarding federal funding levels beyond F.Y. 1995. Programs from the Education and Secondary Education Act are undergoing reauthorization and Food and Nutrition Programs (USDA) have been proposed for a block grant approach. These proposals and possible changes by federal leadership could affect funding priorities and dollar amounts.

The department proposes a fee increase for teacher and school administrator licenses which will provide non-dedicated revenues of approximately $135,000 in F.Y. 1996 and $137,500 in F.Y. 1997. The proposal is necessary in order to comply with M.S. 16A.128 and 214.06, which require those licensure costs be fully covered by revenues.

**SUMMARY OF BUDGET REQUEST:**

The agency requests continued funding at the F.Y. 1995 level. Development and implementation of the graduation standards and the other challenges described above will continue to fully utilize MDE's resources.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION

| PROGRAM RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| TEACHING & LEARNING | 13,601 | 14,029 | 17,997 | 18,992 | 19,105 | 19,105 | 18,992 | 19,105 | 19,105 |
| EDUCATION RESOURCES & SUPPORT | 14,209 | 15,457 | 17,255 | 16,546 | 16,480 | 16,480 | 16,579 | 16,513 | 16,513 |
| APPROPRIATIONS LIMIT, LAWS 1993 | | | | | <2,750> | | | <1,465> | |
| TOTAL EXPENDITURES BY PROGRAM | 27,810 | 29,486 | 35,252 | 35,538 | 32,835 | 35,585 | 35,571 | 34,153 | 35,618 |

| GOV'S INITIATIVES | FUND | |
|---|---|---|
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | GEN | <14,723> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | TH | <21> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | GEN | <110> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | SR | <2,456> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | FED | <16,724> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | AG | <1,393> |
| (A) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | G&D | <191> |
| | | <35,618> |

| SOURCES OF FINANCING: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 14,151 | 13,618 | 15,600 | 14,643 | 11,940 | 14,690 | 14,676 | 13,258 | 0 |
| TRUNK HIGHWAY | 19 | 19 | 23 | 21 | 21 | 21 | 21 | 21 | 0 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 91 | 126 | 116 | 110 | 110 | 110 | 110 | 110 | 0 |
| SPECIAL REVENUE | 2,497 | 2,629 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 2,456 | 0 |
| FEDERAL | 10,181 | 11,783 | 15,473 | 16,724 | 16,724 | 16,724 | 16,724 | 16,724 | 0 |
| AGENCY | 783 | 1,167 | 1,393 | 1,393 | 1,393 | 1,393 | 1,393 | 1,393 | 0 |
| GIFTS AND DEPOSITS | 88 | 144 | 191 | 191 | 191 | 191 | 191 | 191 | 0 |
| TOTAL FINANCING | 27,810 | 29,486 | 35,252 | 35,538 | 32,835 | 35,585 | 35,571 | 34,153 | 0 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 340.9 | 345.3 | 384.3 | | 384.3 | | | 384.3 | |
| TEMP/SEAS/PART-TIME | 8.4 | 8.0 | 1.5 | | 1.5 | | | 1.5 | |
| OVERTIME | | .6 | | | | | | | |
| TOTAL FTE | 349.3 | 353.9 | 385.8 | | 385.8 | 385.8 | | 385.8 | 0 |

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: DEPARTMENT OF EDUCATION

| | ALL FUNDS | | GENERAL FUND | | OTHER STATE FUNDS | | FEDERAL FUNDS | |
|---|---|---|---|---|---|---|---|---|
| | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 |
| F.Y.95 FUNDING LEVEL | 35,252 | 35,252 | 15,716 | 15,716 | 4,063 | 4,063 | 15,473 | 15,473 |
| BASE ADJUSTMENTS | | | | | | | | |
| APPROPRIATIONS CARRIED FWD | <976> | <976> | <974> | <974> | <2> | <2> | | |
| DOCUMENTED RENT/LEASE INC/DEC | 39 | 72 | 39 | 72 | | | | |
| FEDERAL RECEIPTS | 1,251 | 1,251 | | | | | 1,251 | 1,251 |
| ATTORNEY GENERAL COSTS | <28> | <28> | <28> | <28> | | | | |
| SUBTOTAL BASE ADJ. | 286 | 319 | <963> | <930> | <2> | <2> | 1,251 | 1,251 |
| CURRENT SPENDING | 35,538 | 35,571 | 14,753 | 14,786 | 4,061 | 4,061 | 16,724 | 16,724 |

## F.Y. 1996-97 BUDGET INITIATIVE

AGENCY: Education, Department of
PROGRAM: Appropriation Limit, Laws of 1993
ACTIVITY: Appropriation Limit, Laws of 1993

ITEM TITLE: Restoration of F.Y. 1995 Adjusted Funding Base

| | 1996-97 Biennium | | 1998-99 Biennium | |
|---|---|---|---|---|
| | F.Y. 1996 | F.Y. 1997 | F.Y. 1998 | F.Y. 1999 |
| **Expenditures: ($000s)** | | | | |
| General Fund | | | | |
| - State Operations | $ 2,750 | $ 1,465 | $ 1,465 | $ 1,465 |

**Statutory Change? Yes ____ No X**

**If yes, statute(s) affected: M.S.**

### GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring the FY 1995 adjusted funding base, in the amounts of $2,750 in FY 96 and $1,465 in FY 97. Maintaining a stable level of funding will allow the efforts of the Department of Education in developing and implementing a results oriented educational system to continue. As discussed elsewhere, the Governor also recommends that the functions of the Department of Education be transferred to the Department of Children and Education Services, (DCES) beginning in FY 1997. The Commissioner of DCES will have the discretion to transfer functions or activities at an earlier date, if desired.

### RATIONALE:

The F.Y. 1993 Education Bill and F.Y. 1994 amendments established appropriation limits which "capped" spending commitments for the F.Y. 1996-97 biennium. Spending limits were adopted for the state's three largest spending programs - elementary and secondary education, postsecondary education and human services - to assure that decisions from the 1993 session would not have "financial tails" that would exceed projected revenue growth for the F.Y. 1996-97 biennium.

This budget initiative is to restore the reduction that would occur under the cap since the Department of Education (MDE) cannot absorb the reduction. It is imperative that the F.Y. 1995 base funding be maintained to assure the state can fulfill its mission and responsibilities in public education.

### PROGRAM OUTCOMES:

The effect of the spending limitation is quite severe. It amounts to an 18.43% ($2,750,000) reduction in F.Y. 1996 and a 9.4% ($1,465,000) reduction in F.Y. 1997 from the F.Y. 1995 funding base. Restoration of the funds will allow MDE to continue required or priority programs which 1) directly support or improve the capacity of school districts and education agencies to provide maximum opportunities for learners, and 2) assure the state of Minnesota receives optimum value for its largest spending category, public education. Functions and activities supported by the F.Y. 1995 funding base include: managing a complex education funding system which involves a large number of aid categories, levy programs, funding provisions and adjustments; service and leadership in public education which offers quality learning opportunities for Minnesota residents while preparing to transform the education system into a results-oriented approach; managing and providing leadership for a variety of instructional and support services programs; and providing effective responses to school officials, policymakers, and the general public who need up-to-date information to make sound decisions or simply advice on how to capitalize on the various education opportunities now available in Minnesota schools.

### LONG-TERM IMPACT:

Restoration of the MDE operating budget to the F.Y. 1995 base level is essential for state leadership and service capacity of the $5 billion education system, which is presently in a crucial period of change. Not restoring the $2.7 million appropriation in F.Y. 1996 would result in MDE eliminating approximately 40 positions and related program support costs.

Previous reductions, most notably the 20% reduction in F.Y. 1992 when nearly 50 state funded positions were cut, have had a serious impact on MDE's capacity to deliver service and has harmed the stability and morale of MDE staff. In many cases it has not been possible to reduce workload in proportion to staff reductions. The need and expectation from the general public, education officials and state policymakers for MDE to respond to requests for information and assistance for each respective program has been ongoing. Retaining and recruiting quality staff was difficult in the ensuing months after the 1992 reduction and, while the situation continues to improve, further cuts would set the Department back again.

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PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## PROGRAM DESCRIPTION:

The Teaching and Learning program provides leadership and service in the design and implementation of effective and efficient high quality learning opportunities for Minnesota residents. Activities in the Teaching and Learning program provide assistance to students of all ages including preschool, kindergarten through twelfth grade, and adults. Focusing on learners, this program serves a wide spectrum of clients including school districts and other organizations with direct and indirect educational missions. Teaching and Learning program efforts are directed toward learning, leadership and service in general education and special needs.

The general education component of the Teaching and Learning program provides leadership and service consistent with the agency mission and goals in curriculum, instruction, assessment and evaluation, and related areas of educational leadership, vocational education, special programs, and the promotion of education excellence. Activities within this component provide learners with quality learning opportunities and options, and facilitate the development and implementation of effective education practices.

Within the context of a broad education mission to serve all learners in Minnesota, learning programs target leadership and service efforts to segments of the population that have unmet social, economic, or educational needs. For example, education assistance and opportunities are provided for minorities, including those in need of basic English language skills, and learners with handicapping conditions or disabilities. For a growing number of Minnesotans, the special programs provided by or facilitated through the Minnesota Department of Education (MDE) provide real hope for success in life.

Teaching and Learning is organized into eight major activities: Learner Improvement; State and Federal Programs (Targeted Populations); Special Education; Indian Education; Lifework Development; Community Collaboration; Library Development and Services; and the Minnesota Academic Excellence Foundation.

The activities in this program area contribute to the following MDE goals:

- All children in Minnesota will enter school ready to learn, with parents and families prepared to support and participate in their children's learning.
- All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, that will prepare them for responsible community participation, lifelong learning, and productive work.
- All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.
- All Minnesota adults will have access to education opportunities that lead to literacy and economic self-sufficiency.
- All Minnesota schools will establish partnerships with parents and communities that will result in the collaborative promotion of the social, emotional, and academic growth of children.

## PROGRAM STATUS:

The legislature has established initial policies and taken first steps in the transformation of the public education system from an input-based system to a results-oriented system. The system currently includes 379 operating school districts which provide learning opportunities at more than 1,500 sites and employ more than 50,000 staff, multiple related support organizations such as regional and intermediate units, and 136 public library jurisdictions. Full realization of the transformation of a system composed of that many elements will take at least a decade and will require leadership that is consistent, focused, creative, and coordinated over all the transition years. Primary Department of Education initiatives to complete this transformation are centered in the Teaching and Learning Program.

As stated above, the Teaching and Learning Program is comprised of eight activities that direct their efforts toward providing leadership to the transformation of public education and improving the quality of learning opportunities provided for Minnesota residents. Several of the activities have responsibilities to address issues specific to categorical populations of students or programs and many of the initiatives of those activities are in addition to, but supportive of, the transformation. However, all eight activities focus their efforts toward improved learning results.

The range of demands placed on the public education system is endless. Consideration for all of these diverse demands on every aspect of change, at every decision point, is essential and requires staff who have a broad and common vision and a deep commitment to all learners. The most obvious drivers and the most consistent sources of direction for the initiatives of the Teaching and Learning Program include:

- **Development of the Graduation Standards.** The State Legislature directed the State Board of Education to develop rigorous, results-oriented graduation standards for all Minnesota public school students beginning with ninth graders in the 1996-97 school year. The standards will define the requirements students must achieve in two categories, basic requirements and the profile of learning.
- **Goals 2000: Educate America Act.** Goals 2000 is a major federal initiative which calls for sustained statewide reform to improve every facet of learning. The Act provides funds to create a comprehensive state plan. Minnesota is one of the first eight states to receive funding under this Act. In its plan Minnesota must coordinate:

  a. state initiatives in programs funded categorically by the federal government; and
  b. specific state efforts.

  Specific federal categorical programs that must be coordinated with the eight goals of the Goals 2000 Act include: School to Work Initiatives, the four parts of the Carl D. Perkins Vocational

and Applied Technology Education Act, Chapter I, Migrant Education, Bilingual Education, Chapter II Block Grant, the Eisenhower Mathematics and Science Program, Even Start, and Individuals with Disabilities Education Act (IDEA).

Specific state initiatives that will be coordinated with the eight goals of the Goals 2000 Act include: Assurance of Mastery, Limited English Proficiency, Secondary Vocational Education, Secondary Vocational Education for Children with Disabilities, all Special Education programs, all programs for American Indian students, Youth Works Act, Youth Apprenticeship Act, and the Minnesota Academic Excellence Foundation.

- **The reauthorization of federal categorical programs and other changes in federal policies, laws, and rules.** All federal categorical programs, as they come up for reauthorization, are revised to fit into the Goals 2000 program. This results in changes in funding levels and formulas, procedural requirements, and program priorities.

  In addition to aligning the programs with the Goals 2000 program, Congress directs other changes in laws, rules, and policies that dictate activities in each existing categorical program. Additions of related federal programs such as the Gun Free School Act also have a profound effect on instruction and services provided for all students.

- **Interagency Collaboration.** The need for all agencies that serve the same populations for different purposes to collaborate has been identified at national, state, and local levels. Funding systems need to be streamlined, the means for the co-location of services must be developed, state and local interagency working relationships need to be developed, federal and state barriers to local collaboration must be eliminated, eligibility criteria must be made equitable across agencies, and the process for information sharing must be simplified.

- **Accountability.** The public outcry for increased accountability and the most efficient use of resources by the education system is driving the move to a results-oriented system and impacts every decision and initiative in this program. The need for graduates to be better prepared to face their future, the need for the education system to adopt a continuous improvement mode, and the ever-growing range of educational needs of an increasingly diverse society are all forces that must be considered in every decision and initiative addressed by this program.

- **Involvement of parents in the establishment of district policies and in the education of their children.** The involvement of parents of all children in local initiatives to improve learning results is essential. The staggering dropout rate of American Indian students will not be improved until their parents are actively involved. The parents of students with disabilities have a specific set of rights established in IDEA and those rights must be honored. Parents of color must become more directly involved in the education of their children and providing opportunities for parents to develop the necessary skills is paramount.

Additional information regarding the status of this program can be found in the Program Driver section of the Teaching and Learning Program Summary, pages 10-11 of the 1994 Performance Report.

**PLANNED RESULTS:**

During the F.Y. 1996-97 biennium, the Teaching and Learning Program anticipates continued work toward achieving the performance measures identified on pages 12-131 of the 1994 Performance Report with the same level of funding.

**BUDGET AND REVENUE SUMMARY:**

- The agency plan reallocates $66,000 each year to fully fund the recently established Office of Grants and Development. The office will provide training and direct assistance to MDE and school districts in acquiring discretionary federal grants for priority program initiatives, technology, reform and improving student achievement.

- The plan includes a $40,000 transfer from Minnesota Technology for a Youth Apprenticeship position receiving work direction from the Department.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| LEARNER IMPROVEMENT | 4,333 | 3,724 | 4,291 | 4,411 | 4,477 | 4,477 | 4,411 | 4,477 | 4,477 |
| STATE & FEDERAL PROGRAMS | 2,379 | 2,420 | 2,557 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 |
| SPECIAL EDUCATION | 2,037 | 2,063 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 |
| INDIAN EDUCATION | 494 | 451 | 547 | 522 | 522 | 522 | 522 | 522 | 522 |
| LIFEWORK DEVELOPMENT | 787 | 1,469 | 2,182 | 3,231 | 3,271 | 3,271 | 3,231 | 3,271 | 3,271 |
| COMMUNITY COLLABORATION | 2,178 | 2,419 | 3,397 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 |
| LIBRARY DEVELOPMENT & SERVICES | 1,197 | 1,151 | 1,232 | 1,203 | 1,210 | 1,210 | 1,203 | 1,210 | 1,210 |
| MN ACADEMIC EXCELLENCE FOUNDATION | 196 | 332 | 298 | 294 | 294 | 294 | 294 | 294 | 294 |
| TOTAL EXPENDITURES BY ACTIVITY | 13,601 | 14,029 | 17,997 | 18,992 | 19,105 | 19,105 | 18,992 | 19,105 | 19,105 |

| AGENCY PLAN ITEMS: | FUND | FY 1996 | FY 1997 |
|---|---|---|---|
| REALLOCATION GRANTS OFFICE | GEN | 66 | 66 |
| UTILITY COSTS FOR LIBRARY ADD. | GEN | 7 | 7 |
| TRANSFER YOUTH APP. POSITION TO MDE | GEN | 40 | 40 |
| TOTAL AGENCY PLAN ITEMS | | 113 | 113 |

| SOURCES OF FINANCING: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 6,206 | 5,344 | 5,487 | 5,233 | 5,346 | 5,346 | 5,233 | 5,346 | 5,346 |
| TRUNK HIGHWAY | 19 | 19 | 23 | 21 | 21 | 21 | 21 | 21 | 21 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 19 | 51 | 69 | 69 | 69 | 69 | 69 | 69 | 69 |
| SPECIAL REVENUE | 884 | 962 | 878 | 878 | 878 | 878 | 878 | 878 | 878 |
| FEDERAL | 6,386 | 7,150 | 10,782 | 12,033 | 12,033 | 12,033 | 12,033 | 12,033 | 12,033 |
| AGENCY | | 359 | 568 | 568 | 568 | 568 | 568 | 568 | 568 |
| GIFTS AND DEPOSITS | 87 | 144 | 190 | 190 | 190 | 190 | 190 | 190 | 190 |
| TOTAL FINANCING | 13,601 | 14,029 | 17,997 | 18,992 | 19,105 | 19,105 | 18,992 | 19,105 | 19,105 |

| FTE BY EMPLOYMENT TYPE: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Agency Plan | FY 1997 Agency Plan |
|---|---|---|---|---|---|
| REGULAR | 173.1 | 167.4 | 181.2 | 181.2 | 181.2 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| TEMP/SEAS/PART_TIME | 4.6 | 3.1 | | | | | | | |
| OVERTIME | | .2 | | | | | | | |
| TOTAL FTE | 177.7 | 170.7 | 181.2 | | 181.2 | 181.2 | | 181.2 | 181.2 |

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**BUDGET ACTIVITY:** 1201 Learner Improvement
**PROGRAM:** 12 Teaching and Learning
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

Learner Improvement includes the operations of six collaborative offices.

The purpose of the Office of Graduation Standards (OGS) is to:

- Design a rigorous results-oriented graduation rule for Minnesota's public school students.
- Develop standards for student achievement.
- Design and test packages of assessments with district pilot sites.
- Execute the formal rulemaking process so that the new rule will be implemented with students beginning in the 1996-1997 school year.
- Create the endorsement for the new rule among parents and the larger community (including agriculture, business, industry, labor, and postsecondary education). (M.S. 121.11, Subd. 7c)

The purpose of the Office of Educational Effectiveness (OEE) is to prepare schools for the implementation of the graduation rule and Goals 2000. With the focusing of the Minnesota Educational Effectiveness Program (MEEP) and Planning, Evaluation and Reporting Program (PER) efforts, MDE will:

- Provide information and awareness of the graduation rule.
- Facilitate data-driven change in districts and school sites.
- Assist district staff in applying knowledge of effective education practice.
- Facilitate district teams to create environments which support excellence and growth.
- Assist districts to develop open and collaborative relationships with their communities.

The purpose of the Office of Teaching and Learning is to build the capacity of K-12 instructional staff to engage in a continuous process designed to improve learning for all students.

- Apply curriculum and instruction expertise in the development of graduation standards and the K-8 benchmarks.
- Design and train statewide Best Practice networks of regional instructional staff in mathematics, reading, writing, and science during 1994-1995.
- Provide curriculum and instruction services based on best practices to the graduation standards pilot sites and other school districts to meet the needs of Planning, Evaluation, and Reporting (PER) legislation and implementation of the graduation standards and Goals 2000.
- Provide clarification of education laws, rules and policies to schools, school districts, parents, and the greater community.
- Actively research, design and support implementation of best practices to improve learning for all students.

The purpose of the Office of Service Brokerage is to deliver services to school districts. The office works with school districts and other agencies to determine needs, organize teams of department staff to address those needs, and manage the delivery of services to local sites.

The purpose of the Office of Grants and Development is to facilitate state and school district efforts to procure additional resources by working collaboratively with federal agencies, corporations and foundations that provide grants for educational programs.

The purpose of SCI/MATH$^{MN}$ is to increase the participation and achievement of all Minnesota students in world-class science and mathematics programs. SCI/MATH$^{MN}$ is focusing its work in three areas:

- policy changes - strengthening science and mathematics education statewide;
- public awareness - building a positive, ambitious and supportive environment in Minnesota for science and math education; and
- professional development - strengthening the preparation of new teachers and the professional growth of practicing teachers in science and mathematics.

Learner Improvement is funded by a combination of state agency funds, specific legislated program funds and a small percent of federal funds. In this area, Learner Improvement:

- reviews and approves district program applications for state and federal funds;
- authorizes disbursement of state and federal learner improvement funds;
- monitors district expenditures;
- provides reports and summaries of program activities and impact.

Learner Improvement helps the Minnesota Legislature and the State Board of Education adopt policies and standards for learner improvement. Learner Improvement facilitates regional support and delivery of service systems to assist schools in program planning, evaluation, reporting, staff development, curriculum, instruction, and assessment services and site-based decision making.

Refer to pages 12-21 and 36-47 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LEARNER IMPROVEMENT

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 2,736 | 2,360 | 2,209 | 2,279 | 2,345 | 2,345 | 2,279 | 2,345 | 2,345 |
| EXPENSES/CONTRACTUAL SRVCS | 1,215 | 1,012 | 1,577 | 1,580 | 1,580 | 1,580 | 1,580 | 1,580 | 1,580 |
| MISC OPERATING EXPENSES | 138 | 101 | 168 | 173 | 173 | 173 | 173 | 173 | 173 |
| SUPPLIES/MATERIALS/PARTS | 78 | 75 | 88 | 108 | 108 | 108 | 108 | 108 | 108 |
| CAPITAL EQUIPMENT | 40 | 41 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| OTHER | 126 | 135 | 228 | 250 | 250 | 250 | 250 | 250 | 250 |
| SUBTOTAL STATE OPERATIONS | 4,333 | 3,724 | 4,291 | 4,411 | 4,477 | 4,477 | 4,411 | 4,477 | 4,477 |
| TOTAL EXPENDITURES | 4,333 | 3,724 | 4,291 | 4,411 | 4,477 | 4,477 | 4,411 | 4,477 | 4,477 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| REALLOCATION GRANTS OFFICE | | GEN | | | 66 | | | 66 | |
| TOTAL AGENCY PLAN ITEMS | | | | | 66 | | | 66 | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 3,461 | 2,626 | 2,088 | 2,010 | 2,076 | 2,076 | 2,010 | 2,076 | 2,076 |
| TRUNK HIGHWAY | 19 | 19 | 23 | 21 | 21 | 21 | 21 | 21 | 21 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 3 | | | | | | | | |
| SPECIAL REVENUE | 220 | 144 | 143 | 143 | 143 | 143 | 143 | 143 | 143 |
| FEDERAL | 627 | 934 | 2,028 | 2,228 | 2,228 | 2,228 | 2,228 | 2,228 | 2,228 |
| AGENCY | | 1 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| GIFTS AND DEPOSITS | 3 | | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| TOTAL FINANCING | 4,333 | 3,724 | 4,291 | 4,411 | 4,477 | 4,477 | 4,411 | 4,477 | 4,477 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LEARNER IMPROVEMENT

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 49.5 | 44.6 | 37.5 | | 37.5 | | | 37.5 | |
| TEMP/SEAS/PART_TIME | 2.5 | 1.1 | | | | | | | |
| TOTAL FTE | 52.0 | 45.7 | 37.5 | | 37.5 | 37.5 | | 37.5 | 37.5 |

BUDGET ACTIVITY: 1202 State and Federal Programs (Targeted Populations)
PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The Office of State and Federal Programs (OSFP) guides and directs school districts and serves their priority needs as they develop and operate the integrated state and federally funded programs: Chapter 1, Migrant Education, Bilingual Education, Limited English Proficiency, Vocational Education, Assurance of Mastery, Chapter 2, Eisenhower Math and Science, Homeless, and other grant programs. Specifically, this activity:

- Provides guidance and direction to school districts in policy development and implementation of state and federal programs.
- Authorizes disbursements of resources to districts that will improve education services for all learners.
- Implements continuous quality improvement systems relying on accurate data and updated information collection and data analysis.
- Prepares state plans, grants, and/or applications for the acquisition of resources to carry out program and agency policies and priorities.
- Provides technical assistance, training, and consultations to assist customers in delivering quality education services to targeted populations.
- Provides active support for the needs of target populations through publications, parent involvement, representation on advisory committees, and intra- and inter-state activities.

Key programs organized under this activity provide the following:

**Chapter 1** - Assists educationally disadvantaged students, both public and private, in basic and higher-order thinking skills, achieve grade level proficiency and succeed in the regular education program of the district. The target population is PK through 12 who are below grade level, in greatest need of service, and who live in areas of high concentration of poverty.

**Even Start** - Provides assistance to districts and other eligible entities (e.g., community based organizations) to improve the education of the nation's children and adults by integrating early childhood education and adult education for parents into a unified family literacy program. The target population is children aged 0-7, living in a Chapter 1 attendance area, with at least one parent who is in need of adult basic education.

**Chapter 2/Block Grant** - Supports educational program improvement in six targeted areas: students at risk of failure, acquisition and use of instructional materials, school improvement including Effective Schools, professional development, gifted and talented, and enhancing personal excellence of students.

**Dwight D. Eisenhower Mathematics and Science Program** - Improves the skills of teachers and quality of instruction in mathematics and science. Fundable activities include: pre-service and in-service of teachers and other instructional personnel, recruitment or retraining of minority teachers, telecommunication technologies, integration of higher-order thinking skills into math and science curriculum, and grants for individual teachers to improve teaching ability or instructional materials.

**Assurance of Mastery** - Provides public schools with financial aid for district instruction to eligible students, grades K-8, who have not demonstrated mastery of learner outcomes in communication and/or mathematics.

**Secondary Vocational Education** - Provides vocational and technical opportunities to students in regular education and students with individual education plans (IEPs) in public schools in Minnesota. The target population is students in grades 10-12.

**Carl D. Perkins** - Improves vocational education programs by developing more fully the academic and occupational skill competencies needed to work in a technologically advanced society with the full participation of individuals who are members of special populations. These special populations are: students with disabilities, poor students, economically disadvantaged students, educationally disadvantaged students, individuals of limited English proficiency, single parents, foster children, individuals who participate in programs designed to eliminate sex bias, and individuals in correctional institutions. Special programs within the Perkins Act include sex equity programs, consumer and homemaking education, single parent, displaced homemakers, and single pregnant women.

**Migrant Education** - Provides education and support services to the children of migratory agricultural workers. The target population is preschool children, and those persons up through age 21 who are entitled to a free public education through grade 12.

**Limited English Proficiency Programs** - Provides financial aid to school districts for staff to serve the language needs of limited English proficient students. The target population is students in grades K-12 who are declared by a parent or guardian as having first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English and scores significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test.

**Nutrition Education and Training (NET) Program** - Encourages effective dissemination of information to children participating or eligible to participate in the school lunch and related child nutrition programs. The target population is preschool through 12th grade students, food service staff, and educators.

**Title VII Bilingual Education** - Provides financial assistance to states and school districts to improve services to students of limited English proficiency. The target population is students of limited English proficiency, preschool through grade 12, as well as their parents.

Refer to pages 48-61 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

### Goals 2000: Educate America Act

Minnesota is among the first eight states to receive funds under the Goals 2000: Educate America Act. Funding for F.Y. 1995 is $1,357,251 with $9,000,000 projected for F.Y. 1996 and F.Y. 1997. Forty percent of F.Y. 1995 funds will remain in MDE to develop a state plan and pay for costs

incurred by the Goals 2000 panel. The remaining 60% will be distributed to districts on a competitive basis to develop and implement local plans. Future funding is contingent on development of the state plan. Ninety percent of future funding will be distributed to the districts, with 10% remaining in MDE. Education priorities in Minnesota are closely aligned with the initiatives in Goals 2000. Development of the graduation standards and assessment packages form the foundation for the requirements in Goals 2000.

This will greatly affect the way federal programs have been administered and implemented at both the state and district levels. Steps to implement the plan will have to be closely aligned with tasks and activities under the reauthorized Elementary and Secondary Education Act.

**Reauthorization of the Elementary and Secondary Education Act**

Beginning in F.Y. 1996, the majority of federal funds in this activity (Chapter 1, Chapter 2/Block Grant, among others) will undergo a reauthorization from the federal granting agency. The new education act will target the majority of resources to the poorest schools within the poorest districts. Other changes in the new act are the use of a consolidated application for all programs and increased expenditure flexibility for schools, with schools being held more accountable for student achievement. The assessment process under development by the Office of Graduation Standards will meet the accountability requirement to measure student achievement. Comprehensive information on the reauthorization is not available at this time for inclusion in the biennial budget document.

The reauthorization of ESEA focused around 5 areas: high standards for all children, teaching and learning, flexibility with accountability for student performance, coordination among programs, and targeted resources. Implementation of the new Act will result in a more integrated, wholistic approach to how programs are delivered and administered. Performance measures detailed in the Teaching and Learning Program of the 1994 Performance Report were prepared to reflect this coordinated model.

**REVENUE:**

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: STATE & FEDERAL PROGRAMS

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,602 | 1,598 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| EXPENSES/CONTRACTUAL SRVCS | 341 | 374 | 474 | 392 | 392 | 392 | 392 | 392 | 392 |
| MISC OPERATING EXPENSES | 130 | 120 | 187 | 187 | 187 | 187 | 187 | 187 | 187 |
| SUPPLIES/MATERIALS/PARTS | 18 | 30 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| CAPITAL EQUIPMENT | 16 | 75 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| OTHER | 272 | 223 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| SUBTOTAL STATE OPERATIONS | 2,379 | 2,420 | 2,557 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 |
| TOTAL EXPENDITURES | 2,379 | 2,420 | 2,557 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 410 | 375 | 403 | 321 | 321 | 321 | 321 | 321 | 321 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 71 | 70 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| FEDERAL | 1,892 | 1,970 | 2,132 | 2,132 | 2,132 | 2,132 | 2,132 | 2,132 | 2,132 |
| GIFTS AND DEPOSITS | 6 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL FINANCING | 2,379 | 2,420 | 2,557 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 | 2,475 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 29.5 | 29.5 | 28.3 | | 28.3 | | | 28.3 | |
| TEMP/SEAS/PART_TIME | .2 | .3 | | | | | | | |
| TOTAL FTE | 29.7 | 29.8 | 28.3 | | 28.3 | 28.3 | | 28.3 | 28.3 |

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## FISCAL SUMMARY - FEDERAL FUNDS
### Federal Block Grants and Significant Change in Federal Funding

**Federal Grant Title:** Goals 2000: Educate America Act
**Agency:** Education, Department of

**State Legal Authority** M.S. 121.163

**GRANT OBJECTIVES:**

To develop and implement a comprehensive state education improvement plan which blends federal, state, and local efforts so that all children will attain high standards of performance in the state's core academic subjects.

To develop and implement a plan which integrates the use of state-of-the-art technology as an integral part of the overall state education improvement plan.

| | FEDERAL FISCAL YEAR (Dollars in Thousands) | | | |
|---|---|---|---|---|
| **Federal Grant Use:** | **F.Y. 1994** | **F.Y. 1995** | **F.Y. 1996** | **F.Y. 1997** |
| | $ - 0 - | $1,357 | $9,000 | $9,000 |

**Conditions:**

First year funding requires that 40% of the funds remain in the Minnesota Department of Education to develop a state plan and to pay for the costs incurred by the Goals 2000 panel, which is charged with providing input on the contents of the plan. The remaining 60% is distributed to districts on a competitive basis for the purpose of developing and implementing local improvement plans. Future funding will be contingent on the development of Minnesota's plan, which must include time lines for the development and implementation of the graduation standards and assessment strategies. After the first year, 90% of the funds will be distributed to districts and 10% will remain in the Department.

An additional $75,000 was granted for the purpose of developing and implementing a plan which integrates the use of state-of-the-art technology as an integral part of the overall state education improvement plan. This plan will explore the status of how technology is currently used in schools and will make recommendations on how Minnesota can implement the various modes of technology in the delivery of instruction.

Minnesota's education priorities are closely aligned with the initiatives in Goals 2000. Our graduation standards will form the foundation for the requirement in Goals 2000 to develop challenging content and performance standards with assessment packages tied to these standards. The eight goals -- School Readiness, School Completion, School Achievement & Citizenship, Teacher Education & Professional Development, Mathematics & Science, Adult Literacy & Lifelong Learning, Safe, Disciplined and Alcohol & Drug Free Schools, and Parental Participation -- parallel activities already underway under Minnesota 2000, the Student Survey, and the Family Collaborative Service Programs. Efforts and activities funded through Goals 2000 dollars will be coordinated with other state technical assistance initiatives under programs such as MEEP II, the graduation standards, and programs in the federal Elementary and Secondary Education Act. A full-time person has been assigned to carry out the duties required to accomplish the objectives. Services needed on a one-time basis will be acquired through honorariums or contracts.

BUDGET ACTIVITY: 1203 Special Education
PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The purpose of the Office of Special Education (OSE) is to:

- Provide advocacy and leadership to assure appropriate learning for each student who has unique learning needs;
- Focus technical assistance, resource allocation, and monitoring of schools in their efforts to design and implement a full array of programs and services for students with disabilities as defined in M. S. 120.03;
- Collaborate with all stakeholders to create an inclusive education system in Minnesota schools; and
- Actively research, design, support, and implement promising practices to improve the effectiveness of education for students whose needs are not being met by the current system.

Special education exists to assure the availability of specially designed instruction and related services for students (ages birth through 21) with disabilities. Special Education instruction and services are state and federally funded and are governed by state laws M.S. 120.03; 120.17 and 124.32, State Board of Education Rules Chapter 3525 and the Federal Individuals with Disabilities Education Act (IDEA) P.L. 101-476 laws and rules, affording students with disabilities and their families specific rights.

The existence of student and parent rights gives impetus to much of OSE's work. In this regard the OSE:

- Assists the legislature and the State Board of Education (SBE) to establish policies, standards, and funding formulas required by the federal government and that are effective and efficient for Minnesota;
- Assists the Office of Monitoring and Compliance to monitor district compliance with state and federal requirements;
- Prepares and submits plans and reports to the U. S. Office of Special Education Programs (OSEP) to demonstrate Minnesota's compliance with federal law and to maintain Minnesota's eligibility for federal funding;
- Provides technical assistance and professional development opportunities for district staff on issues of compliance and funding;
- Works with parent and advocate organizations to provide open communications and information flow; and
- Hosts a federally mandated advisory panel of parents, advocates, consumers, administrators, and teachers to obtain recommendations related to the Minnesota state plan, the use of federal discretionary funds, and the adoption of state rules.

Special education is funded by a combination of about 50% local, 42% state, and 8% federal funds. Over the last decade the trend has been to place increasing reliance on local resources to fund special education instruction and services. The responsibility to disburse the state and federal funds under very specific conditions gives rise to a second major area of work. In this regard, the OSE:

- Reviews and approves district program applications as a prerequisite to approving payment of state and federal aids;
- Authorizes the disbursement of state and federal special education aids;
- Monitors district expenditures to assure compliance with state and federal funding requirements; and
- Provides data reports and summaries to policymakers, program administrators, advisory groups, and other interested persons and groups.

Special education provides both traditional and nontraditional instructional services and a wide range of related services necessary for the students to benefit from the specially designed instruction. Specially designed instruction includes options for instruction and support ranging from full-time placement in general education classes to instruction and support delivered in residential settings. Fifty-four percent of all students with disabilities spend more than one-half of the school day in general education classes. The related services provided for students with disabilities include services such as: social work; psychological and counseling services; medical referrals; occupational and physical therapy; and special transportation. A third major area of activity comes from the range of options open to school districts for meeting the needs of students with disabilities. In this regard the OSE:

- Assists the legislature and the SBE to adopt policies and standards for general education that address the needs of students with disabilities so that a single, blended system of education can evolve to meet the needs of all students;
- Encourages and assists school districts to develop and maintain evaluation procedures that provide effectiveness data for decision making relating to continuous improvement;
- Provides professional development opportunities in promising educational practices;
- Provides technical assistance to districts considering changes in the design of their special education program;
- Facilitates regional support systems and procedures to assist schools in addressing the needs of students with low-incidence disabilities (autism, deaf-blindness, hearing, physical and other health impairments, traumatic brain injury, and vision);
- Provides a comprehensive system of personnel development (CSPD) for school staff to increase their capacity to meet the needs of students with disabilities;
- Studies and evaluates various aspects of special education to gather data necessary for decisions relating to continuous improvement.
- Applies for federal funding for projects to meet specific needs identified by and for service providers; and
- Works collaboratively with other state agencies to reduce state level barriers to local collaboration in the delivery of instruction and services for students with disabilities and their families.

Refer to pages 62-81 of the 1994 Performance Report for additional information, objectives and measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same level of administrative funding.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: SPECIAL EDUCATION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,280 | 1,258 | 1,569 | 1,569 | 1,569 | 1,569 | 1,569 | 1,569 | 1,569 |
| EXPENSES/CONTRACTUAL SRVCS | 370 | 410 | 1,224 | 1,224 | 1,224 | 1,224 | 1,224 | 1,224 | 1,224 |
| MISC OPERATING EXPENSES | 72 | 46 | 179 | 179 | 179 | 179 | 179 | 179 | 179 |
| SUPPLIES/MATERIALS/PARTS | 52 | 57 | 121 | 121 | 121 | 121 | 121 | 121 | 121 |
| CAPITAL EQUIPMENT | 23 | 47 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| OTHER | 240 | 245 | 370 | 370 | 370 | 370 | 370 | 370 | 370 |
| SUBTOTAL STATE OPERATIONS | 2,037 | 2,063 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 |
| TOTAL EXPENDITURES | 2,037 | 2,063 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 329 | 284 | 211 | 211 | 211 | 211 | 211 | 211 | 211 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | 37 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| SPECIAL REVENUE | 20 | 2 | | | | | | | |
| FEDERAL | 1,687 | 1,739 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 | 3,230 |
| GIFTS AND DEPOSITS | 1 | 1 | | | | | | | |
| TOTAL FINANCING | 2,037 | 2,063 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 | 3,493 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 25.1 | 21.9 | 25.8 | | 25.8 | | | 25.8 | |
| TEMP/SEAS/PART_TIME | .1 | .7 | | | | | | | |
| TOTAL FTE | 25.2 | 22.6 | 25.8 | | 25.8 | 25.8 | | 25.8 | 25.8 |

BUDGET ACTIVITY: 1204 Indian Education
PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The purpose of the Indian Education activity is to improve the educational status of American Indians in the state of Minnesota. The programs and services of the Indian Education activity provide American Indian learners with greater access to education opportunities and allow them to participate in learning environments that are appropriate and supportive of their unique political, social and cultural heritage. This activity administers the American Indian Language and Culture Education Program (AILCE), the Indian Post-Secondary Preparation Program (PSPP), the Indian Teacher Training Program (MITTP), and special programs such as the Nett Lake Youth Development Program and the Multicultural Education Program for the Red Lake Schools. Staff are involved in developing and implementing Requests for Proposals (RFPs), writing and executing grant award agreements, providing technical assistance to grantees in writing and implementing their funded projects, collecting data on outcomes of the funded projects and monitoring grantees' budgets and the disbursements of state funds, in accord with M.S. 126.45-126.55, 124.481, and 125.62. The activity fully implements the Minnesota Indian Scholarship Program (MISP), including determining eligibility and amounts of individual scholarship awards for Minnesota Indian students attending postsecondary institutions in Minnesota, and the disbursement and full accounting of the state appropriation in accord with M.S. 124.48.

The activity collaborates with other sections within MDE in implementing and administering the Indian Education Funds, Early Childhood Family Education programs at Tribal schools, and grants to Indian Tribal Contract Schools. The Indian Education Team also provides the necessary knowledge and understanding of Indian politics and culture to the MDE sections performing direct administration of these grants.

The activity seeks out private funding and has received grants sponsored by the Blandin Foundation, McKnight Foundation, General Mills Foundation, and the federal government. These include: The Indian Social Work Aide (ISWA) program which supports school districts with concentrations of Indian students by recruiting and training persons to work with American Indian youth who are, or may be, handicapped; the Indian Parent Training Program which is designed to bring the parents of Indian students and the school into closer working relationships, emphasizing parenting skills as well as helping schools understand the needs of Indian learners; and the Indian Adult Basic Education (IABE) program, which uses federal funding for programs at reservations and rural sites to assist Indian adults with literacy skills and General Education Development (GED) preparation.

The activity assists the work of the Indian Scholarship Committee, the American Indian Education Committee, the Indian Affairs Council, Minnesota Tribal Governments, and the Minnesota Chippewa Tribal Executive Committee.

The activity also administers provisions of the Indian Education Act of 1988, including the requirement that school boards provide for the involvement of Indian parents in their children's education programs through parent advisory committees. By December 1 of each school year, all school boards are required to submit to the Department of Education a resolution adopted by the parent committee stating whether the parent committee concurs with the district's education programs for American Indian children.

Refer to pages 82-89 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: INDIAN EDUCATION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 390 | 341 | 429 | 419 | 419 | 419 | 419 | 419 | 419 |
| EXPENSES/CONTRACTUAL SRVCS | 65 | 65 | 90 | 75 | 75 | 75 | 75 | 75 | 75 |
| MISC OPERATING EXPENSES | 23 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| SUPPLIES/MATERIALS/PARTS | 5 | 19 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| CAPITAL EQUIPMENT | 7 | 5 | | | | | | | |
| OTHER | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| SUBTOTAL STATE OPERATIONS | 494 | 451 | 547 | 522 | 522 | 522 | 522 | 522 | 522 |
| TOTAL EXPENDITURES | 494 | 451 | 547 | 522 | 522 | 522 | 522 | 522 | 522 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 441 | 412 | 482 | 457 | 457 | 457 | 457 | 457 | 457 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| FEDERAL | 29 | 28 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| GIFTS AND DEPOSITS | 24 | 11 | 36 | 36 | 36 | 36 | 36 | 36 | 36 |
| TOTAL FINANCING | 494 | 451 | 547 | 522 | 522 | 522 | 522 | 522 | 522 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 8.2 | 7.7 | 9.0 | | 9.0 | | | 9.0 | |
| TEMP/SEAS/PART_TIME | .3 | | | | | | | | |
| OVERTIME | | .1 | | | | | | | |
| TOTAL FTE | 8.5 | 7.8 | 9.0 | | 9.0 | 9.0 | | 9.0 | 9.0 |

**BUDGET ACTIVITY:** 1205 Lifework Development
**PROGRAM:** 12 Teaching and Learning
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Office of Lifework Development will create a lifework development system by serving school districts and other community agencies through the (a) Work-Based Learning Team, (b) Youth Works Team, (c) Minnesota Career Information System (MCIS), and (d) Technology Competence Project. "Lifework" refers to one's work over a lifetime and how that work is accomplished and enhanced (a) through planned and evaluated learning experiences, and (b) in relation to the other roles, in addition to being a worker, that one plays as a member of a family and community.

Work-Based Learning Team
The Work-Based Learning Team includes the: (a) Interagency Office on Transition Services, (b) the Education and Employment Transitions Council (EETC), (c) Youth Apprenticeship, (d) Tech Prep programs, and (e) vocational student organizations.

a) Interagency Office on Transition Services:
- trains parents, students, and adult service providers to work together to plan for and accomplish transitions for students with disabilities;
- develops and distributes transition resource guides to families, agencies, and other community members;
- funds community transition interagency committees and technical assistance projects to help these committees; and
- funds school-based demonstration sites to improve transition services for students with disabilities.

b) Education and Employment Transitions Council (EETC):
- created by the 1993 Legislature to develop policy and implementation strategies for an education and employment transitions system in Minnesota;
- system will focus on programs such as youth apprenticeship, service learning, and entrepreneurial education;
- system will help Minnesotans of all ages make transitions within and between education and employment; and
- EETC membership represents business, education, labor and state agencies.

c) Youth Apprenticeship:
- promotes the formation of local partnerships dedicated to linking school and work; and
- helps students attain high academic and occupational standards while preparing for skilled work.

d) Entrepreneurial Education:
- the EETC works with the Department of Trade and Economic Development to fund seven regional granting authorities throughout Minnesota to develop youth entrepreneurship programs and revolving loan funds.

e) Tech Prep:
- a two-plus-two program that combines the last two years of high school with technical or community college programs to help learners develop the skills needed for technical occupations.

f) Vocational Student Organizations provides statewide leadership for student organizations including:
- facilitating competitive events;
- training student officers;
- serving as a liaison between local chapters, state associations, and national associations; and
- working with related curricular areas to integrate authentic learning techniques and leadership development into secondary and postsecondary vocational technical education.

Minnesota Career Information System
- a subscriber supported, computer-based career and education information system;
- available at more than 350 sites in Minnesota including high schools, public libraries, technical and community colleges, and vocational rehabilitation centers; and
- serves Minnesotans of all ages who need information on careers and the education needed to attain those careers.

YouthWorks Team
- works with the Minnesota Commission on National and Community Service to administer state YouthWorks funding, and federal AmeriCorp and Learn and Serve America funding to develop service learning for school age and adult Minnesotans;
- most school districts in Minnesota have service learning programs, as do most public and private institutions of higher education.

Technology Competence
- is defined as "the ability of students to apply knowledge, tools, and skills to solve practical problems creatively, extend human capabilities, and evaluate the impact of technology on themselves and society";
- emphasizes "know-how" over "know-what";
- currently, the Office of Lifework Development is working with KTCA, Minnesota Public Television, to develop a video and supporting curricular materials to help teachers integrate technology competence into their programs.

Refer to pages 90-99 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

The EETC will apply to the U.S. Department of Labor, Office of School to Work for an implementation grant through the School-to-Work Opportunities Act. This could result in a federal grant of up to $3 million per year for five years, beginning in July 1995. This grant would complement efforts currently underway in Minnesota, specifically the Education and Employment Transitions Council and other activities outlined in M.S. 126B.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIFEWORK DEVELOPMENT

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 280 | 557 | 976 | 1,191 | 1,231 | 1,231 | 1,191 | 1,231 | 1,231 |
| EXPENSES/CONTRACTUAL SRVCS | 349 | 487 | 660 | 1,276 | 1,276 | 1,276 | 1,276 | 1,276 | 1,276 |
| MISC OPERATING EXPENSES | 23 | 218 | 312 | 372 | 372 | 372 | 372 | 372 | 372 |
| SUPPLIES/MATERIALS/PARTS | 34 | 81 | 98 | 128 | 128 | 128 | 128 | 128 | 128 |
| CAPITAL EQUIPMENT | 22 | 20 | 21 | 39 | 39 | 39 | 39 | 39 | 39 |
| OTHER | 79 | 106 | 115 | 225 | 225 | 225 | 225 | 225 | 225 |
| SUBTOTAL STATE OPERATIONS | 787 | 1,469 | 2,182 | 3,231 | 3,271 | 3,271 | 3,231 | 3,271 | 3,271 |
| TOTAL EXPENDITURES | 787 | 1,469 | 2,182 | 3,231 | 3,271 | 3,271 | 3,231 | 3,271 | 3,271 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| TRANSFER YOUTH APP. POSITION TO MDE | | GEN | | | 40 | | | 40 | |
| TOTAL AGENCY PLAN ITEMS | | | | | 40 | | | 40 | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 153 | 315 | 465 | 463 | 503 | 503 | 463 | 503 | 503 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 352 | 434 | 492 | 492 | 492 | 492 | 492 | 492 | 492 |
| FEDERAL | 282 | 362 | 654 | 1,705 | 1,705 | 1,705 | 1,705 | 1,705 | 1,705 |
| AGENCY | | 358 | 563 | 563 | 563 | 563 | 563 | 563 | 563 |
| GIFTS AND DEPOSITS | | | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| TOTAL FINANCING | 787 | 1,469 | 2,182 | 3,231 | 3,271 | 3,271 | 3,231 | 3,271 | 3,271 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 7.0 | 11.6 | 19.0 | | 19.0 | | | 19.0 | |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIFEWORK DEVELOPMENT

| | | | | FY 1996 | | | FY 1997 | | |
|---|---|---|---|---|---|---|---|---|---|
| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | Current Spending | Agency Plan | Governor Recomm. | Current Spending | Agency Plan | Governor Recomm. |
| TEMP/SEAS/PART_TIME | .1 | .7 | | | | | | | |
| TOTAL FTE | 7.1 | 12.3 | 19.0 | | 19.0 | 19.0 | | 19.0 | 19.0 |

## FISCAL SUMMARY - FEDERAL FUNDS
### Federal Block Grants and Significant Change in Federal Funding

**Federal Grant Title:** School-to-Work Opportunities Act of 1994 - Implementation Grant
**Agency:** Education, Department of

**State Legal Authority** M.S. 121.163

**GRANT OBJECTIVES:**

To create a statewide, comprehensive system of education and employment transitions which will improve the opportunities for all learners in Minnesota to make successful transitions between education and employment. Funds will be for five years (F.Y. 1995 - 2000) with a heavy emphasis on funding local initiatives undertaken by partnerships of education (secondary and postsecondary), business, labor (organized and unorganized), government, parents and learners that demonstrate effective school-to-work transitions programs. This grant complements efforts underway in Minnesota -- specifically the Education and Employment Transitions Council and other activities outlined in M.S. 126B.

| | FEDERAL FISCAL YEAR (Dollars in Thousands) | | | |
|---|---|---|---|---|
| **Federal Grant Use:** | **F.Y. 1994** | **F.Y. 1995** | **F.Y. 1996** | **F.Y. 1997** |
| State Level Activities | $ 0 | $ 0 | $ 1,000 | $ 1,000 |
| Local Demonstrations | $ 0 | $ 0 | $ 2,000 | $ 2,000 |
| Total | $ 0 | $ 0 | $ 3,000 | $ 3,000 |

**Conditions:**

Federal funds are to be used to: establish a statewide system, demonstrate the components of that system, and restructure the state's funding for education, work-force development, and economic development to support the system after the five-year demonstration period.

Funding for each year is contingent on successful completion of the prior year's work plan. There will be no additional funding beyond the fifth year. For years three, four and five, 95% of the anticipated annual $3 million ($15 million total) will be passed to local demonstrations. The Request for Proposal (RFP) for these funds will be issued early in 1995. We anticipate that a local match will be required for funding under this federal initiative. We expect, as was the case in the first round, that this match will be satisfied with in-kind and cash contributions made by the state and local program sites.

BUDGET ACTIVITY: 1206 Community Collaboration
PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The purpose of the Community Collaboration activity is to provide statewide leadership for child and family programs, prevention and risk reduction, and adult programming. Specifically, the activity:

- Assists communities and educators in restructuring learning systems so that individuals of all ages are served.
- Provides leadership in creating ways to reach those previously not well served by education, including out-of-school children and youth, underserved adults and newcomers to the United States.
- Maintains familiarity with challenges and problems that may cause barriers to learning and to satisfying, productive living; provides leadership in clarifying issues related to learning; and identifies recommendations and alternatives for policymakers.
- Collaborates with many state agencies and organizations to free local and regional cooperation efforts from "system barriers" such as duplication, repetition, and cumbersome regulation.
- Provides assistance in designing collaborative mechanisms among community groups, parents/students, and local education agencies so that local learning and related support needs of individuals and families can be effectively met.
- Conceptualizes relationships among various state and federal initiatives, assisting practitioners and policymakers to build appropriate connections among issues and programs so that fragmentation is minimized, resources are used effectively, and long term benefits are achieved by using a wide variety of resources.
- Seeks and secures a wide range of public and private funding and other resources to address new and emerging issues, develop and pilot creative approaches, and work toward institutionalizing promising practices.
- Administers many state and federal programs related to this activity.

For purposes of administration, the programs within this activity are clustered into two teams, Community and Family Education, and Prevention and Risk Reduction. Substantial interaction occurs between the two teams and among all of the Community Collaboration programs.

Community and Family Education includes: Early Childhood Family Education; Tribal School Early Childhood Family Education; Way to Grow; Learning Readiness; Early Childhood Screening; Early Childhood Special Education; Interagency Early Intervention (Part H); Community Education; Youth Development/Youth Service; Parent Involvement; School Age Child Care (Extended Day); Adult Basic Education; General Education Development (GED) Testing; ESL for Adult Refugees; Family Literacy; Programs for Homeless Adults; Programs for Adults with Disabilities; Interagency Adult Learning Grants/Council; and the Adult Diploma Program, which serves as a bridge to educational choice/options programs.

Prevention and Risk Reduction includes: Prevention and Intervention Funding; Minnesota Student Survey; HIV/AIDS/STD/Comprehensive School Health; Teen Pregnancy Prevention; Governor's Drug Free Communities Initiative; Drug Free Schools Initiative; Co-Located/Integrated Services to Targeted Children and Youth/Family Service Collaboratives; Violence Prevention and Education in the Schools; and Violence Prevention Councils.

Refer to pages 22-35 and 100-109 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same level of administrative funding.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: COMMUNITY COLLABORATION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,495 | 1,429 | 2,152 | 2,152 | 2,152 | 2,152 | 2,152 | 2,152 | 2,152 |
| EXPENSES/CONTRACTUAL SRVCS | 314 | 507 | 766 | 732 | 732 | 732 | 732 | 732 | 732 |
| MISC OPERATING EXPENSES | 73 | 63 | 116 | 116 | 116 | 116 | 116 | 116 | 116 |
| SUPPLIES/MATERIALS/PARTS | 28 | 67 | 68 | 68 | 68 | 68 | 68 | 68 | 68 |
| CAPITAL EQUIPMENT | 10 | 95 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| OTHER | 258 | 258 | 232 | 232 | 232 | 232 | 232 | 232 | 232 |
| SUBTOTAL STATE OPERATIONS | 2,178 | 2,419 | 3,397 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 |
| TOTAL EXPENDITURES | 2,178 | 2,419 | 3,397 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 359 | 343 | 771 | 737 | 737 | 737 | 737 | 737 | 737 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 30 | 41 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| FEDERAL | 1,789 | 2,035 | 2,624 | 2,624 | 2,624 | 2,624 | 2,624 | 2,624 | 2,624 |
| TOTAL FINANCING | 2,178 | 2,419 | 3,397 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 | 3,363 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 30.7 | 29.5 | 38.1 | | 38.1 | | | 38.1 | |
| TEMP/SEAS/PART_TIME | .4 | .1 | | | | | | | |
| TOTAL FTE | 31.1 | 29.6 | 38.1 | | 38.1 | 38.1 | | 38.1 | 38.1 |

BUDGET ACTIVITY: 1207 Library Development and Services
PROGRAM: 12 Teaching and Learning
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The Office of Library Development and Services (LDS) encourages, supports, and provides quality library and information services. This activity includes library development and grant programs, the Minnesota Library for the Blind and Physically Handicapped (MLBPH) in Faribault, and the Educational Resource Center (ERC). Specifically, the activity:

- Prepares long range plans for development of public library services and cooperation among all types of libraries to qualify for federal funds and to guide library development in the state.
- Provides information and technical assistance on all aspects of library organization, operation, and finance to library personnel and library board members.
- Administers federal and state grant funds for: regional public library system services, collaborative children's library services, recruitment and education of librarians of color, public library construction and removal of architectural barriers, library services in state correctional facilities and human services institutions, the loan of materials by Twin Cities' libraries to users throughout the state, and operating cooperative programs among academic, public, school, and special libraries.
- Provides reference information and lends materials from a library of print and audio-visual materials to librarians, trustees, public officials, and others.
- Contracts with the State University Board to provide the Project for Automated Library Systems (PALS) online computer library catalog in 15 state agency libraries. This catalog facilitates resource sharing by linking the catalogs of state government, state university, and community college libraries.
- Lends books in Braille and talking books recorded on disks and cassettes to more than 8,000 people who are blind and physically handicapped. Materials are mailed postage-free to readers at their homes or in institutions such as hospitals, nursing homes, and schools.
- Provides blind and physically handicapped readers, including students and staff at the Minnesota State Academy for the Blind, the services that other citizens have available to them in public libraries, such as reference information, compiling bibliographies, and assisting in selection of books.
- Promotes and provides cost-effective utilization of information resources by identifying information resources, purchasing or borrowing them to meet user needs and, at the request of MDE staff specialists, developing collections in specific subject areas. Catalog records are included in national, state, and local databases, and materials are shared through library networks to make them available throughout the state.

Refer to pages 110-120 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same level of administrative funding.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIBRARY DEVELOPMENT & SERVICES

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 999 | 881 | 989 | 960 | 960 | 960 | 960 | 960 | 960 |
| EXPENSES/CONTRACTUAL SRVCS | 76 | 108 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| MISC OPERATING EXPENSES | 15 | 21 | 21 | 21 | 28 | 28 | 21 | 28 | 28 |
| SUPPLIES/MATERIALS/PARTS | 76 | 95 | 74 | 74 | 74 | 74 | 74 | 74 | 74 |
| CAPITAL EQUIPMENT | 20 | 36 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| OTHER | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| SUBTOTAL STATE OPERATIONS | 1,197 | 1,151 | 1,232 | 1,203 | 1,210 | 1,210 | 1,203 | 1,210 | 1,210 |
| TOTAL EXPENDITURES | 1,197 | 1,151 | 1,232 | 1,203 | 1,210 | 1,210 | 1,203 | 1,210 | 1,210 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| UTILITY COSTS FOR LIBRARY ADD. | | GEN | | | 7 | | | 7 | |
| TOTAL AGENCY PLAN ITEMS | | | | | 7 | | | 7 | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 955 | 893 | 962 | 933 | 940 | 940 | 933 | 940 | 940 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 16 | 14 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| SPECIAL REVENUE | 140 | 141 | 143 | 143 | 143 | 143 | 143 | 143 | 143 |
| FEDERAL | 80 | 82 | 85 | 85 | 85 | 85 | 85 | 85 | 85 |
| GIFTS AND DEPOSITS | 6 | 21 | 25 | 25 | 25 | 25 | 25 | 25 | 25 |
| TOTAL FINANCING | 1,197 | 1,151 | 1,232 | 1,203 | 1,210 | 1,210 | 1,203 | 1,210 | 1,210 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 21.5 | 20.6 | 21.5 | | 21.5 | | | 21.5 | |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIBRARY DEVELOPMENT & SERVICES

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| TEMP/SEAS/PART_TIME | .3 | .2 | | | | | | | |
| TOTAL FTE | 21.8 | 20.8 | 21.5 | | 21.5 | 21.5 | | 21.5 | 21.5 |

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**BUDGET ACTIVITY:** 1208 Minnesota Academic Excellence Foundation
**PROGRAM:** 12 Teaching and Learning
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Minnesota Academic Excellence Foundation (MAEF), by charter from the Minnesota Legislature (M.S. 121.612) and through private sector and community-based partnerships, is a primary advocate for promoting and recognizing the importance of academic excellence in Minnesota's elementary and secondary students, schools, and communities. The MAEF Board of Directors, appointed by the Governor, establishes the policies and procedures needed to implement MAEF's systemic initiatives, program activities, and legislative charge. Additionally, the Board must secure the resources required to deliver MAEF objectives. The Board establishes fees for participation and the sale of publications. It manages the strategic fund raising plan to secure gifts, grants, inkind donations, and sponsorships/partnerships to support MAEF programs. MAEF currently administers three fund raising campaigns - an annual fund drive; an endowment campaign; and the solicitation of private sector grants and sponsorships.

MAEF has three strategic priorities to promote student learning. These include:

- Facilitating systemic change to increase student learning and enhance educator practice.
- Creating values in society which demand academic achievement by and for all learners.
- Increasing students' and families' expectations and opportunities for students to learn and students to learn to think; to achieve; and to go beyond what has traditionally been a common standard of learning.

Specific systemic initiatives administered through MAEF's Board of Directors include:

- Partners for Quality, which directly assists schools in transforming their learning, management, and measurement systems for continuous quality improvement toward achieving world class performances, customer responsiveness, and problem prevention. MAEF provides technical assistance and direct services, training, business partners, clearinghouse information, and benchmarking data and best practices to school site teams and staff. Additionally, Partners for Quality assists site teams in developing and deploying a staff development/human resources plan focused on improving student learning.

- Academic League, which coordinates academic challenges to expand student learning and assists communities in creating local support for academic achievement. The Academic League provides direct service to schools via consultations, regional training events, and clearinghouse information and standards for over 80 academic challenges, recognitions and enrichment activities for students with all ability levels and interests.

- Minnesota Goals 2000, which assists communities and citizens in defining and deploying solutions to challenges facing students and schools in their communities. Minnesota Goals 2000 provides technical assistance to local groups to organize their communities and focus resources toward achieving the National Education Goals.

- Minnesota Governor's Scholars Initiative, which provides Minnesota with a cadre of young leaders trained to use culturally sensitive and sensible approaches to create communities which value all people. Governor's Scholars provides a year-long learning experience for about 100 high school seniors via independent study materials; two residential institutes; and service projects focusing on leadership, continuous quality improvement, community organization and problem solving, and cultural awareness.

- Regional Education Discussion Groups/Education Days/Community and Business Partnerships/Statewide Conferences and Rallies, which focus public attention on academic achievement, assist communities and the private sector in developing partnerships to advance student learning, create increased expectations and foster innovation in stakeholder collaborations, and assist the media in reporting about academic excellence. These public awareness/advocacy/outreach activities are delivered via service clubs, employers, and with the seven regional community foundations where MAEF has invested its endowment funds. Specific activities include the Academic Heroes media campaign and the annual Gathering of Champions to recognize Minnesota's academic all-stars.

Refer to pages 121-131 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same level of funding.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: TEACHING & LEARNING
ACTIVITY: MN ACADEMIC EXCELLENCE FOUNDATION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 92 | 93 | 96 | 96 | 96 | 96 | 96 | 96 | 96 |
| EXPENSES/CONTRACTUAL SRVCS | 83 | 226 | 188 | 184 | 184 | 184 | 184 | 184 | 184 |
| MISC OPERATING EXPENSES | 6 | 9 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| SUPPLIES/MATERIALS/PARTS | 15 | 4 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| SUBTOTAL STATE OPERATIONS | 196 | 332 | 298 | 294 | 294 | 294 | 294 | 294 | 294 |
| TOTAL EXPENDITURES | 196 | 332 | 298 | 294 | 294 | 294 | 294 | 294 | 294 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 98 | 96 | 105 | 101 | 101 | 101 | 101 | 101 | 101 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 51 | 130 | 77 | 77 | 77 | 77 | 77 | 77 | 77 |
| GIFTS AND DEPOSITS | 47 | 106 | 116 | 116 | 116 | 116 | 116 | 116 | 116 |
| TOTAL FINANCING | 196 | 332 | 298 | 294 | 294 | 294 | 294 | 294 | 294 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 1.6 | 2.0 | 2.0 | | 2.0 | | | 2.0 | |
| TEMP/SEAS/PART_TIME | .7 | | | | | | | | |
| OVERTIME | | .1 | | | | | | | |
| TOTAL FTE | 2.3 | 2.1 | 2.0 | | 2.0 | 2.0 | | 2.0 | 2.0 |

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PROGRAM: 13 Education Resources and Support
AGENCY: Education, Department of

## PROGRAM DESCRIPTION:

The primary role and function of this program and its related activities is to provide general support services for the instructional mission of the agency described under the Teaching and Learning Program. Services provided by this program are essential to the efficient and effective delivery of services to Minnesota school districts and other educational agencies and clients served by the department.

Activities in the Education Resources and Support program area include: Education Finance; Facilities/Organization/Alternatives; Food and Nutrition; School Personnel Licensing; Board of Teaching; Monitoring and Compliance; Information Technologies; and Leadership and Administration.

The activities in this program area contribute to the following MDE goals:

- All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- All education personnel in Minnesota will acquire and use the knowledge and skills needed to prepare all learners to achieve appropriate learning goals.
- Minnesota's education finance system will provide sufficient funding for public education while encouraging fairness, accountability, and incentives toward quality improvement.

## PROGRAM STATUS:

Minnesota's education system is undergoing substantive program and systemic change. It is leaving the "usual way of doing business" behind and creating a transformed education system. This change concentrates on improved student performance as the desired result. In order to achieve such results, competent support systems such as appropriate levels of funding, adequate facilities and other management components are crucial.

As indicated above, the Education Resources and Support Program consists of eight activities which direct their efforts toward providing leadership in support of the Teaching and Learning Program. While the activities focus on different components of the learning system, all operate with improved learning as their focus.

Education is being driven by numerous factors. Some directly impacting this program include:

- **Finance System Change.** The finance system for education is being adjusted so that resources will be better aligned to implement the graduation standards. The Coalition on Education Reform and Accountability (CERA) will be making recommendations regarding this area.
- **Education Facilities.** As Minnesota's education system changes to address the goals of the graduation standards and to "assure the success of all learners," the delivery system, including school facilities, will need to be structured so that maximum learning will result. Learning sites must be safe, healthy, accessible and conducive to learning.
- **District Organization.** As Minnesota's demographics change, schools need to reorganize to deliver the necessary programs and services for learners. Population shifts will continue to require changes in terms of how education is delivered.
- **Use of Technology.** Improvements in information technology enable us to store student performance information in a way which is useful for teachers to improve instruction. In addition, we will be able to aggregate such data at the local and state level for management decision making. Utilization of technology such as Internet, satellite programming, and interactive T.V. systems will significantly improve the instructional capacity for learners of all ages.
- **Expanded Parent Choice.** The "customer oriented education system" will continue to expand the role of parents and students in terms of choosing their school, programs and even the organizational structure. Open enrollment, postsecondary options, area learning centers, charter schools, and contract schools all provide expanded choice. Such choices will grow. While Minnesota is the nation's leader in terms of "choice", federal policy is also supportive, which enhances continued direction in this area.
- **Desegregation/Diversity.** Due to demographic changes and the increased emphasis on improved student learning, policies regarding desegregation are receiving renewed attention. In both Minneapolis and St. Paul, no race is now the majority. The policies being debated now concentrate on how to assure the success of all learners, how to close the learning gap between learners living in high concentrations of poverty (frequently learners of color) and their peers, improving student understanding and acceptance of the varied rich cultures and, through parent choice, enhancing racial balance.
- **Restructuring Teacher Preparation and Licensure.** The emphasis on a restructured PK-12 learning system, brought about by the focus on improved learning, the direction of the graduation standards and Goals 2000, will require different skills and competencies by teachers than those currently included in the licensure and teacher preparation models. The focus of licensing will become increasingly oriented to teacher performance, requiring changes in preparation, development of performance assessments, and the development of residency sites to improve the clinical component.

Additional information regarding the status of this program can be found in the Program Driver section of the Education Resources and Support Program Summary, page 133 of the 1994 Performance Report.

## PLANNED RESULTS:

During the F.Y. 1996-97 biennium, the Education Resources and Support Program anticipates continued work toward achieving the performance measures identified on pages 132-209 of the 1994 Performance Report with the same level of funding.

## BUDGET AND REVENUE SUMMARY:

- The agency plan reallocates $52,000 each year to the Communications Office for an increased emphasis in public information and consistent, regular communication of emerging education issues to state policymakers, educators and the public.
- The plan includes a $7,000 transfer from the Residential Academies for utility costs the academies formerly paid for the Minnesota Library for the Blind and Physically Handicapped to MDE which assumes the obligation July 1, 1995.
- The plan reallocates $118,000, set aside in F.Y. 1995 on a one-time basis, for building improvements to the Communications Office as described above and the Office of Grants and Development as described in the Budget and Revenue Summary of the Teaching and Learning Program.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EDUCATION FINANCE | 1,216 | 1,213 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| FACILITIES/ORGANIZATION/ALTERNATIV | 916 | 884 | 930 | 927 | 927 | 927 | 927 | 927 | 927 |
| FOOD & NUTRITION | 2,207 | 2,722 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 |
| SCHOOL PERSONNEL LICENSING | 606 | 639 | 733 | 716 | 716 | 716 | 716 | 716 | 716 |
| BOARD OF TEACHING | 210 | 206 | 210 | 207 | 207 | 207 | 207 | 207 | 207 |
| MONITORING & COMPLIANCE | 1,799 | 2,178 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 |
| INFORMATIONAL TECHNOLOGIES | 1,671 | 1,865 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 |
| LEADERSHIP & ADMINISTRATION | 5,584 | 5,750 | 6,777 | 6,091 | 6,025 | 6,025 | 6,124 | 6,058 | 6,058 |
| TOTAL EXPENDITURES BY ACTIVITY | 14,209 | 15,457 | 17,255 | 16,546 | 16,480 | 16,480 | 16,579 | 16,513 | 16,513 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| REALLOCATION COMMUNICATIONS OFFICE | | GEN | | | 52 | | | 52 | |
| REALLOCATION BLDG IMPROVEMENTS | | GEN | | | <118> | | | <118> | |
| TOTAL AGENCY PLAN ITEMS | | | | | <66> | | | <66> | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 7,945 | 8,274 | 10,113 | 9,410 | 9,344 | 9,344 | 9,443 | 9,377 | 9,377 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 72 | 75 | 47 | 41 | 41 | 41 | 41 | 41 | 41 |
| SPECIAL REVENUE | 1,613 | 1,667 | 1,578 | 1,578 | 1,578 | 1,578 | 1,578 | 1,578 | 1,578 |
| FEDERAL | 3,795 | 4,633 | 4,691 | 4,691 | 4,691 | 4,691 | 4,691 | 4,691 | 4,691 |
| AGENCY | 783 | 808 | 825 | 825 | 825 | 825 | 825 | 825 | 825 |
| GIFTS AND DEPOSITS | 1 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL FINANCING | 14,209 | 15,457 | 17,255 | 16,546 | 16,480 | 16,480 | 16,579 | 16,513 | 16,513 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 167.8 | 177.9 | 203.1 | | 203.1 | | | 203.1 | |
| TEMP/SEAS/PART_TIME | 3.8 | 4.9 | 1.5 | | 1.5 | | | 1.5 | |
| OVERTIME | | .4 | | | | | | | |
| TOTAL FTE | 171.6 | 183.2 | 204.6 | | 204.6 | 204.6 | | 204.6 | 204.6 |

**BUDGET ACTIVITY:** 1301 Education Finance
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The purpose of this activity is to:

- provide leadership and support to policymakers in developing and evaluating education finance policy;
- implement education finance programs;
- provide financial management assistance to local education agencies and school sites; and
- ensure accountability in the use of financial resources.

The customers of this activity include state executive and legislative policymakers, local school board members, school district and site administrators, county auditors, private auditors and financial consulting firms serving schools, professional education organizations, federal agencies, the media and the general public.

This activity is composed of two teams. Together, they provide the range of necessary services to support the development, implementation, and accountability of Minnesota's education finance system through the local education agencies and school sites. Those agencies and sites provide direct education programs and services to Minnesota learners.

The Education Funding Team focuses on:

- analyzing Minnesota's education finance system for policymakers;
- managing the preparation of the Governor's Education Aids Budget document;
- supporting the legislative process;
- translating the laws into funding formulas and administrative procedures;
- administering numerous finance programs;
- setting the property tax levy limitations totaling about $2 billion annually and administering the school district levy process;
- disbursing and reporting for about $3 billion in annual state aid and tax credits through a metered payment system; and
- providing education finance expertise and consultation to a wide range of customers through a variety of materials and means.

The Financial Management, Transportation, and Accountability Team focuses on:

- providing management assistance to school districts and charter schools in the areas of financial management and transportation;
- providing state administration of the required school district accounting and financial management systems;
- providing individualized management assistance, especially to districts with excess operating debt, and approving plans for removing excess debt;
- administering the pupil transportation system, including eligibility and reporting for transportation revenue, and training for school bus safety;
- administering the postsecondary enrollment options, federal impact aid, and credit enhancement programs;
- conducting audits of school district revenues, especially for pupil units and transportation expenses;
- administering the federal single audit system on use of federal funds;
- reporting on the financial health of school districts; and
- providing financial data for state aid and other purposes.

Refer to pages 134-141 and 153-172 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: EDUCATION FINANCE

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,115 | 1,138 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 |
| EXPENSES/CONTRACTUAL SRVCS | 58 | 33 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| MISC OPERATING EXPENSES | 18 | 10 | 28 | 28 | 28 | 28 | 28 | 28 | 28 |
| SUPPLIES/MATERIALS/PARTS | 8 | 11 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| CAPITAL EQUIPMENT | 9 | 17 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| OTHER | 8 | 4 | | | | | | | |
| SUBTOTAL STATE OPERATIONS | 1,216 | 1,213 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| TOTAL EXPENDITURES | 1,216 | 1,213 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 1,126 | 1,174 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 40 | 2 | | | | | | | |
| FEDERAL | 50 | 37 | | | | | | | |
| TOTAL FINANCING | 1,216 | 1,213 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 | 1,591 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 23.0 | 22.5 | 29.0 | | 29.0 | | | 29.0 | |
| TEMP/SEAS/PART_TIME | .2 | .5 | | | | | | | |
| TOTAL FTE | 23.2 | 23.0 | 29.0 | | 29.0 | 29.0 | | 29.0 | 29.0 |

**BUDGET ACTIVITY:** 1302 Facilities/Organization/Alternatives
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Facilities/Organization/Alternatives activity provides management support services to school district personnel and administers programs which provide consumer choice in education programming. Specifically, the activity:

- Assists with planning for new school facilities, reviews all major construction plans, and comments on appropriateness before bond issues are submitted for voter approval.
- Assists school districts in developing cooperation/combination agreements and facilitates school district consolidation.
- Manages state funding programs for health and safety in schools and for capital loan construction projects. Coordinates state Fire Marshal inspections of schools.
- Manages all state grants for school district facilities and organization/facilities planning.
- Manages the review and approval of charter school applications for the State Board of Education and contract development and program monitoring when the State Board sponsors charter schools.
- Provides public information and coordinates program development and program approval in all choice programs, including Postsecondary Enrollment Options, Open Enrollment, High School Graduation Incentives, Alternative Programs, Area Learning Centers, and Private Alternative Programs.

Refer to pages 142-145 and 173-178 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

A reduction in federal funding or changes in federal funding priorities which may result under the upcoming (F.Y. 1996) reauthorization of the Elementary and Secondary Education Act would adversely affect alternative programs and educational options. Refer to Objective 4, page 142 in the 1994 Performance Report. All staff support in this area is provided through federal funding.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: FACILITIES/ORGANIZATION/ALTERNATIV

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 538 | 545 | 605 | 605 | 605 | 605 | 605 | 605 | 605 |
| EXPENSES/CONTRACTUAL SRVCS | 312 | 298 | 282 | 282 | 282 | 282 | 282 | 282 | 282 |
| MISC OPERATING EXPENSES | 34 | 20 | 19 | 16 | 16 | 16 | 16 | 16 | 16 |
| SUPPLIES/MATERIALS/PARTS | 8 | 4 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| CAPITAL EQUIPMENT | 1 | | | | | | | | |
| OTHER | 23 | 17 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| SUBTOTAL STATE OPERATIONS | 916 | 884 | 930 | 927 | 927 | 927 | 927 | 927 | 927 |
| TOTAL EXPENDITURES | 916 | 884 | 930 | 927 | 927 | 927 | 927 | 927 | 927 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 731 | 719 | 768 | 765 | 765 | 765 | 765 | 765 | 765 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | 7 | 13 | | | | | | | |
| FEDERAL | 178 | 152 | 162 | 162 | 162 | 162 | 162 | 162 | 162 |
| TOTAL FINANCING | 916 | 884 | 930 | 927 | 927 | 927 | 927 | 927 | 927 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 11.4 | 11.2 | 11.3 | | 11.3 | | | 11.3 | |
| TEMP/SEAS/PART_TIME | .2 | | | | | | | | |
| TOTAL FTE | 11.6 | 11.2 | 11.3 | | 11.3 | 11.3 | | 11.3 | 11.3 |

BUDGET ACTIVITY: 1303 Food and Nutrition
PROGRAM: 13 Education Resources and Support
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The Food and Nutrition activity administers six federal U.S. Department of Agriculture (USDA) programs (Summer Food Service, Child and Adult Care Food, Special Milk, School Breakfast, National School Lunch Program, and the Food Distribution Program). State funds complement several of the USDA sources, and fund the universal pilot breakfast initiative and the Minnesota Kindergarten Milk Program. Combined federal and state funding of about $140 million and $20 million worth of USDA donated food is distributed to approximately 1,600 organizational customers. This activity uses administrative, consultative, informational and educational approaches to enable learners of all ages to have access to nutrition programs which contribute to learning, health, and success.

Six types of programs are available to customers:

**Child and Adult Care Food Program.** Provides nutritious meals and snacks to children and infants through age 12, and adults in nonresidential child and adult care settings. Eligible settings are licensed or approved child care centers, outside-school-hours care centers, adult day care centers and family day care homes.

**School Breakfast.** Provides an opportunity for children to eat a nourishing breakfast at school.

**School Lunch.** Promotes the well-being of children through nutritious lunches at school.

**School Milk.** Milk is served during milk breaks or with meals to provide an opportunity for children to obtain one of the four glasses of milk needed daily to meet their recommended dietary intake.

**Summer Food Service.** Provides nutritionally adequate meals to economically disadvantaged children during breaks from their school schedule.

**Food Distribution Program.** Receives, allocates, stores, and distributes USDA donated food to schools, charitable institutions, summer camps, and summer food service programs.

Refer to pages 148-150 and 179-182 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate providing the same types of service in the next biennium, accessing federal (USDA) entitlement funds as included in the 1994 reauthorization of food and nutrition programs. However, changes in federal priorities and strategies could result in the following:

- Minnesota Department of Education's (MDE's) food and nutrition programs would be in a block grant to the state along with other food and nutrition programs;
- Funding would be allocated to the states based on a formula for the economically disadvantaged;
- MDE would receive approximately one-half of the funding that is now received for about ten food and nutrition programs; and
- Repeal of all the specific USDA programs administered by MDE, to be replaced by state policies and local decisions.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: FOOD & NUTRITION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,214 | 1,108 | 1,339 | 1,339 | 1,339 | 1,339 | 1,339 | 1,339 | 1,339 |
| EXPENSES/CONTRACTUAL SRVCS | 592 | 1,012 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| MISC OPERATING EXPENSES | 90 | 94 | 90 | 90 | 90 | 90 | 90 | 90 | 90 |
| SUPPLIES/MATERIALS/PARTS | 22 | 146 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| CAPITAL EQUIPMENT | 25 | 83 | 59 | 59 | 59 | 59 | 59 | 59 | 59 |
| OTHER | 264 | 279 | 242 | 242 | 242 | 242 | 242 | 242 | 242 |
| SUBTOTAL STATE OPERATIONS | 2,207 | 2,722 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 |
| TOTAL EXPENDITURES | 2,207 | 2,722 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 167 | 163 | 163 | 163 | 163 | 163 | 163 | 163 | 163 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 2 | 1 | | | | | | | |
| FEDERAL | 2,038 | 2,558 | 2,260 | 2,260 | 2,260 | 2,260 | 2,260 | 2,260 | 2,260 |
| TOTAL FINANCING | 2,207 | 2,722 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 | 2,423 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 28.8 | 24.3 | 31.6 | | 31.6 | | | 31.6 | |
| TEMP/SEAS/PART_TIME | | .1 | | | | | | | |
| TOTAL FTE | 28.8 | 24.4 | 31.6 | | 31.6 | 31.6 | | 31.6 | 31.6 |

**BUDGET ACTIVITY:** 1304 School Personnel Licensing
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

Licenses are issued to approximately 28,000 qualified teachers and administrators per year. Applications are evaluated in relation to standards established by the State Board of Teaching and State Board of Education. Direct customer assistance through telephone and in-office consultations is provided to an average of 300 individuals daily. Continuing education/relicensure systems for professional development are maintained for teachers, supervisors, and administrators. A system is maintained for institutional approval and teacher and administrative preparation program approval based on rules of the State Board of Teaching and State Board of Education.

Refer to pages 183-185 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

In accordance with requirements of M.S. 16A.128 and 214.06 the Board of Teaching and State Board of Education propose a $5 increase, from $40 to $45, for teacher and school administrator licenses. See the Budget Initiative sheet following the fiscal page for the Board of Teaching activity and pages 176-177 of the F.Y. 1996-97 Departmental Earnings Report for additional information. The Departmental Earnings Report reflects a proposed $6 increase. After further evaluation, the budget plan has been revised and the fee increase reduced to $5. This increae would allow recovery of costs, as required by statute, by the end of the FY 1996-97 biennium.

## REVENUE:

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Type of Revenue: | | | | | |
| Non-dedicated - Gen'l | $ 53 | $ 54 | $ 56 | $ 54 | $ 55 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: SCHOOL PERSONNEL LICENSING

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 532 | 573 | 655 | 655 | 655 | 655 | 655 | 655 | 655 |
| EXPENSES/CONTRACTUAL SRVCS | 56 | 54 | 53 | 53 | 53 | 53 | 53 | 53 | 53 |
| MISC OPERATING EXPENSES | 9 | 5 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| SUPPLIES/MATERIALS/PARTS | 9 | 5 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| CAPITAL EQUIPMENT | | 2 | 17 | | | | | | |
| SUBTOTAL STATE OPERATIONS | 606 | 639 | 733 | 716 | 716 | 716 | 716 | 716 | 716 |
| TOTAL EXPENDITURES | 606 | 639 | 733 | 716 | 716 | 716 | 716 | 716 | 716 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 576 | 609 | 703 | 686 | 686 | 686 | 686 | 686 | 686 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| TOTAL FINANCING | 606 | 639 | 733 | 716 | 716 | 716 | 716 | 716 | 716 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 13.1 | 13.3 | 15.0 | | 15.0 | | | 15.0 | |
| TEMP/SEAS/PART_TIME | .3 | .7 | | | | | | | |
| TOTAL FTE | 13.4 | 14.0 | 15.0 | | 15.0 | 15.0 | | 15.0 | 15.0 |

**BUDGET ACTIVITY:** 1305 Board of Teaching
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Board of Teaching ensures that educators meet high standards which will enable them to provide the highest quality education throughout their professional career for all learners in our diverse, multicultural society. The Board of Teaching consists of 11 members appointed by the Governor for four-year terms. Membership includes six classroom teachers, one higher education representative who must be a faculty member preparing teachers, one school administrator, and three members of the public, two of whom must be present or former members of school boards.

The Board of Teaching establishes and maintains standards for the preparation and licensure of teachers by assuring sound and relevant programs of preservice teacher preparation, establishing and revising standards of licensure in instructional areas, approving licensure programs offered by teacher preparation institutions approved by the Board, implementing an assessment system for licensure and maintaining a system of continued professional growth through oversight of continuing education/relicensure committees. The Board of Teaching provides leadership for improving teacher preparation and licensing through research and development on teacher preparation programs, teacher licensure systems, beginning teacher programs, and the assessment of teaching skills. The Board of Teaching also addresses professional practice by suspending or revoking for cause any license issued by the Board, receiving complaints relative to M.S. 125.09 and the Code of Ethics for Minnesota Teachers, and conducting investigations and processing complaints related to licensed personnel. Additionally, the Board processes appeals resulting from denial of licensure and schedules contested case hearings.

Refer to pages 146-147 and 186-189 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

In accordance with requirements of M.S. 16A.128 and 214.06 the Board of Teaching and the State Board of Education propose a $5 increase, from $40 to $45, for teacher and school administrator licenses. See the Budget Initiative sheet following the fiscal page for this activity and pages 176-177 of the F.Y. 1996-97 Departmental Earnings Report for additional information. The Departmental Earnings Report reflects a proposed $6 increase. After further evaluation, the budget plan has been revised and the fee increase reduced to $5. This increae would allow recovery of costs, and elimination of the cumulative deficiency, as required by statute, by the end of the FY 1996-97 biennium.

## REVENUE:

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Type of Revenue: | | | | | |
| Non-dedicated - Gen'l | $ 1,012 | $ 1,036 | $ 1,064 | $ 1,026 | $ 1,045 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: BOARD OF TEACHING

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 115 | 111 | 118 | 116 | 116 | 116 | 116 | 116 | 116 |
| EXPENSES/CONTRACTUAL SRVCS | 81 | 78 | 73 | 73 | 73 | 73 | 73 | 73 | 73 |
| MISC OPERATING EXPENSES | 11 | 15 | 16 | 15 | 15 | 15 | 15 | 15 | 15 |
| SUPPLIES/MATERIALS/PARTS | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| CAPITAL EQUIPMENT | 1 | | | | | | | | |
| SUBTOTAL STATE OPERATIONS | 210 | 206 | 210 | 207 | 207 | 207 | 207 | 207 | 207 |
| TOTAL EXPENDITURES | 210 | 206 | 210 | 207 | 207 | 207 | 207 | 207 | 207 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 209 | 203 | 210 | 207 | 207 | 207 | 207 | 207 | 207 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| SPECIAL REVENUE | | 3 | | | | | | | |
| GIFTS AND DEPOSITS | 1 | | | | | | | | |
| TOTAL FINANCING | 210 | 206 | 210 | 207 | 207 | 207 | 207 | 207 | 207 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 1.9 | 2.0 | 2.0 | | 2.0 | | | 2.0 | |
| TOTAL FTE | 1.9 | 2.0 | 2.0 | | 2.0 | 2.0 | | 2.0 | 2.0 |

## F.Y. 1996-97 BUDGET INITIATIVE

**AGENCY:** Education, Department of
**PROGRAM:** Education Resources and Support
**ACTIVITY:** Board of Teaching and School Personnel Licensing

**ITEM TITLE:** Teacher and Administrator License Increase

| | 1996-97 Biennium | | 1998-99 Biennium | |
|---|---|---|---|---|
| | F.Y. 1996 | F.Y. 1997 | F.Y. 1998 | F.Y. 1999 |
| **Revenues:** ($000s) | | | | |
| General Fund | $135 | $138 | $140 | $143 |

**Statutory Change? Yes ___ No X**
**If yes, statute(s) affected:** M.S.

**GOVERNOR'S RECOMMENDATION:**

The Governor recommends increasing the fee from $40 to $45 in order to eliminate the deficiency and to bring this fee into compliance with the cost recovery provisions of M.S. 16A and 214.06.

**RATIONALE:**

Minnesota Statutes 16A.128 and 214.06 require revenues to approximate costs for fee supported activities. In accordance with rule making policy and to comply with statute, the Board of Teaching and the State Board of Education propose a $5 increase, from $40 to $45, for teacher and school administrator licenses. The proposed date for the increase is July 1, 1995.

**PROGRAM OUTCOMES:**

F.Y. 1995 estimates indicate a deficit of $56,000 based on $1,167,000 in license processing costs and $1,111,000 in revenues from approximately 28,000 applicants. The $5 license increase will generate an estimated $135,000 additional revenue each year. This will amount to an overall balance of $25,000 at the end of F.Y. 1997. Without the increase, a cumulative deficit of $248,000 would occur.

**LONG-TERM IMPACT:**

The license fee increase would be the first increase since July 1, 1983. During this 11-year period most other State fee supported activities have experienced increases. There are three major reasons revenues have kept pace with costs without increasing teacher and administrator license fees: 1) costs have been contained with five fewer staff members in School Personnel Licensing than in F.Y. 1984 when the fee was last increased; 2) there was a one-time issuance of life licenses in the early 1980s to a specific group of teachers that increased revenues by $450,000; and, 3) there has been a moderate but steady increase in the number of applicants over the same 11 year period. The number of applicants has increased from 19,000 in F.Y. 1984 to 28,000 at the present time.

Estimates are that the $5 fee increase (which amounts to a $1 per year increase for the continuation license, the largest applicant group) will be sufficient to offset the F.Y. 1995 deficit and all on-going costs for a three year period until July 1, 1998. Fees will continue to be reviewed annually for any possible interim corrections or adjustments.

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**BUDGET ACTIVITY:** 1306 Monitoring and Compliance
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Monitoring and Compliance activity administers distinctive, mandated programs that focus on parent and student rights, including:

- Monitoring for compliance with special education and civil rights rules and regulations.
- Administering mandated conflict resolution systems such as complaint investigations, mediation, and hearings.
- Monitoring and assisting school districts with necessary corrective actions.
- Administration of minority teacher and teachers of color incentive programs.
- Providing leadership and services to school districts to promote gender equity.
- Approving programs of instruction in Minnesota educational institutions -- secondary and postsecondary, public and private -- in accordance with the federal G.I. Bill, Title 38, U.S. Code.
- Conducting monitoring visits to determine program compliance and indicate required corrective action for the five federal nutrition programs.
- Monitoring veterans' programs for compliance with federal and state statutes, rules and regulations, and providing technical assistance to appropriate staff.

Refer to pages 151-152 and 190-199 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

## REVENUE:

None

1996-1997 B I E N N I A L  B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: MONITORING & COMPLIANCE

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,259 | 1,516 | 1,883 | 1,883 | 1,883 | 1,883 | 1,883 | 1,883 | 1,883 |
| EXPENSES/CONTRACTUAL SRVCS | 192 | 253 | 281 | 281 | 281 | 281 | 281 | 281 | 281 |
| MISC OPERATING EXPENSES | 75 | 106 | 202 | 202 | 202 | 202 | 202 | 202 | 202 |
| SUPPLIES/MATERIALS/PARTS | 20 | 23 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| CAPITAL EQUIPMENT | 32 | 12 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| OTHER | 221 | 268 | 253 | 253 | 253 | 253 | 253 | 253 | 253 |
| SUBTOTAL STATE OPERATIONS | 1,799 | 2,178 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 |
| TOTAL EXPENDITURES | 1,799 | 2,178 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 69 | 50 | 145 | 145 | 145 | 145 | 145 | 145 | 145 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | 8 | | | | | | | |
| SPECIAL REVENUE | 300 | 328 | 340 | 340 | 340 | 340 | 340 | 340 | 340 |
| FEDERAL | 1,430 | 1,792 | 2,174 | 2,174 | 2,174 | 2,174 | 2,174 | 2,174 | 2,174 |
| TOTAL FINANCING | 1,799 | 2,178 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 | 2,659 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 23.4 | 29.7 | 35.2 | | 35.2 | | | 35.2 | |
| TEMP/SEAS/PART_TIME | 1.8 | 2.6 | 1.5 | | 1.5 | | | 1.5 | |
| TOTAL FTE | 25.2 | 32.3 | 36.7 | | 36.7 | 36.7 | | 36.7 | 36.7 |

**BUDGET ACTIVITY:** 1307 Information Technologies
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The Information Technologies activity ensures accurate, timely, and comparable management of information as required by local school boards, the Minnesota Department of Education (MDE), the State Board of Education, the executive and legislative branches of Minnesota government, and the federal government. A major effort of this activity for the next biennium is to ensure an orderly transition from the Elementary, Secondary, and Vocational (ESV) regional structure to direct reporting of information to MDE via telecommunications. Customers of this activity include MDE staff, school district administrative staff, ESV Region staff, Minnesota Legislature, U.S. Department of Education, Office of Civil Rights, and the public.

The Information Technologies activity has two components: Data Management and System Development and Support.

Data Management coordinates MDE's data collection and automated reporting systems. The System Development and Support team provides for mainframe computer system development for levy calculations, student accounting, teacher licensure, financial accounting, and other MDE operations.

Refer to pages 200-204 of the 1994 Performance Report for additional information, objectives and performance measures for this activity.

## BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

## REVENUE:

None

1996-1997 B I E N N I A L  B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: INFORMATIONAL TECHNOLOGIES

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,094 | 1,303 | 1,425 | 1,425 | 1,425 | 1,425 | 1,425 | 1,425 | 1,425 |
| EXPENSES/CONTRACTUAL SRVCS | 512 | 482 | 438 | 438 | 438 | 438 | 438 | 438 | 438 |
| MISC OPERATING EXPENSES | 12 | 24 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| SUPPLIES/MATERIALS/PARTS | 24 | 41 | 35 | 35 | 35 | 35 | 35 | 35 | 35 |
| CAPITAL EQUIPMENT | 29 | 14 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| OTHER | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| SUBTOTAL STATE OPERATIONS | 1,671 | 1,865 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 |
| TOTAL EXPENDITURES | 1,671 | 1,865 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 1,546 | 1,744 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 | 1,633 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 11 | 2 | | | | | | | |
| SPECIAL REVENUE | 114 | 111 | 290 | 290 | 290 | 290 | 290 | 290 | 290 |
| FEDERAL | | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| TOTAL FINANCING | 1,671 | 1,865 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 | 1,932 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 21.1 | 25.8 | 28.0 | | 28.0 | | | 28.0 | |
| OVERTIME | | .2 | | | | | | | |
| TOTAL FTE | 21.1 | 26.0 | 28.0 | | 28.0 | 28.0 | | 28.0 | 28.0 |

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BUDGET ACTIVITY: 1308 Leadership and Administration
PROGRAM: 13 Education Resources and Support
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The purpose of this activity is to provide statewide policy leadership for the Minnesota education system; assure a quality education program for Minnesota public school students, teachers and administrators, school districts and other education delivery agencies; and provide leadership and direction, communications, legislative relations, financial management, administrative support, personnel services, and labor relations support to the Minnesota Department of Education (MDE), the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind (MSAD/MSAB).

Included in this activity are:

- The State Board of Education (SBE) is the layperson governing and policymaking body appointed by the Governor. The State Board comprises nine members -- one from each congressional district and one at-large member. In addition, there is one non-voting student representative, who is elected annually by the State Student Council Association.
- The Commissioner's Cabinet. MDE executive managers make up the Commissioner's Cabinet which includes the Office of the Commissioner of Education, Offices of the Deputy and Assistant Commissioners, Public Information, Government Relations, and the Executive Director of the State Board of Education.
- The Offices of Fiscal Services and Human Resources. These offices provide administrative support services. This activity also includes the budget for support expenses - a separate account for agency-wide costs for office space rental, telephone, postage, office supplies, and copy fees.

The primary activities of each are:

State Board of Education

- Provides governance for Minnesota's public school districts and other education delivery agencies by adopting statutorily-based rules and promulgating guidelines by which the MDE and the local school districts carry out statutory responsibilities.
- Establishes priorities and policy direction to guide the development of the MDE/SBE biennial legislative package and its adoption and submission to the Governor and Minnesota Legislature as required by law.
- Carries out numerous specific responsibilities/duties delegated to the Board by the Legislature (i.e., grant awards, charter schools, special education appeals).
- Provides governance and direction for the MDE through establishment of priorities, development of annual and long-range goals, and the process of approving and adopting major initiatives of the MDE.
- Provides governance in the form of policy direction, guidelines, standards, and program evaluation for the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind.

Office of the Commissioner of Education/Cabinet

- Serves as the spokesperson for public education in Minnesota, advocates on behalf of all Minnesota learners and stakeholders, and ensures implementation of all state education policies.
- Provides leadership for the development and delivery of services to Minnesota's public school system in the areas of curriculum instruction, funding, school district management, and programs and services for students with special needs.
- Provides general direction to all education program areas including early childhood and family education, elementary secondary education, secondary vocational education, special education, choice, alternative programs, co-location, risk prevention, community education, and adult education programs.
- Ensures that programs required by federal and state laws and rules are provided to all students in the state.
- Provides leadership and direction to the MDE to ensure the success of every learner.

Public Information

- Communicates state-level education policy and priorities to public school leadership, MDE clients, the media, and the public.
- Produces *Education Update*, the agency's major newspaper which has a circulation of 62,000 and is mailed to teachers and administrators in every school district in the state plus an extensive list of organizations and individuals who are interested in Minnesota's education policies and programs.

Government Relations

- Coordinates legislative relations at both the state and federal levels.

Fiscal Services

- Manages the financial and business affairs of the MDE; manages preparation of the annual spending plan and the biennial budget document for agency operations; provides reimbursement to education agencies and service providers; manages federal programs including school or local agency reimbursement and cash management; processes employee and vendor payments; manages the contract and grant agreement process.
- Provides all facets of office support services for MDE personnel, facilities, use of office space, copy services and mail distribution services.
- Arranges for purchase of equipment, printing, supplies, purchased services for agency operation, and materials for educational programs or training conducted by MDE staff. Receives incoming shipments and deliveries, handles inventory records, supply distribution, and MDE storage space.

Human Resources

- Provides administrative support for personnel services and labor relations including salary administration, job classification, and employee benefits involving some 17 health, dental, life insurance, and optional plans for individual employees.
- Administers statutes, rules, and procedures for affirmative action, harassment, and complaint investigation.

**BUDGET ACTIVITY:** 1308 Leadership and Administration
**PROGRAM:** 13 Education Resources and Support
**AGENCY:** Education, Department of
(Continuation)

- Recruits, hires, and advances employees; handles retirement issues and assistance.
- Provides employee assistance, staff development, health and wellness, health and safety, and other related personnel activities.

Refer to pages 205-209 in the 1994 Performance Report for additional information, objectives and performance measures for this activity.

**BUDGET ISSUES:**

We anticipate continued work toward achievement of the performance measures detailed in the 1994 Performance Report in the next biennium with the same funding level.

**REVENUE:**

None.

1996-1997 B I E N N I A L  B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: LEADERSHIP & ADMINISTRATION

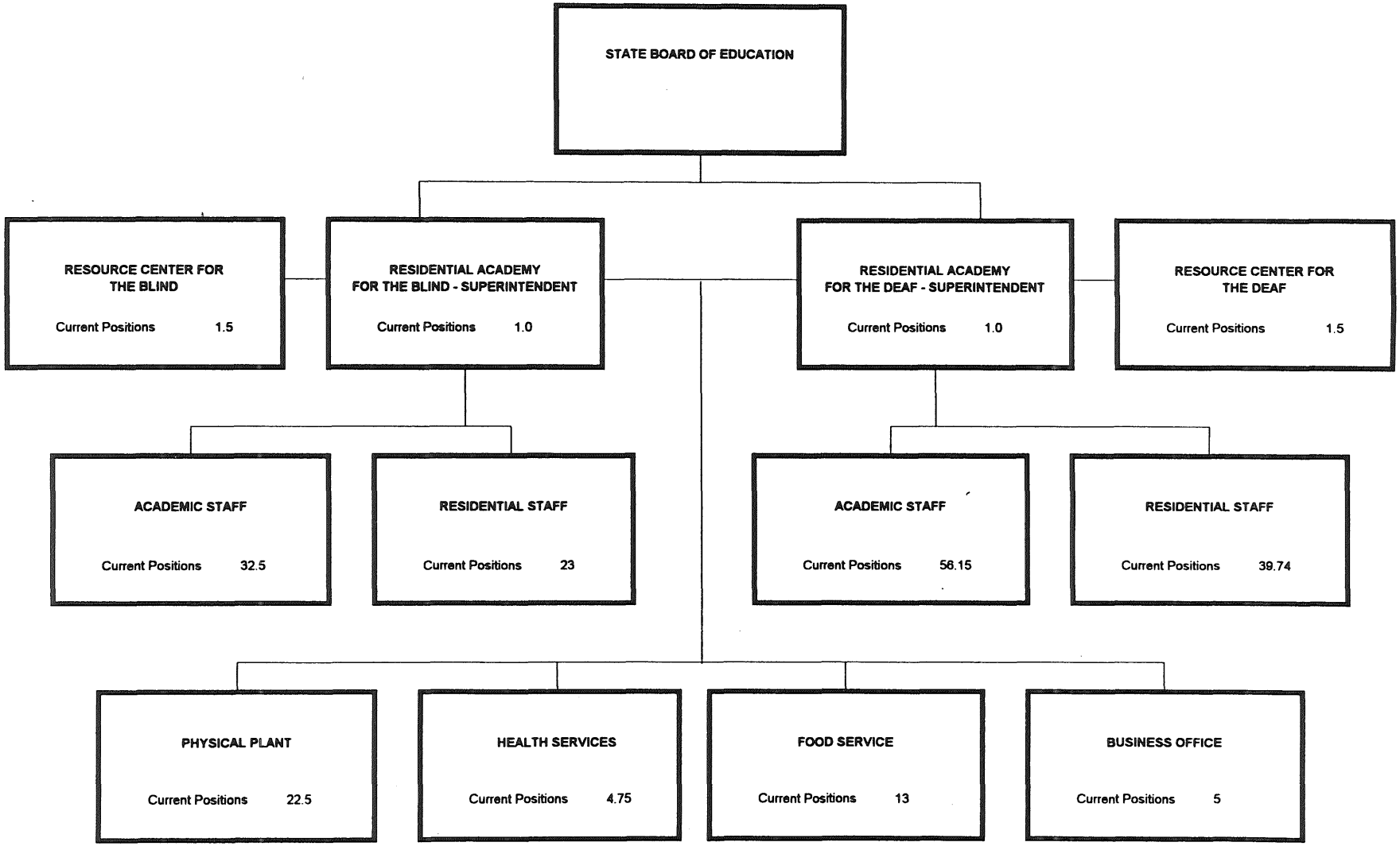
| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 2,281 | 2,447 | 2,555 | 2,552 | 2,587 | 2,587 | 2,552 | 2,587 | 2,587 |
| EXPENSES/CONTRACTUAL SRVCS | 1,208 | 1,203 | 1,740 | 1,436 | 1,335 | 1,335 | 1,469 | 1,368 | 1,368 |
| MISC OPERATING EXPENSES | 884 | 903 | 994 | 992 | 992 | 992 | 992 | 992 | 992 |
| SUPPLIES/MATERIALS/PARTS | 183 | 250 | 376 | 176 | 176 | 176 | 176 | 176 | 176 |
| CAPITAL EQUIPMENT | 47 | 73 | 217 | 40 | 40 | 40 | 40 | 40 | 40 |
| OTHER | 981 | 874 | 895 | 895 | 895 | 895 | 895 | 895 | 895 |
| SUBTOTAL STATE OPERATIONS | 5,584 | 5,750 | 6,777 | 6,091 | 6,025 | 6,025 | 6,124 | 6,058 | 6,058 |
| TOTAL EXPENDITURES | 5,584 | 5,750 | 6,777 | 6,091 | 6,025 | 6,025 | 6,124 | 6,058 | 6,058 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| REALLOCATION COMMUNICATIONS OFFICE | | GEN | | | 52 | | | 52 | |
| REALLOCATION BLDG IMPROVEMENTS | | GEN | | | <118> | | | <118> | |
| TOTAL AGENCY PLAN ITEMS | | | | | <66> | | | <66> | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 3,521 | 3,612 | 4,900 | 4,220 | 4,154 | 4,154 | 4,253 | 4,187 | 4,187 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 29 | 34 | 17 | 11 | 11 | 11 | 11 | 11 | 11 |
| SPECIAL REVENUE | 1,152 | 1,210 | 948 | 948 | 948 | 948 | 948 | 948 | 948 |
| FEDERAL | 99 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 |
| AGENCY | 783 | 808 | 825 | 825 | 825 | 825 | 825 | 825 | 825 |
| GIFTS AND DEPOSITS | | | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL FINANCING | 5,584 | 5,750 | 6,777 | 6,091 | 6,025 | 6,025 | 6,124 | 6,058 | 6,058 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: DEPARTMENT OF EDUCATION
PROGRAM: EDUCATION RESOURCES & SUPPORT
ACTIVITY: LEADERSHIP & ADMINISTRATION

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 45.1 | 49.1 | 51.0 | | 51.0 | | | 51.0 | |
| TEMP/SEAS/PART_TIME | 1.3 | 1.0 | | | | | | | |
| OVERTIME | | .2 | | | | | | | |
| TOTAL FTE | 46.4 | 50.3 | 51.0 | | 51.0 | 51.0 | | 51.0 | 51.0 |

# Minnesota State Residential Academies
# Organization Chart - 1/95




June 30, 1994 FTE Employees: 74.0
Limited staff on payroll on June 30, 1994 due to school not in session.

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# 1996-97 Biennial Budget
# Agency Budget Brief
## ($ in thousands)

**Agency:** Faribault Academies

**Fund:** General

**Summary of Agency Actions:**

| | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
|---|---|---|---|
| **BASE YEAR (F.Y. 1995)** | **$8,441** | **$8,441** | **$16,882** |
| **BASE ADJUSTMENT:** | | | |
| One-Time Appropriations | (100) | (100) | (200) |
| Appropriation Carried Forward | (259) | (259) | (518) |
| **CURRENT SPENDING** | **$8,082** | **$8,082** | **$16,164** |
| **AGENCY DECISION ITEMS:** | | | |
| Appropriation Cap Reduction | (1,513) | (786) | (2,299) |
| Transfer Utility Costs for Library Ad | (7) | (7) | (14) |
| **AGENCY PLAN** | **$6,562** | **$7,289** | **$13,851** |
| **GOVERNOR'S INITIATIVES:** | | | |
| Maintain Base Level Funding | $1,513 | $ 786 | $ 2,299 |
| Transfer to the Department of Children Services | -0- | (8,075) | -0- |
| **GOVERNOR'S RECOMMENDATIONS** | **$8,075** | **$-0-** | **$8,075** |

**Brief Explanation of Agency Plan:**

The agency plan includes a reduction due to the appropriation caps of $1,513 in F.Y. 1996 and $786 in F.Y. 1997. These funds represent the proportion of the appropriation limits reduction passed in 1993 attributable to the Residential Academies budget.

This plan maintains the level of service and funding as in the previous biennium. Efforts will continue to be made to focus the programs on the issues and services which will meet the needs of students at the Academy most effectively.

**Revenue Summary:**

With this plan, there will be no impact on staffing or revenue generation.

**Affected Statutes:**

The Academies can accomplish their stated objectives within existing statutes.

**GOVERNOR'S RECOMMENDATIONS:**

The Governor recommends restoring the base funding level to F.Y. 1995 amounts, an increase of $1,513 in F.Y. 1996 and $786 in F.Y. 1996. The Academies were directed to prepare their plan at the restored level, and the Governor concurs with that plan.

The Governor further recommends the transfer of all Academy activities and programs to the Basic Education function of the Department of Children and Education Services (DCES) in F.Y. 1997. As described in more detail in the Children and Education Services budget book, activities or programs may be transferred to the new department at an earlier at the discretion of the DCES Commissioner, if desired.

PROGRAM: 14 Residential Academies for the Deaf and Blind
AGENCY: Education, Department of

## PROGRAM DESCRIPTION:

The mission of the Minnesota State Residential Academies for the Deaf and Blind is to provide a high quality comprehensive education in both a classroom and residential setting for students from throughout the state of Minnesota. This assures that the state and school districts meet the special education needs of each student as required by state and federal special education law, regulation, and rule.

To fulfill this mission, the Residential Academies:

- operate classrooms at the PK-12 level
- operate recreational therapy and social/emotional activity programs during after school hours
- operate a residential program which focuses on developing the independent living skills and social/emotional growth of each student
- provide technical assistance on a statewide basis to both school districts and to parents through training programs.

The Minnesota Residential Academies are organized into two activity areas and a general support function:

1. Minnesota State Academy for the Deaf (MSAD)
2. Minnesota State Academy for the Blind (MSAB)
3. Academy operations/support services.

The operation of the Minnesota State Residential Academies for the Deaf and Blind supports the following agency goals:

- All PK-12 learners in Minnesota will demonstrate attainment of both the basic requirements and the required profiles of learning as defined by the State Board of Education, which will prepare them for responsible community participation, lifelong learning, and productive work.
- All learning will be provided in environments which are safe, accessible, and violence-free, are conducive to learning and delivered so that learners and their families will have efficient access to programs and services of all agencies.
- All Minnesota adults will have access to education opportunities which lead to literacy and economic self-sufficiency.
- People with disabilities will have the opportunity to participate in society.

The academy programs contribute to these goals by:

- providing quality classroom instruction;
- providing quality educational activities during after school hours structured to meet social/emotional developmental needs, independent living skills needs, and other identified educational needs;
- providing information and technical assistance to school districts, other public agencies, and citizens of the state who would benefit or whose children would benefit from the services of the academies; and
- providing the type of comprehensive education that produces competent secure individuals capable of participating in their home communities and who, in the instance of the deaf, become part of the unique deaf community in Minnesota which provides a cultural and social support system for deaf people.

The Residential Academies play a lead role among all local and state agencies in providing technical assistance and information on the education of the deaf and education of the blind.

The Residential Academies play a lead role in meeting the goals for any student who receives all or part of his/her education at the Residential Academies.

Under both federal and state law a student's school district of residence must meet the special education needs of that student. The state must assure the existence of a residential program option for those students who need such an option. By operating the academies, the state assures that this requirement is met and makes it possible for local school districts to meet their responsibilities under law.

The ability of the academies to meet the goals for all of Minnesota's deaf or blind student population is determined to a major extent by decision factors beyond the control of the academies. Some of these external factors are:

1. The willingness of local school districts to refer students to the academy.

2. The willingness of the Faribault school district to support the academies by providing transportation, and specialized staffing when necessary.

3. The ability of postsecondary education systems in Minnesota and elsewhere to provide properly trained professionals.

The academies' mission includes outreach and communication efforts so as to influence the above three factors in a positive manner.

The Residential Academies provide a supporting role among state and other agencies by providing information, curriculum and training opportunities to those school districts and other agencies which are directly educating students or providing other education services to this student population.

## PROGRAM STATUS:

The following factors are shaping the development of programs at the Residential Academies:

- ENROLLMENT GROWTH. The number of students enrolled at the Residential Academies continues to increase. From a recent low of 175 students at the start of the 1985 school year to a student population of approximately 225 at the start of the 1994 school year, the enrollment trend is consistently upward. This enrollment growth trend represents an increase of 50 students during a time of relatively static appropriation.

The upward trend in enrollment figures is caused by a variety of factors:

- Increasing numbers of handicapped students in the school age population. Factors include improved prenatal and infant health care allowing premature babies to survive, and better identification of handicapping conditions.

- Expansion of service eligibility from birth. This has resulted in an increase in the number of handicapped students served by local districts within this age group. Since some of these students are deaf and blind, referrals are starting to be made at an earlier age, thereby increasing enrollment.

- Greater acceptance of the value of a residential program for deaf and blind students. A recent policy statement issued by the Office of Special Education, U. S. Department of Education, supports a movement toward residential schools for deaf students. This movement has been growing for at least the past five years causing many special educators, previously committed to mainstreaming for all students, to consider the option of a residential program for the first time.

- Parental school choice in Minnesota. As public policy in Minnesota has embraced school choice for all students, it has become more difficult for local district administrators to deny placement at the academies when that placement is requested by parents of a deaf or blind student. In past years, placement has often occurred only after all other options were tried and allowed to fail. Currently, a parental request will often result in an immediate placement if such placement is appropriate.

- INCREASING SEVERITY OF HANDICAPPING CONDITIONS. Whereas the academies historically served students who were deaf or, with few if any other handicapping conditions, or blind, an increasing percentage of the student population now have significant handicapping conditions ranging from severe profound developmental delay to physical conditions. Thus the intensity of staffing required to serve a constant number of students increases.

- RAPID CHANGES IN EDUCATIONAL TECHNOLOGY AND EXPECTATIONS. As with all education, education of students who are deaf and the education of students who are blind is experiencing rapid and monumental change. Particularly in the area of education for the blind, significant new technological advances are being made. These include computer programs connected to closed circuit television or which convert print to sound, computer hardware and software which can convert voice to print and/or braille, and a myriad of adaptive devices. Rapid changes in what is taught and how it is taught to deaf and blind students necessitates a major modification and materials, supplies, textbooks, etc. Braille materials are prohibitively expensive to replace.

- INCREASED MAINSTREAMING OF ACADEMY STUDENTS. In keeping with state and federal law and policy, students at the academies are mainstreamed to the maximum extent possible in the Faribault public schools. The percentage of overall academies' students mainstreamed in this manner is escalating rapidly, thus necessitating significant expenditure for interpreters, readers and adaptation of print material into braille or large print.

- INCREASED DEMAND FOR TECHNICAL ASSISTANCE. The number of school districts contacting the academies continues to increase. Significant trends and initiatives such as requiring all teachers of the deaf to be proficient in American Sign Language and parental requests for advice and technical assistance about a specific student, have dramatically increased in recent years. In all probability this reflects the results of previously mentioned factors and a general increase in parent activism in education.

The budget challenge for the Residential Academies is best understood when placed in a historical context of rapid enrollment growth following years of enrollment decline. The turning point was the 1985 school year. The 1984 legislature significantly reduced both the budget appropriation amount and complement of the academies to reflect the declining enrollment trend. That same year, enrollment began a steady climb which continues to this date.

Complement and budget reductions made in the 1985 legislative session reduced both direct service and administrative staff to what were acceptable levels for the number of students at that time. This is no longer an acceptable level. Increases in student numbers since that time have placed virtually all classes at the Academy for the Deaf above State Board of Education recommended class size and have left the dormitory severely understaffed.

**PLANNED RESULTS:**

The major budget challenges are as follow:

- Provide staff necessary to reduce class size to the State Board recommended ratio of eight students per teacher.
- Provide necessary dormitory staff to assure a safe living environment.
- Purchase needed educational materials and supplies.
- Manage resources efficiently to continue to provide a high level of quality service.

To better meet student needs, the State Board of Education has directed a major reorganization of the Residential Academies. Specifically, the position of Agency Administrator has been abolished and the Director of Education at MSAB and MSAD have each been elevated to the role of co-agency administrators. This offers the opportunity for each program to be led by a person specifically trained in meeting the needs of the students at that academy.

To improve overall management effectiveness, the State Board of Education has directed the creation of a site based management council at each academy. These councils will consist of staff, parents, and adults from the population served at the respective academy. These site councils will be given significant governing responsibility, with the State Board of Education retaining final decision making authority for the academies. Monies saved by eliminating the administrator position will fund the increased costs for the co-agency administrators and the costs of the site councils.

As student needs change, new systems such as implementing bilingual bicultural philosophy at the Academy for the Deaf are adopted, and staff are asked to play new and different roles in the newly developed participatory site based management system, the agency must provide significant staff

development. The State Board of Education has directed that 2% of all future academies' budgets be dedicated to staff development. Funds for this purpose will be allocated within the existing appropriation by reducing expenditures in areas not directly serving student needs.

**BUDGET AND REVENUE SUMMARY:**

The agency budget includes an estimated $440,000 for the biennium in tuition collected from local school districts and retained by the academies to assist in the operation of programs. Also included in the agency budget is $200,000 for the biennium in federal aid to partially fund a federal program of services to handicapped children attending school in a residential setting. These services are ongoing from previous years and do not reflect a new source of funds or a new program.

1996-1997 B I E N N I A L  B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF AND BLIND

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| ACADEMY FOR THE DEAF | 3,993 | 3,850 | 4,114 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 |
| ACADEMY FOR THE BLIND | 2,067 | 2,028 | 2,501 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 |
| ACADEMY OPERATIONS | 2,736 | 2,787 | 2,967 | 2,705 | 2,698 | 2,698 | 2,705 | 2,698 | 2,698 |
| APPROPRIATIONS LIMIT, LAWS 1993 | | | | | <1,513> | | | <786> | |
| TOTAL EXPENDITURES BY ACTIVITY | 8,796 | 8,665 | 9,582 | 8,994 | 7,474 | 8,987 | 8,994 | 8,201 | 8,987 |

| AGENCY PLAN ITEMS: | FUND | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| APPROPRIATION CAP REDUCTION | GEN | | | | <1,513> | | | <786> | |
| TRANSFER UTILITY COSTS FOR LIBRARY ADD. | GEN | | | | <7> | | | <7> | |
| TOTAL AGENCY PLAN ITEMS | | | | | <1,520> | | | <793> | |

| GOV'S INITIATIVES: | FUND | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| (B) MAINTAIN BASE LEVEL FUNDING | GEN | | | | | 1,513 | | | 786 |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | GEN | | | | | | | | <786> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | GEN | | | | | | | | <8,075> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | GEN | | | | | | | | <514> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | SR | | | | | | | | <85> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | FED | | | | | | | | <231> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | AG | | | | | | | | <33> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | G&D | | | | | | | | <44> |
| (B) TRSFR TO DEPT OF CHILDREN & ED. SERVICES | END | | | | | | | | <5> |
| TOTAL GOV'S INITIATIVES | | | | | | 1,513 | | | <8,987> |

| SOURCES OF FINANCING: | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 8,004 | 7,540 | 8,441 | 8,082 | 6,562 | 8,075 | 8,082 | 7,289 | 0 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 374 | 732 | 514 | 514 | 514 | 514 | 514 | 514 | 0 |
| SPECIAL REVENUE | 77 | 69 | 142 | 85 | 85 | 85 | 85 | 85 | 0 |
| FEDERAL | 257 | 262 | 257 | 231 | 231 | 231 | 231 | 231 | 0 |
| AGENCY | 27 | 28 | 44 | 33 | 33 | 33 | 33 | 33 | 0 |
| GIFTS AND DEPOSITS | 42 | 26 | 178 | 44 | 44 | 44 | 44 | 44 | 0 |
| ENDOWMENT | 15 | 8 | 6 | 5 | 5 | 5 | 5 | 5 | 0 |
| TOTAL FINANCING | 8,796 | 8,665 | 9,582 | 8,994 | 7,474 | 8,987 | 8,994 | 8,201 | 0 |

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF AND BLIND

| ACTIVITY RESOURCE ALLOCATION: | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 164.6 | 162.6 | 162.6 | | 162.6 | | | 162.6 | |
| TEMP/SEAS/PART_TIME | 6.1 | 7.1 | 7.1 | | 7.1 | | | 7.1 | |
| OVERTIME | .9 | .6 | .6 | | .6 | | | .6 | |
| TOTAL FTE | 171.6 | 170.3 | 170.3 | | 170.3 | 170.3 | | 170.3 | 0 |

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: FARIBAULT ACADEMIES

| | ALL FUNDS | | GENERAL FUND | | OTHER STATE FUNDS | | FEDERAL FUNDS | |
|---|---|---|---|---|---|---|---|---|
| | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 |
| F.Y.95 FUNDING LEVEL | 9,582 | 9,582 | 8,955 | 8,955 | 370 | 370 | 257 | 257 |
| BASE ADJUSTMENTS | | | | | | | | |
| ONE-TIME APPROPRIATIONS | <100> | <100> | <100> | <100> | | | | |
| APPROPRIATIONS CARRIED FWD | <488> | <488> | <259> | <259> | <203> | <203> | <26> | <26> |
| SUBTOTAL BASE ADJ. | <588> | <588> | <359> | <359> | <203> | <203> | <26> | <26> |
| CURRENT SPENDING | 8,994 | 8,994 | 8,596 | 8,596 | 167 | 167 | 231 | 231 |

## F.Y. 1996-97 BUDGET INITIATIVE

**AGENCY:** Education, Department of
**PROGRAM:** Residential Academies for the Deaf and Blind
**ACTIVITY:** Appropriation Limit, Laws of 1993

**ITEM TITLE:** Restore Reduction Due To Appropriation Limit

| | 1996-97 Biennium | | 1998-99 Biennium | |
|---|---|---|---|---|
| | F.Y. 1996 | F.Y. 1997 | F.Y. 1998 | F.Y. 1999 |
| **Expenditures:** ($000s) | | | | |
| General Fund | | | | |
| - State Operations | $1,488 | $759 | $759 | $759 |

**Statutory Change? Yes ____ No _X_**

**If yes, statute(s) affected:** M.S.

### GOVERNOR'S RECOMMENDATION:

The Governor recommends restoration of $1,488 in F.Y. 1996 and $759 in F.Y. 1997 in order to maintain the F.Y. 1995 funding level and to avoid reductions in the level and/or quality of services available for Academy students.

The Governor further recommends the transfer of the Residential Academies to the Basic Instruction function in the Department of Children and Education Services in F.Y. 1997.

### RATIONALE:

Restoration of the reduction in funding for the Residential Academies would forestall a severe and catastrophic impact on the academies' ability to deliver quality education and care to the academy students. Due to increasing student enrollment over the past decade, support services have been reduced or held constant in order to maximize direct services to students. Therefore, any reduction in funding would require a corresponding reduction in the direct services provided to students. The length of the year could not be reduced because it is already at the minimum of 170 days; staffing ratios are already at or above State Board-recommended levels; and dormitory staffing is at the absolute minimum level to maintain a safe living environment. The only alternative open to the academies would be to discontinue the operation of some academy programs. Possible options for discontinuation would be to eliminate entire grade levels at either the Deaf school, Blind school, or both. By discontinuing certain grade levels, students would be required to return to the district of residence and that district would be responsible for providing an appropriate special education program. The same result would occur if a program such as the multiply handicapped programs at the Deaf School or the multiply handicapped program at the Blind School were discontinued. In such an instance, students who are currently served in that program would return to the local school district and receive special education services there.

Discontinuing programs would create several unacceptable results:

1. Educating these multiply-challenged children in the school district of residence would be extremely if not prohibitively expensive. This expense would be borne by both the district of residence and the state of Minnesota through the special education aid programs.

2. Students at the Academies for the Deaf and Blind are placed at the academies because their unique special education needs cannot be met at the local school district. If the academies were to discourage the program, the state could be vulnerable to charges that the quality of the education these students receive would fall perhaps to the point where parents would file legal challenges alleging that the State and its school districts are neglecting to provide a free and appropriate public education as required by state and federal law.

### PROGRAM OUTCOMES:

Refer to pages 210-215 of the 1994 Performance Report for the Department of Education for a discussion of performance goals and objectives of the Residential Academies.

### LONG-TERM IMPACT:

If significant program areas of the academies are eliminated, in order to operate within the remaining budget the state of Minnesota is likely to see accelerating special education costs at the local level which will be paid for by a combination of increased property taxes and state aid for special education. The academies have a highly and uniquely-skilled staff and should this staff be disbursed due to program cuts, it would be many years before a comparable staff could be assembled again.

Due to certain fixed operating costs in the areas of central administration, operations and building maintenance, the cost per student would accelerate as the student population diminished. The long-term fiscal impact of program reduction would be either an increase in the total cost of educating these students back in their district of residence, or a decrease in the quality and quantity of education services they were receiving.

BUDGET ACTIVITY: 1401 Academy for the Blind
PROGRAM: 14 Residential Academies for the Deaf and Blind
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The Minnesota State Academy for the Blind (MSAB) provides a comprehensive 24-hour educational program on a PK-12 level for blind and visually impaired students from throughout the State of Minnesota. The program includes regular academic subject matter, vocational and transition instruction, and a variety of disability specific instructional programs. The disability-specific instruction includes such areas as teaching of independent living skills, orientation and mobility (travel), Braille, use of specialized technology, social/emotional development and special skills to enable a blind or visually impaired student to adapt to his/her environment. Instruction occurs in classrooms, dormitory settings, and throughout the community.

The Minnesota Resource Center at the academy provides technical assistance, instructional materials and consultation on a statewide basis to enable all school districts to meet special education needs of the target client population.

The needs of academy students are complex and varied. The following issues are increasingly critical for the academy to consider as future plans and strategies are developed.

- There are an increasing number of students at the academy who are developmentally delayed in addition to being blind or visually impaired. The standard curriculum must be modified to enable these students to achieve the special education goals listed in the student's individual education plan (IEP).

- Blindness or visual impairment can create severe isolation resulting in social/emotional delays for a blind student in a regular education setting. Academy programs must be designed to address the social/emotional development needs of students. Key ingredients to meet this need include the student becoming a member of a community where blindness or visual impairment is accepted as normal and where adult role models are present. The program must be capable of remediating social/emotional development delays as well as assuring normal development once the student has been referred to the academy.

- Blind students require significantly longer instructional programs in order to address the many disability-specific subjects and to compensate for the additional time it takes a blind student to perform the same learning tasks as a sighted student. Some of these needs, such as independent living skills, are addressed with the additional hours provided for residential students. A longer school year would be desirable, therefore, to be able to cover all these needs within a given year.

  Current vocational/transition/work experience programs in the public schools, including the academy, do not adequately address the unique vocational/transition/work experience needs of blind and visually impaired students.

- Many blind or visually impaired students who are mainstreamed in the public schools of the state could be successfully retained in those placements if they received limited and/or short-term services from the Academy for the Blind. These limited and short-term services are not currently available.

- Education services for the blind and vision impaired students in Minnesota are disjointed and fragmented. Development of a master plan for delivery of these services would help to meet the special education needs of blind and vision impaired students.

- There is no program in the state of Minnesota which adequately addresses the unique special education needs of students who are both deaf and blind. These students are served at the academy but many of their needs remain unmet.

## BUDGET ISSUES:

The Minnesota State Academy for the Blind provides services to local school districts to enable the local school district to meet the special education needs of the students whose education program requires a 24-hour setting.

The agency budget plan will allow the reported performance measures, pages 210-215 of the 1994 Performance Report, to be accomplished as follows:

- In F.Y. 1996 and all future years, the academy will continue to demonstrate effectiveness by placing 100% of its graduates in a postsecondary education program, in an appropriate facility, or gainful employment within one year of graduation.

The agency budget plan will allow achievement of these additional performance measures:

- An independent living skills inventory will be developed and adopted at the academy. By the end of F.Y. 1996, 100% of graduates will have mastered all major elements of the independent living skills inventory.

- By the end of F.Y. 1997, 100% of the students who graduate will have participated in a vocational/transition/work experience program which identifies specific potential careers or jobs, which has identified for that student specific adaptations to perform that career/job, and the student has mastered the specific skills or has identified a training program to enable successful performance in that career/job.

- The vocational education program is being redesigned for implementation during the coming biennium to meet the unique vocational/transition/work experience needs of blind and visually impaired students with the goal of promoting higher employment rates for these students once they become adults.

**BUDGET ACTIVITY:** Academy for the Blind
**PROGRAM:** Residential Academies for the Deaf and Blind
**AGENCY:** Education, Department of
(Continuation)

**REVENUE:**

This activity generates dedicated and non-dedicated revenue. The majority of these funds are tuition dollars, a porition of which are dedicated, and a portion of which are non-dedicated.

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Type of Revenue: | | | | | |
| Non-dedicated - Gen'l | $ 92 | $ 114 | $ 114 | $ 114 | $ 114 |
| Dedicated - Gen'l | 211 | 198 | 197 | 197 | 197 |
| Total | $ 303 | $ 312 | $ 311 | $ 311 | $ 311 |

1996-1997 B I E N N I A L  B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF
ACTIVITY: ACADEMY FOR THE BLIND

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,820 | 1,830 | 2,168 | 2,168 | 2,168 | 2,168 | 2,168 | 2,168 | 2,168 |
| EXPENSES/CONTRACTUAL SRVCS | 162 | 141 | 159 | 159 | 159 | 159 | 159 | 159 | 159 |
| MISC OPERATING EXPENSES | 26 | 27 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| SUPPLIES/MATERIALS/PARTS | 43 | 27 | 165 | 26 | 26 | 26 | 26 | 26 | 26 |
| CAPITAL EQUIPMENT | 14 | 2 | | | | | | | |
| OTHER | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| SUBTOTAL STATE OPERATIONS | 2,067 | 2,028 | 2,501 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 |
| TOTAL EXPENDITURES | 2,067 | 2,028 | 2,501 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 1,943 | 1,928 | 2,130 | 2,108 | 2,108 | 2,108 | 2,108 | 2,108 | 2,108 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | | | 154 | 154 | 154 | 154 | 154 | 154 | 154 |
| SPECIAL REVENUE | 34 | 21 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| FEDERAL | 59 | 50 | 37 | 37 | 37 | 37 | 37 | 37 | 37 |
| AGENCY | 6 | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| GIFTS AND DEPOSITS | 10 | 13 | 142 | 25 | 25 | 25 | 25 | 25 | 25 |
| ENDOWMENT | 15 | 8 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL FINANCING | 2,067 | 2,028 | 2,501 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 | 2,362 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 38.3 | 38.2 | 39.1 | | 39.1 | | | 39.1 | |
| TEMP/SEAS/PART_TIME | 2.2 | 1.9 | 1.9 | | 1.9 | | | 1.9 | |
| OVERTIME | .2 | .2 | .2 | | .2 | | | .2 | |
| TOTAL FTE | 40.7 | 40.3 | 41.2 | | 41.2 | 41.2 | | 41.2 | 41.2 |

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BUDGET ACTIVITY: 1402 Academy for the Deaf
PROGRAM: 14 Residential Academies for the Deaf and Blind
AGENCY: Education, Department of

## ACTIVITY DESCRIPTION:

The Minnesota State Academy for the Deaf (MSAD) provides a comprehensive 24-hour a day education program for students who are deaf or hard of hearing from throughout the state of Minnesota. The education program includes traditional academic and vocational subject matter, as well as the specialized instruction in disability specific subject areas such as American Sign Language, deaf studies, use of adaptive technology and independent living skills unique to being deaf.

The Minnesota Resource Center at the academy provides technical assistance, instructional materials and consultation on a statewide basis to enable all school districts to meet special education needs of the target client population.

The issues associated with these activities are:

- The nature of education of deaf students is changing in recognition of input from deaf adults. The education program at the Academy for the Deaf is being transformed to one which uses American Sign Language as the primary means of communication and incorporates the study of deaf culture and deaf history as major elements within the curriculum. The emphasis on expertise in American Sign Language also creates the need for major staff development to assure that all staff at the academy are fully capable of communicating with deaf students and deaf staff members in American Sign Language.

- Input from deaf citizens has also created a priority within the program for hiring additional deaf adults to staff the academy. This coupled with a move towards a bilingual/multi-cultural philosophy increases the demand for interpreter services at the Academy for the Deaf. To meet this demand, additional staff in the interpreter department are necessary.

- Many students are referred to the academy in the midst of their K-12 education career having come from homes and/or education settings where the communication access/system has not allowed the child to have normal language acquisition for his/her chronological age.

- Many students referred to the academy arrive from living and learning situations in which they were highly isolated due to the lack of a common language and/or language barriers with peers and adults. These students often have social/emotional development delays and independent living skills may be less than adequate due to this isolation. The academy must provide remediation in these two critical instructional areas in order to meet the student's special education goals. Instruction in these two areas is provided in the classroom setting but is primarily the responsibility of the dormitory program and consumes considerable time in what is typically outside the instructional or "school" day.

- In order to provide remediation in sign language, instruction in American Sign Language, teaching English as a second language, and the various disability specific subject matters the regular school year does not provide an adequate amount of time to fully address all of the special education needs of the students.

- Many of the students referred to the academy function significantly below grade level. This may be the result of many factors including inadequate instruction in a previous setting, developmental delays, lack of language acquisition, or diverse learning styles which were not addressed in a previous setting. The academy must develop and constantly modify programs to assure that these students have their needs met.

- As improvements are made in the assessment of deaf students, increasing numbers of deaf or hard of hearing students with severe emotional and behavior problems are being identified. Several such students have been identified within the Minnesota student population. These students cannot be educated in the regular setting at the academy due to the nature of the academy's program and security within the dormitory. It is not safe or appropriate for these students to be educated at the Academy for the Deaf. Emotional Behavioral Disorder (EBD) programs for hearing students are not appropriate for these individuals because of language and communication barriers. The Academy for the Deaf is unable to meet these students' needs at this time.

- The capability of the Minnesota educational system to fully and properly assess all deaf and hard of hearing students to develop a comprehensive individual education plan for each student is seriously lacking. The Academy for the Deaf receives numerous requests from local school districts to provide assessment to students not in attendance at the academy. However, the staff of the academy is unable to meet the needs of students enrolled at the academy as well as provide assessment on a fee for service, technical assistance, or outreach basis to school districts of the state.

## BUDGET ISSUES:

The Minnesota State Academy for the Deaf provides services to local school districts to enable the local school districts to meet the special education needs of the students whose education program requires a 24-hour setting.

The agency budget plan will allow the reported performance measures, pages 210-215 of the 1994 Performance Report, to be accomplished as follows:

- By the end of F.Y. 1997 100% of MSAD graduates will be enrolled in postsecondary education, placed in an appropriate facility, or employed within one year after graduation. The academy will develop a monitoring system to assure accuracy of this data.

- An American Sign Language and an English as a second language program will be implemented prior to the end of F.Y. 1997 with the goal of MSAD graduates reading at the assurance of mastery level.

Summary of the agency plan is as follows:

- The instructional program will be reorganized to free sufficient resources to staff a resource room for students who have academic remediation needs and to assign a licensed teacher to provide tutorial and remediation instruction in the dormitory.

- The instructional program will be reorganized to free sufficient resources to provide one full time instructor in American Sign Language and additional instructional time in deaf studies.

**BUDGET ACTIVITY:** Academy for the Deaf
**PROGRAM:** Residential Academies for the Deaf and Blind
**AGENCY:** Education, Department of
(Continuation)

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**REVENUE:**

This activity generates dedicated and non-dedicated revenue. The majority of these funds are tuition dollars, a porition of which are dedicated, and a portion of which are non-dedicated.

| | Dollars in Thousands | | | | |
|---|---|---|---|---|---|
| | F.Y. 1993 | F.Y. 1994 | F.Y. 1995 | F.Y. 1996 | F.Y. 1997 |
| Type of Revenue: | | | | | |
| Non-dedicated - Gen'l | $ 292 | $ 341 | $ 341 | $ 341 | $ 341 |
| Dedicated - Gen' | 344 | 319 | 317 | 317 | 317 |
| Total | $ 636 | $ 660 | $ 658 | $ 658 | $ 658 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF
ACTIVITY: ACADEMY FOR THE DEAF

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 3,658 | 3,600 | 3,775 | 3,695 | 3,695 | 3,695 | 3,695 | 3,695 | 3,695 |
| EXPENSES/CONTRACTUAL SRVCS | 190 | 172 | 202 | 182 | 182 | 182 | 182 | 182 | 182 |
| MISC OPERATING EXPENSES | 26 | 26 | 38 | 27 | 27 | 27 | 27 | 27 | 27 |
| SUPPLIES/MATERIALS/PARTS | 117 | 52 | 99 | 23 | 23 | 23 | 23 | 23 | 23 |
| CAPITAL EQUIPMENT | 2 | | | | | | | | |
| SUBTOTAL STATE OPERATIONS | 3,993 | 3,850 | 4,114 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 |
| TOTAL EXPENDITURES | 3,993 | 3,850 | 4,114 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 3,605 | 3,490 | 3,850 | 3,692 | 3,692 | 3,692 | 3,692 | 3,692 | 3,692 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 302 | 295 | 154 | 154 | 154 | 154 | 154 | 154 | 154 |
| SPECIAL REVENUE | 28 | 31 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| FEDERAL | 5 | 1 | | | | | | | |
| AGENCY | 21 | 20 | 37 | 26 | 26 | 26 | 26 | 26 | 26 |
| GIFTS AND DEPOSITS | 32 | 13 | 36 | 19 | 19 | 19 | 19 | 19 | 19 |
| ENDOWMENT | | | 5 | 4 | 4 | 4 | 4 | 4 | 4 |
| TOTAL FINANCING | 3,993 | 3,850 | 4,114 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 | 3,927 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 74.4 | 72.7 | 72.7 | | 72.7 | | | 72.7 | |
| TEMP/SEAS/PART_TIME | 3.6 | 4.5 | 4.5 | | 4.5 | | | 4.5 | |
| OVERTIME | .3 | .3 | .3 | | .3 | | | .3 | |
| TOTAL FTE | 78.3 | 77.5 | 77.5 | | 77.5 | 77.5 | | 77.5 | 77.5 |

**BUDGET ACTIVITY:** 1403 Academy Operations
**PROGRAM:** 14 Residential Academies for the Deaf and Blind
**AGENCY:** Education, Department of

## ACTIVITY DESCRIPTION:

The academy operations activity consists of business office and business management, personnel and payroll, food service, health services, facility management, and building and group maintenance and preservation. The academy operations activity supports the Minnesota State Academy for the Blind (MSAB) and the Minnesota State Academy for the Deaf (MSAD) to function smoothly, effectively, efficiently and to meet the needs of the students enrolled in these two programs.

The issues associated with this activity are:

- Maintenance and preservation of an historical physical plant in a manner which assures access and a safe learning and living environment for students and a safe working environment for staff.
- Assuring that all students needs in the area of food service, health service and student transportation are met efficiently, effectively and on an individualized basis as necessary.
- Assuring that the personnel and financial management needs of the academies are met efficiently and effectively.

## BUDGET ISSUES:

The academy operations activity of the Minnesota residential academies provides support to both MSAB and MSAD. Certain functions of the operations activity are dictated by the program status as the agency interfaces with statewide systems such as personnel, financial management, budgeting and long range planning. Therefore, the budget of the activity is dictated on two levels: first, a budget necessary to perform the agency functions as part of a statewide system. This includes payroll, personnel, financial management and, to some degree, maintenance and upkeep of the physical plant. Second, a budget to perform specific services determined necessary by the programs. These include food service, health service, student transportation and maintenance of the physical plant beyond that level necessary to preserve the physical assets of the state.

The academy operations activity has been reduced in scope in recent years to enable transfer of resources to the service delivery programs of the agency. Staffing in the physical plant and plant maintenance has been reduced in terms of the number of hours worked by each employee during the calendar year (a significant portion of the maintenance staff is laid off during the non-school months of the year whereas in the past they worked on a year-round basis). Also, the budget of the physical plant has been reduced to staff costs and minimal expenditures and supplies of service programs. The program requesting an expenditure must provide for that expenditure from the service program budget.

The agency budget plan will allow the operations activity to perform its necessary functions in a manner which meets the statewide system requirements of the agency as well as meets the service requirements of the direct service programs. Any necessary expansion in the activity's operations will be funded by the direct service programs on a per request basis.

## REVENUE:

None

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF
ACTIVITY: ACADEMY OPERATIONS

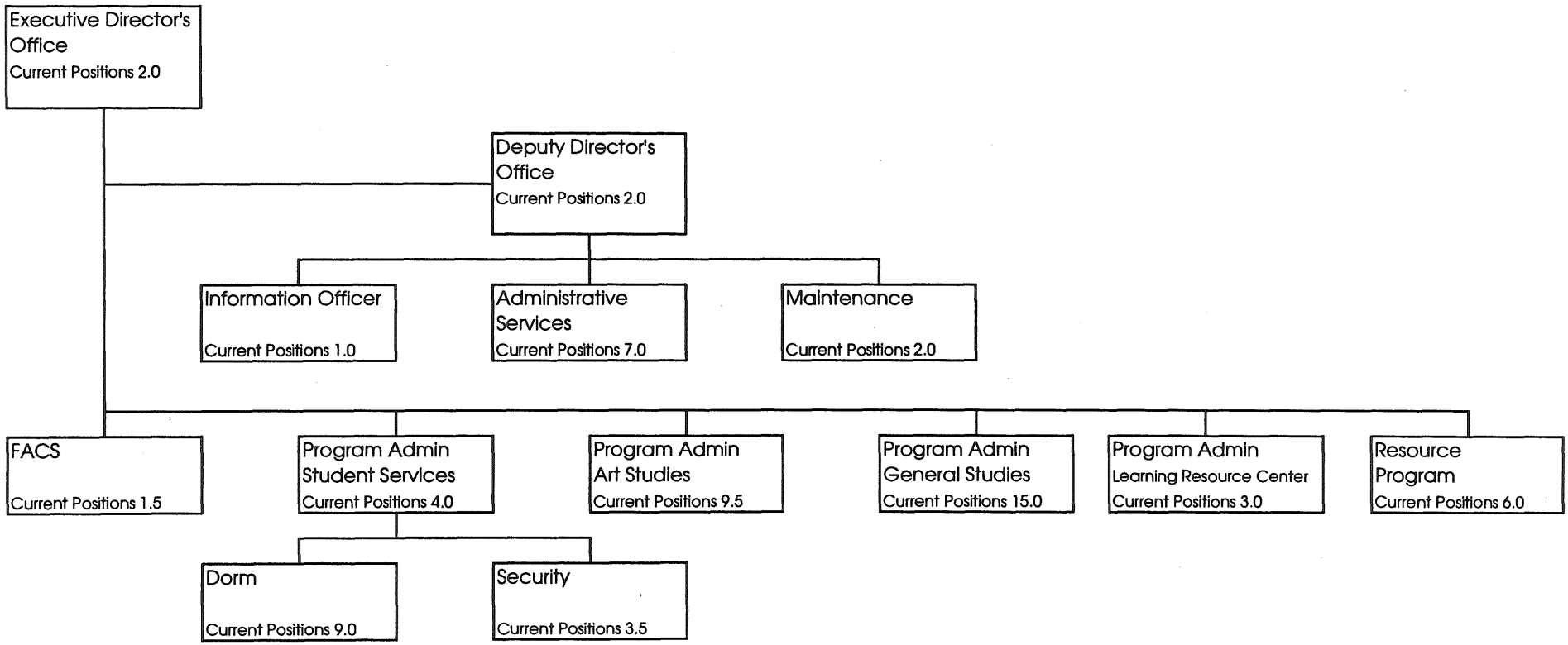
| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 1,930 | 2,039 | 2,026 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 | 1,944 |
| EXPENSES/CONTRACTUAL SRVCS | 113 | 117 | 141 | 91 | 91 | 91 | 91 | 91 | 91 |
| MISC OPERATING EXPENSES | 196 | 193 | 115 | 108 | 101 | 101 | 108 | 101 | 101 |
| SUPPLIES/MATERIALS/PARTS | 432 | 391 | 625 | 507 | 507 | 507 | 507 | 507 | 507 |
| CAPITAL EQUIPMENT | 58 | 42 | 58 | 53 | 53 | 53 | 53 | 53 | 53 |
| OTHER | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| SUBTOTAL STATE OPERATIONS | 2,731 | 2,784 | 2,967 | 2,705 | 2,698 | 2,698 | 2,705 | 2,698 | 2,698 |
| LOCAL ASSISTANCE | 5 | 3 | | | | | | | |
| TOTAL EXPENDITURES | 2,736 | 2,787 | 2,967 | 2,705 | 2,698 | 2,698 | 2,705 | 2,698 | 2,698 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| TRANSFER UTILITY COSTS FOR LIBRARY ADD. | | GEN | | | <7> | | | <7> | |
| TOTAL AGENCY PLAN ITEMS | | | | | <7> | | | <7> | |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 2,456 | 2,122 | 2,461 | 2,282 | 2,275 | 2,275 | 2,282 | 2,275 | 2,275 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 72 | 437 | 206 | 206 | 206 | 206 | 206 | 206 | 206 |
| SPECIAL REVENUE | 15 | 17 | 80 | 23 | 23 | 23 | 23 | 23 | 23 |
| FEDERAL | 193 | 211 | 220 | 194 | 194 | 194 | 194 | 194 | 194 |
| TOTAL FINANCING | 2,736 | 2,787 | 2,967 | 2,705 | 2,698 | 2,698 | 2,705 | 2,698 | 2,698 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 51.9 | 51.7 | 50.8 | | 50.8 | | | 50.8 | |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: FARIBAULT ACADEMIES
PROGRAM: RESIDENTIAL ACADEMIES FOR THE DEAF
ACTIVITY: ACADEMY OPERATIONS

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| TEMP/SEAS/PART_TIME | .3 | .7 | .7 | | .7 | | | .7 | |
| OVERTIME | .4 | .1 | .1 | | .1 | | | .1 | |
| TOTAL FTE | 52.6 | 52.5 | 51.6 | | 51.6 | 51.6 | | 51.6 | 51.6 |

# Minnesota Center for Arts Education
# Organization Chart as of 1/18/95



# 1996-97 Biennial Budget
# Agency Budget Brief
## ($ in thousands)

**Agency:** Arts Education, MN Center for

**Fund:** General

**Summary of Agency Actions:**

| | F.Y. 1996 | F.Y. 1997 | F.Y. 1996-97 |
|---|---|---|---|
| **BASE YEAR (F.Y. 1995)** | **$5,362** | **$5,362** | **$10,724** |
| **BASE ADJUSTMENT:** | | | |
| One-time Appropriations | (432) | (432) | (864) |
| Appropriations Carried Forward | (62) | (62) | (124) |
| Attorney General costs | (1) | (1) | (2) |
| **CURRENT SPENDING** | **$4,867** | **$4,867** | **$9,734** |
| **AGENCY DECISION ITEMS:** | | | |
| Appropriation Cap Reduction | (908) | (470) | (1,378) |
| Refocus Resource Programs | 135 | 195 | 330 |
| Reduce Grants for Arts Educ. Programs | (135) | (195) | (330) |
| **AGENCY PLAN** | **$3,959** | **$4,397** | **$8,356** |
| **GOVERNOR'S INITIATIVES:** | | | |
| Maintain Base Funding Level | $908 | $470 | $1,378 |
| Operating Costs for Renovated Dorm | 136 | 136 | 272 |
| **GOVERNOR'S RECOMMENDATIONS** | **$5,003** | **$5,003** | **$10,006** |

**Brief Explanation of Agency Plan:**

The agency plan includes a reduction due to the appropriation caps of $908 in F.Y. 1996 and $470 in F.Y. 1997. These funds represent the proportion of the appropriation limits reduction passed in 1993 attributable to the Center for the Arts.

This budget plan refocuses the Resource Programs budget of the Center to accommodate a new division devoted to technical, professional and information services for teachers, other educators and artists. The new division is being developed in response to community and client demand and to meeting the responsibilities assigned to the Center by the legislature in 1993. The 1993 assignment moved leadership in arts education curriculum to the Center from the Department of Education. The new services will be paid for by reallocating funds previously used for grants to organizations for arts education programming.

The Arts High School budget will remain at the same level as in F.Y. 1994 and 1995.

The administrative budget will also remain at its current level, absorbing inflationary increases.

**Revenue Summary:**

With this plan, there will be no impact on staffing or revenue generation.

**Affected Statutes:**

The Center can accomplish its stated objectives within existing statutes.

**GOVERNOR'S RECOMMENDATIONS:**

The Governor recommends restoring the base funding level to F.Y. 1995 amounts, an increase of $908 in F.Y. 1996 and $470 in F.Y. 1997. The agency was directed to prepare their plan at the restored level, and the Governor concurs with that plan.

The Governor also recommends an increase of $272 over the biennium in the agency's base, to absorb the increase in operating costs associated with renovation of a dormitory into a recreational center. This project was approved by the Legislature in the 1994 Capital Improvements Bill (Laws 1994, Chapter 643, Section 14).

Finally, the Governor recommends amending the Laws of 1993, Chapter 224, Article 8, Sec. 21, to allow carryforward authority from F.Y. 1995 to F.Y. 1995 for the PASS/Arts grants.

AGENCY: Arts Education, Minnesota Center for

## AGENCY DESCRIPTION:

The Center for Arts Education was created to enhance arts education opportunities for Minnesota pupils in elementary and secondary schools and to educate high school pupils with artistic talent. In 1994, the legislature added to the enabling statute "the Center shall provide information and technical services to arts teachers, professional arts organizations, school districts, and the Department of Education; gather and conduct research in arts education; design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and, serve as a liaison for the Department of Education to national organizations for arts education." (M.S. 129C.10-15).

The Center provides a broad array of services to meet the leadership challenge of its mission: professional development for educators, artists and administrators; technical services for school districts and individuals; development and definition of national and state standards; interaction and collaborative program design with higher education; and diverse direct service student programs. The Center is comprised of Resource Programs and an Arts High School. The Arts High School focuses on direct service student programs and the development of state education standards and their implementation; the Resource Programs of the Center focus on school districts and professionals. The Resource Programs and the Arts High School are administrated collaboratively, allowing for sharing of resources and unified service delivery.

The Arts High School, now in its 6th year of operation, is an interdisciplinary, full-time program for 300 artistically-motivated 11th and 12th graders. Students are selected based on a competitive review procedure that identifies students with demonstrated or potential talent and ensures statewide participation. Students receive a comprehensive academic program and then focus on either dance, literary arts, media arts, music, theater or visual arts. Students who live outside the metropolitan area live on the campus of the Center. The Arts High School curriculum combines innovation with proven practice, free of traditional regulation. Parents and students are free to withdraw from the program at any time, and as a result, communications with clients are frequent and responsive. Current reform efforts includes focusing on results instead of seat-time, establishing working conditions that maximize teachers' performance, negotiating a teacher contract that supports an expanded professional role, implementing authentic assessment techniques as the centerpiece of instruction and delivering student support and counseling services that mirror the students' needs and priorities.

The Resource Programs are directed at educators, artists and students other than those enrolled at the Arts High School. The Resource Programs provide technical and professional services to Minnesota school districts and their educators through professional development opportunities and information services (print and electronic). They also offer demonstration programs which exemplify models of excellence in arts education. Among these programs are:

- The Minnesota Arts Experience (MAX), which provides summer classes to approximately 1,500 teachers and students in locations throughout the state.
- The Magnet Program, which adapts the innovations from the Arts High School to one school district in each of the state's congressional districts.
- The Professional Opportunities Program, which enables teachers to access professional development funds to improve their classroom skills.
- The Dance Education Initiative, which educates teachers in school districts to integrate dance education outcomes within their classrooms and schools.
- The Comprehensive Arts Planning Program (CAPP), which forms cross-disciplinary teams of teachers and administrators with community members to plan comprehensive arts programming that involves community resources.

## AGENCY CHALLENGES:

Arts in education are rapidly gaining a place of importance and influence. A number of factors and events are causing this to happen:

- GOALS 2000 and other major initiatives identify the arts as a basic subject area. This is a profound shift for arts educators. It will be necessary to create new frameworks with practical guidelines and provide support services for implementation.
- The national and state focus on assessment of student progress through demonstration of tasks has increased the arts influence as a model. The arts have traditionally relied on authentic assessment and have much experience to offer the general education establishment. The use of standards and authentic assessment with arts curricula have made the Arts High School a natural testing ground for education reform and innovation. The Arts High School currently serves as a pilot site for development and implementation of the new graduation standards. Further refinement of the School's electronic portfolio project is an especially promising area of development.
- Arts careers are changing rapidly because of technology. The U.S. Department of Labor indicates that the arts and entertainment industry is a growing employment market. However, most preprofessional education programs continue to teach with curriculum, materials and equipment that are out-of-date. It is critical that the Center maintain its leadership in arts-related technology.
- The cost of higher education continues to rise beyond inflation. For the first time in the history of the Arts School, many 1994 graduating seniors could not afford to attend college, even after receiving sizable scholarship packages. Finding ways to bridge the shortfall by working with higher educational institutions and individual students will continue to be a challenge.
- The arts provide a natural place for cross-cultural sharing. As our state becomes more diverse, teachers and other school planners have discovered that arts-rich curricula can promote racial and ethnic understanding, as well as teaching students important skills and abilities. As a result, there is a demand for classroom materials, technical assistance and professional development in the arts.
- Communication with arts and academic professionals and school districts is becoming increasingly complicated. Some teachers have access to CD-ROM and Internet; others to no technology at all. The development of a responsive and accessible communications system will continue to be a challenge.

**AGENCY:** Arts Education, Minnesota Center for
(Continuation)

## AGENCY STRATEGIES:

The agency's budget plan is constructed to achieve the following outcomes:

- To foster the interaction and communication between professional arts education organizations, professional arts organizations, individual artists and the general education community.
- To interpret national and state education standards and provide working models for implementation in curriculum, instruction and assessment.
- To graduate seniors from the Arts High School who have a full command of the tools of technology and an understanding of the range of emerging careers in the arts.
- To develop and distribute a variety of materials, print and nonprint, concerning multicultural arts education.
- To provide an array of staff development opportunities and technical services that address critical challenges in arts education.

## REVENUE SUMMARY:

In addition to the Center's direct appropriations, the Center receives revenues from student residential fees. Students who live outside the metropolitan area pay residential fees for room and board on campus, with the revenue from these fees partially offsetting the residential costs. The fee in F.Y. 1993 was $950 for the school year, with a total of $118,000 collected; fees in F.Y. 1994 were $1,050 for the school year, raising $122,000; and fees in F.Y. 1995 were $1,150, bringing in $134,000.

## SUMMARY OF BUDGET REQUEST:

The budget plan demonstrates a substantial reorganization of resources to meet the new leadership responsibilities assigned by the 1994 legislature, as well as emerging challenges within the field of arts education. The Resource Programs will be organized into 2 divisions; adding a "professional services" division to the existing Demonstration Programs division. Programs in the new professional services division will include:

- Professional resources and information in a variety of forms (Internet, interactive video, specially designed videos and CD-ROMs and in-person workshops and seminars) to school district staff regarding the implementation of new graduation standards and benchmarks as well as requested information regarding curriculum, assessments and instruction.
- Staff development opportunities in customized formats for school improvement.
- Conferences and seminars on topics related to education in the arts.
- Evaluation services for schools and arts organizations.

The addition of the professional services division within the existing budget means an overall reduction in the scope of programs. Reductions have been taken across the board from all other programs, while still ensuring statewide access.

The Arts High School and central administrative services will be funded at F.Y. 1995 levels. The school program was cut by 10% in F.Y. 1994, 7% in F.Y. 1993, and absorbed inflationary increases of approximately 4% each in F.Y. 1992 and F.Y. 1991.

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN CTR FOR ARTS EDUC
PROGRAM: CENTER FOR ARTS EDUC
ACTIVITY: CENTER FOR ARTS EDUC

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| EXPENDITURES: | | | | | | | | | |
| DETAIL BY CATEGORY: | | | | | | | | | |
| STATE OPERATIONS: | | | | | | | | | |
| PERSONAL SERVICES | 2,656 | 2,778 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 | 2,971 |
| EXPENSES/CONTRACTUAL SRVCS | 1,196 | 1,111 | 1,063 | 987 | 1,122 | 1,258 | 987 | 1,182 | 1,318 |
| MISC OPERATING EXPENSES | 212 | 236 | 260 | 259 | 259 | 259 | 259 | 259 | 259 |
| SUPPLIES/MATERIALS/PARTS | 327 | 279 | 381 | 321 | 321 | 321 | 321 | 321 | 321 |
| CAPITAL EQUIPMENT | 98 | 71 | 76 | 76 | 76 | 76 | 76 | 76 | 76 |
| OTHER | 17 | 21 | 21 | 21 | <887> | 21 | 21 | <449> | 21 |
| SUBTOTAL STATE OPERATIONS | 4,506 | 4,496 | 4,772 | 4,635 | 3,862 | 4,906 | 4,635 | 4,360 | 4,966 |
| AIDS TO INDIVIDUALS | 51 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| LOCAL ASSISTANCE | 771 | 1,003 | 1,210 | 852 | 717 | 717 | 852 | 657 | 657 |
| TOTAL EXPENDITURES | 5,328 | 5,526 | 6,009 | 5,514 | 4,606 | 5,650 | 5,514 | 5,044 | 5,650 |
| AGENCY PLAN ITEMS: | | FUND | | | | | | | |
| APPROPRIATION CAP REDUCTION | | GEN | | | <908> | | | <470> | |
| REFOCUS RESOURCE PROGRAMS | | GEN | | | 135 | | | 195 | |
| REDUCE GRANTS FOR ARTS EDUC. PROGRAMS | | GEN | | | <135> | | | <195> | |
| TOTAL AGENCY PLAN ITEMS | | | | | <908> | | | <470> | |
| GOV'S INITIATIVES: | | FUND | | | | | | | |
| (A) RESTORE AGENCY BASE | | GEN | | | | 908 | | | 470 |
| (A) OPERATING COSTS FOR RENOVATED DORM | | GEN | | | | 136 | | | 136 |
| TOTAL GOV'S INITIATIVES | | | | | | 1,044 | | | 606 |
| SOURCES OF FINANCING: | | | | | | | | | |
| DIRECT APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 5,075 | 5,174 | 5,362 | 4,867 | 3,959 | 5,003 | 4,867 | 4,397 | 5,003 |
| STATUTORY APPROPRIATIONS: | | | | | | | | | |
| GENERAL | 10 | 79 | 75 | 75 | 75 | 75 | 75 | 75 | 75 |

1996-1997 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN CTR FOR ARTS EDUC
PROGRAM: CENTER FOR ARTS EDUC
ACTIVITY: CENTER FOR ARTS EDUC

| ACTIVITY SUMMARY | FY 1993 | FY 1994 | Est. FY 1995 | FY 1996 Current Spending | FY 1996 Agency Plan | FY 1996 Governor Recomm. | FY 1997 Current Spending | FY 1997 Agency Plan | FY 1997 Governor Recomm. |
|---|---|---|---|---|---|---|---|---|---|
| SPECIAL REVENUE | 186 | 216 | 229 | 229 | 229 | 229 | 229 | 229 | 229 |
| FEDERAL | 14 | 23 | 287 | 287 | 287 | 287 | 287 | 287 | 287 |
| AGENCY | 37 | 32 | 49 | 49 | 49 | 49 | 49 | 49 | 49 |
| GIFTS AND DEPOSITS | 6 | 2 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| TOTAL FINANCING | 5,328 | 5,526 | 6,009 | 5,514 | 4,606 | 5,650 | 5,514 | 5,044 | 5,650 |
| FTE BY EMPLOYMENT TYPE: | | | | | | | | | |
| REGULAR | 55.1 | 55.6 | 67.7 | | 67.7 | | | 67.7 | |
| OVERTIME | .6 | .7 | | | | | | | |
| TOTAL FTE | 55.7 | 56.3 | 67.7 | | 67.7 | 67.7 | | 67.7 | 67.7 |

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: MN CTR FOR ARTS EDUC

| | ALL FUNDS | | GENERAL FUND | | OTHER STATE FUNDS | | FEDERAL FUNDS | |
|---|---|---|---|---|---|---|---|---|
| | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 | F.Y.96 | F.Y.97 |
| F.Y.95 FUNDING LEVEL | 6,009 | 6,009 | 5,437 | 5,437 | 285 | 285 | 287 | 287 |
| BASE ADJUSTMENTS | | | | | | | | |
| ONE-TIME APPROPRIATIONS | <432> | <432> | <432> | <432> | | | | |
| APPROPRIATIONS CARRIED FWD | <62> | <62> | <62> | <62> | | | | |
| ATTORNEY GENERAL COSTS | <1> | <1> | <1> | <1> | | | | |
| SUBTOTAL BASE ADJ. | <495> | <495> | <495> | <495> | | | | |
| CURRENT SPENDING | 5,514 | 5,514 | 4,942 | 4,942 | 285 | 285 | 287 | 287 |

## F.Y. 1996-97 BUDGET INITIATIVE

**AGENCY:** Arts Education, Minnesota Center for
**PROGRAM:** Appropriation Limits, Laws 1993
**ACTIVITY:**

**ITEM TITLE:** Restore Agency Base

| | 1996-97 Biennium | | 1998-99 Biennium | |
|---|---|---|---|---|
| | F.Y. 1996 | F.Y. 1997 | F.Y. 1998 | F.Y. 1999 |
| **Expenditures: ($000s)** | | | | |
| General Fund | | | | |
| - State Operations | $908 | $470 | $470 | $470 |
| - Grants | $-0- | $-0- | $-0- | $-0- |
| **Revenues: ($000s)** | | | | |
| General Fund | $-0- | $-0- | $-0- | $-0- |

**Statutory Change? Yes ___ No X**

**If yes, statute(s) affected: M.S.**

### GOVERNOR'S RECOMMENDATION:

The Governor recommends restoring the reduction due to the appropriation caps in the amount of $908 in F.Y. 1996 and $470 in F.Y. 1997. Maintaining the agency's F.Y. 1995 funding level will allow the School and Resource programs to continue to provide high quality services to students and professionals in the arts.

### RATIONALE:

The reduction in funding would greatly impact the Center's resource program efforts. Part of the Center's statutory mission is to provide outreach programming and services to all Minnesota students that enhance arts education opportunities statewide. In 1994, the legislature added to this mandate by giving MCAE the Department of Education's former responsibility of providing arts education technical assistance to local school districts and teachers. Reducing the 1996 budget by $908,000 would result in the elimination of all resource programming and services, except for those consulting services that can be delivered by current staff over the phone or by electronic means. The smaller cut in 1997 would allow for the reinstatement of the Minnesota Arts eXperience (MAX) summer student/teacher grants program, but other programs (i.e., teacher opportunity grants, magnet school programs, curriculum development workshops and initiatives, etc.) would remain unfunded.

The Arts High School and central administrative services cannot sustain further reductions without crippling the integrity of the School's curriculum or the ability of the administrative staff to maintain the physical plant and provide adequate support services to students and faculty.

### PROGRAM OUTCOMES:

This initiative would support:

- Maintenance of statewide programming efforts in arts education that have been evaluated as effective and successful in achieving their objectives.
- Continued confidence in the Center's ability by students, parents, teachers, administrators and artists to implement its statutory directives through the provision of meaningful opportunities in the arts and through the arts to create authentic learning experiences in the education arena.

### LONG-TERM IMPACT:

The Center plans its programs and services in a sequential, developmental manner based on assessed needs and demands. Restoration of funding will allow resource and technical assistance programming to continue without interruption, thus avoiding the disruption and expense of having to discard effective programs and restart them at a later date.

## F.Y. 1996-97 BUDGET INITIATIVE

**AGENCY:** Arts Education, Minnesota Center for
**PROGRAM:**
**ACTIVITY:**

**ITEM TITLE:** Operating Costs for Renovated Dormitory

| | 1996-97 Biennium | | 1998-99 Biennium | |
|---|---|---|---|---|
| | F.Y. 1996 | F.Y. 1997 | F.Y. 1998 | F.Y. 1999 |
| **Expenditures: ($000s)** | | | | |
| General Fund | | | | |
| - State Operations | $136 | $136 | $136 | $136 |
| - Grants | $-0- | $-0- | $-0- | $-0- |
| **Revenues: ($000s)** | | | | |
| General Fund | $-0- | $-0- | $-0- | $-0- |

**Statutory Change? Yes ____ No X**
**If yes, statute(s) affected:** M.S.

### GOVERNOR'S RECOMMENDATION:

The Governor recommends $136 per year to the Center for Arts Education in order to cover the increased operating costs associated with renovation of the dormitory, as authorized in the 1994 Bonding Bill.

### RATIONALE:

The 1994 Legislature approved the Governor's request for the renovation of a vacant dormitory into a recreation facility for the Arts High School students. There is currently no on-site recreation or structured social space for students in which to interact and engage in activities of a nonacademic nature. The school day is longer than the traditional public high school schedule, frequently extending into the late afternoons and evenings. Extended scheduling, coupled with the large number of boarding students, has created a need for dedicated recreational space that is designed to enhance student health and create a stronger adult supervisory presence over student activities.

The building is not currently occupied for any programmatic purpose other than storage. Its mechanical and electrical operating systems have been maintained only at minimal levels to preserve the physical integrity of the structure. Bringing the building on-line will require the assumption of increased costs for utilities, grounds care, janitorial, trash and security services, repairs, supplies, and telecommunications/computer charges and fees.

Staffing costs are derived from the creation of 2.5 new positions: a recreation coordinator, a general maintenance worker and a part-time security guard. As the existing buildings will continue to be operated at their current staffing levels, it is not possible to shift present supervisory and maintenance staff to the new facility without jeopardizing access to and physical care of other library, arts and academic spaces. Those staffing levels must remain the same in order to assure student safety and proper facilities maintenance.

### PROGRAM OUTCOMES:

- Enhanced student health and improved student performance/behavior through stress reduction and structured opportunities to socialize and recreate.
- Reduction of disruptions to other students and staff by relocation of student lounge areas out of main academic/classroom buildings.
- More effective student management, both in the dormitory and classrooms.
- Alleviation of some classroom shortages through the provision of convertible spaces in Beta that can be used for instruction when not open for student recreation.
- Proper maintenance and care of physical systems so that programming functions can occur as scheduled and required.

### LONG-TERM IMPACT:

The creation of permanent, dedicated space for student recreation purposes that is staffed for those reasons and maintained at a high level is expected to have positive effects on students' long-term health and achievement during their enrollment at the arts high school. The addition of square footage will provide greater opportunities for augmented programming and allay parent and student concerns that the school's rigor and standards are not achieved at the expense of student health and social needs. Additional repair staffing will allow the agency to begin to move from a crisis management orientation in the physical care of its facilities to a planned maintenance approach through the investment of time and resources on a regular basis. This will result in long-term fiscal savings and the preservation of the state's physical assets.

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