



99010

MINNESOTA BIENNIAL BUDGET

Education, Children & Families 2000-01

Presented by Governor Jesse Ventura
to the 81st Legislature

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2000-01 BIENNIAL BUDGET

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EDUCATION, CHILDREN & FAMILIES

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The Governor's 2000-01 Biennial Budget can be viewed at
the Department of Finance's web site at:
<http://www.finance.state.mn.us/bis>

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2000-01 Biennial Budget

Volume Summary: K-12 Education, Family & Early Childhood

This volume contains the recommendations for both K-12 education and family & early childhood education. Major programs include general education, special education, lifework development, child care, adult education and community services programs.

Educ., Children & Families Funding (\$000s)		1998-99 Biennium		
Agency	General	% of	All Funds	% of Total
Lola & Rudy Perpich MN Center for Arts Education	11,488	0.16%	14,663	0.18%
Residential Academies for the Deaf and the Blind	20,922	0.29%	22,489	0.27%
Education, Children & Families, Dept. of				
K-12 Education Aids	6,812,222	93.57%	7,477,459	90.17%
Family & Early Childhood Aids	371,408	5.10%	659,341	7.95%
Agency Funding	64,375	0.88%	118,221	1.43%
Totals (Direct, Open and Statutory)	7,280,415		8,255,021	

2000-01 Biennium			
General	% of Total	All Funds	% of Total
14,539	0.18%	17,542	0.19%
22,463	0.27%	23,697	0.26%
7,635,372	93.14%	8,303,059	89.7%
461,353	5.63%	781,909	8.45%
64,430	0.79%	130,151	1.41%
8,198,157		9,256,358	

	F.Y. 2000	F.Y. 2001
Base Adjustments by Category	General Fund	General Fund
Biennial Appropriations	510	100
Caseload/Enrollment Changes	22,722	24,436
CFL Statutory Adjustment	(11,129)	(2,431)
One-Time Appropriations	(66,993)	(65,278)
Doc. Space Rental/Lease	2,045	2,045
Statewide Administration Systems	49	49
2000-01 Salary & Ben. Base	807	1,620
Program/Agency Sunset	(29,570)	(33,577)
Uniform Pension Bill Reduction	(121)	(121)
Totals	(81,680)	(73,157)

Note: Individual base adjustments may be positive or negative depending on the item and adjustment category; all category amounts shown here are net figures.

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2000-01 Biennial Budget
PROGRAM STRUCTURE/INDEX

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**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Lola & Rudy Perpich MN Center for Arts Education

AGENCY MISSION AND VISION:

The mission of the Center for Arts Education is to design and deliver innovative public education services centered in the arts to Minnesota K-12 students.

The Center's vision is to improve student achievement by using the arts as instructional tools and agents of reform. The arts continue to demonstrate their effectiveness for teaching and learning by:

- Providing a vibrant and rigorous environment that encourages and motivates students;
- Synthesizing analytical and critical thinking skills with imagination and sound judgment;
- Creating connections and applications with other academic disciplines and experiences;
- Encouraging collaboration among students and teachers to develop products and the standards by which those products are measured;
- Invigorating and renewing teachers; and
- Building effective partnerships between schools and communities.

KEY SERVICE STRATEGIES:

The Center seeks to graduate students who are creative thinkers, proficient in fundamental skills, knowledgeable of the arts, and aware of the credentials and training needed to be successful in the world community. To that end, the Center provides the following major services:

- Operation of the state's arts high school--an interdisciplinary, comprehensive program for 11th- and 12th-graders--as a model for replicating and demonstrating effective teaching and learning strategies using the arts.
- Development and interpretation of state and national education standards for use by local schools and communities.
- Professional training opportunities for teachers and artists statewide.
- Research on issues related to student achievement, assessment and curriculum development.

- Facilitation of partnerships among professional and community arts organizations, education organizations, the non-profit sector, and businesses, in order to demonstrate effective approaches to arts-centered education and professional development.

OPERATING ENVIRONMENT:

The Center operates in an environment characterized by:

- Increased demand for accountability in public education, with higher and more complex expectations of students, teachers and educational organizations;
- Growth of multiple educational choices for students; development of "niche" education markets and the attendant costs of specialized education;
- Increased interest in the arts high school and its residential life program, sometimes called "the best kept secret in the state."
- A growing need for sophisticated technology support for student instruction, professional development, counseling and administrative purposes;
- Pressures related to implementation of the graduation standards; and
- Ongoing needs to refurbish and update campus facilities.

ORGANIZATION/PROGRAM STRUCTURE:

EXECUTIVE DIRECTOR		1.0 fte
Arts High School		
	Faculty	23.6 fte
	Student Services and Admissions	5.5 fte
	Residence Hall	11.1 fte
	Administration and Administrative Support	3.0 fte
Professional Development/Research, Assessment and Curriculum		
	Education Specialists	5.6 fte
	Administration and Administrative Support	7.9 fte
	Agencywide Administration and Support	25.0 fte

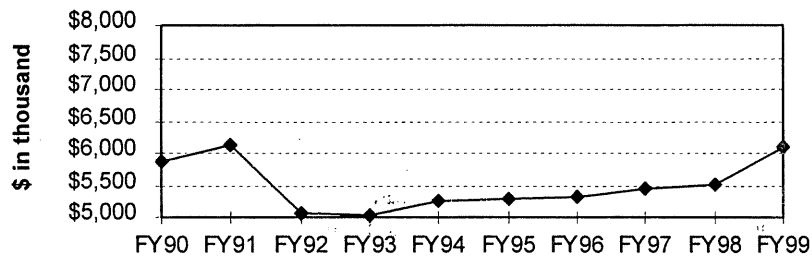
6/30/98 TOTAL FTEs 82.7

**2000-01 Biennial Budget
Agency Executive Summary**

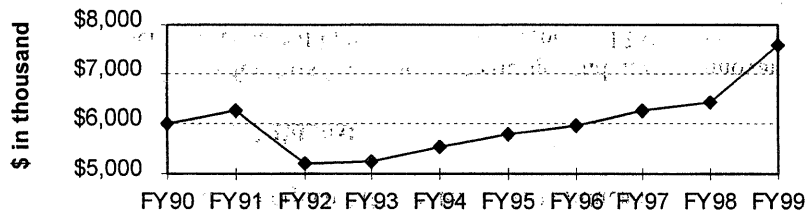
AGENCY: Lola & Rudy Perpich MN Center for Arts Education
(Continuation)

TRENDS AND PERSPECTIVE:

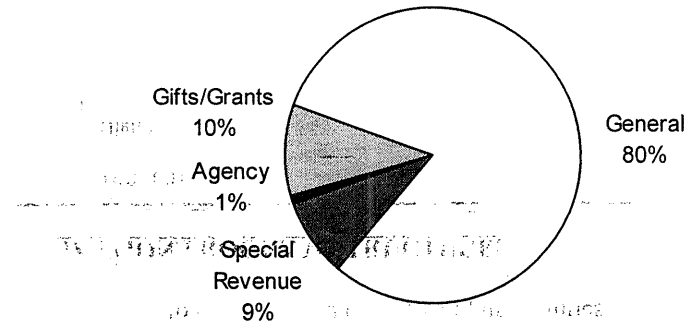
**Total Budget - General Fund Only
Total \$6,099,000**



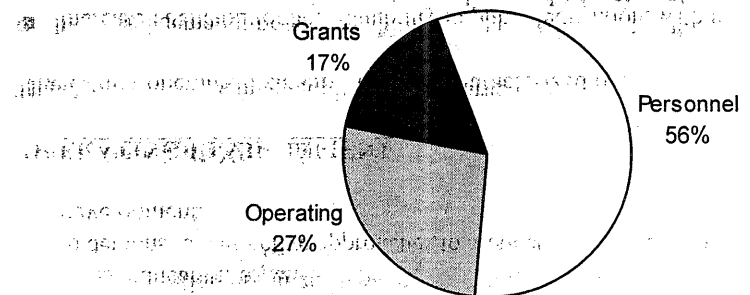
**Total Budget - All Funds
Total \$7,585,000**



**1998-99 Anticipated Expenditures
by Fund Total \$7,585,000**



**1998-99 Anticipated Expenditures
by Category Total \$7,585,000**



AGENCY: Lola & Rudy Perpich MN Center for Arts Education
(Continuation)

A pie chart illustrating the distribution of respondents across three sectors. The largest segment, representing the Professional Development Institute, accounts for 47% of the total and is shaded with a fine grid pattern. The second largest segment, representing Schools, accounts for 42% and is shaded with a coarser grid pattern. The smallest segment, representing Residential areas, accounts for 11% and is solid black.

Sector	Percentage
Professional Development Institute	47%
School	42%
Residential	11%

Fiscal Year	Arts High School (%)	Professional Development Institute (%)
1993	44	54
1997	50	48

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: CENTER FOR ARTS EDUCATION

Agency Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY PROGRAM:									
CENTER FOR ARTS EDUC	6,132	6,301	8,362	7,730	8,708	7,803	8,834	2,879	19.6%
Total Expenditures	6,132	6,301	8,362	7,730	8,708	7,803	8,834	2,879	19.6%

FINANCING BY FUND:							
DIRECT APPROPRIATIONS:							
GENERAL	5,300	5,176	6,312	6,211	7,189	6,319	7,350
STATUTORY APPROPRIATIONS:							
SPECIAL REVENUE	342	275	501	348	348	348	348
FEDERAL	111	18	17	11	11	11	11
AGENCY	135	251	613	362	362	362	362
GIFT	244	581	919	798	798	763	763
Total Financing	6,132	6,301	8,362	7,730	8,708	7,803	8,834

FTE BY EMPLOYMENT TYPE:							
FULL TIME	47.8	48.0	48.0	48.0	48.0	48.0	48.0
PART-TIME, SEASONAL, LABOR SER	17.9	18.7	18.6	18.6	18.6	18.6	18.6
OVERTIME PAY	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total Full-Time Equivalent	66.1	67.1	67.0	67.0	67.0	67.0	67.0

1. The first step in the process of identifying a problem is to define the problem. This involves identifying the symptoms of the problem and determining the scope of the problem.

2. The second step is to identify the causes of the problem. This involves identifying the factors that are contributing to the problem and determining the root cause of the problem.

3. The third step is to develop a plan of action.

4. The fourth step is to implement the plan of action. This involves putting the plan into action and monitoring the progress of the plan.

5. The fifth step is to evaluate the results of the plan.

6. The sixth step is to make adjustments to the plan.

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**2000-01 Biennial Budget
Agency Budget Brief
(\$ in thousands)**

Agency: Lola & Rudy Perpich MN Center for Arts Education **Fund:** General

	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>Biennium</u>
<u>BASE-YEAR (F.Y. 1999)</u>			
Appropriations (F.Y. 1999)	\$6,120	\$6,120	\$12,240
<u>BASE ADJUSTMENT</u>			
Statewide Admin. Systems	7	7	14
2000-01 Salary and Benefit Base	105	213	318
Uniform Pension Bill Red.	<u>(21)</u>	<u>(21)</u>	<u>(42)</u>
<u>BASE LEVEL (for 2000 and 2001)</u>	\$6,211	\$6,319	\$12,530
<u>CHANGE ITEMS</u>			
Statewide Professional Development	300	300	600
Information Technology	456	509	965
Arts High School/Residential Life	100	100	200
Administrative Support Services	<u>122</u>	<u>122</u>	<u>244</u>
GOVERNOR'S RECOMMENDATION	\$7,189	\$7,350	\$14,539

Brief Explanation of Budget Decisions:

- Base adjustments include increases of \$7,000 each year for costs related to statewide system operation and \$105,000 in F.Y. 2000 and \$213,000 in F.Y. 2001 for the salary and benefit compensation costs, and a reduction of \$21,000 each year for the uniform pension bill reduction.

GOVERNOR'S RECOMMENDATION(S):

- *Statewide Professional Development.* \$300,000 each year to continue work on the graduation standards and other activities related to statewide professional development in the arts.
- *Information Technology.* \$456,000 in F.Y. 2000 and \$509,000 in F.Y. 2001 to develop and improve the Center's technology infrastructure.

- *Arts High School.* \$100,000 each year to improve instructional programs and maintain basic services related to the residential program, such as transportation and safety.
- *Administrative Support Services.* \$122,000 each year to support the Center's general administrative services and facilities functions. Of this, \$50,000 is for capital repair and replacement costs.

**2000-01 Biennial Budget
Agency Level Revenue Summary**

AGENCY: Lola & Rudy Perpich MN Center for Arts Education

REVENUE SOURCES:

The Center generates dedicated revenue in special revenue, agency and gift accounts. The special revenue account includes arts high school student residential fees, arts high school student performances, cafeteria receipts, charges for statewide professional development workshops and resource materials, and interest. Revenues are estimated to be \$348,000 for 1999. The Center also receives approximately \$11,000 annually in federal reimbursements for participation in the national school breakfast and lunch program. Residential fees and cafeteria receipts are used to support the agency's food service contract; student performance revenue is used to defray expenses associated with student performances and exhibits; charges for workshops and materials are used to defray some of the costs of workshop implementation and materials production.

The agency fund consists of a grant from the Department of Education, Children & Families to support the graduation rule, and arts high school residential emergency and damage deposit fees, student activity fees, and a tax sheltered annuity account. Collections are estimated to be \$362,000 for 1999.

The gift fund consists of donations and grants from private, non-profit foundations, businesses and individuals. This fund includes gifts to the capital fund (to augment the capital appropriation for a new instructional wing under construction), a grant from the Annenberg Foundation to work with Minneapolis public schools, gifts from corporate foundations to support arts education initiatives in Minneapolis and St. Paul public schools, and a small student assistance fund supported by individual contributions which supports needy student's summer education opportunities or exploratory visits to postsecondary schools. Collections for 1999 are estimated to be \$763,000.

FEE STRUCTURE:

By statute, the Center's governing board is required to charge a "reasonable" fee for students to live in the residence hall. The current fee is \$1,450, which is dedicated to supporting student food service. The full cost of housing, supervising and feeding a residential student is estimated at \$5,568 per student. Residential

students are also charged a \$50 emergency fee and \$125 damage deposit, both of which are refundable, and a \$50 cleaning fee, which is not refundable. All students, commuter and residential, pay a \$50 non-refundable activity fee.

Major grants to the Center support arts education initiatives in Minnesota public schools. The Center retains 10% of grant and gift monies received to offset administrative costs incurred for assisting with grant administration. The majority of the grant monies are either passed through to the participating districts or used to support the salaries of staff whose job is to work with local district personnel on these projects.

RECENT CHANGES:

In 1998, the Center's board increased the student residential fee by \$100, which has resulted in increased collections of approximately \$10,000.

Also in 1998, the Center received notification that it, in conjunction with the Minneapolis Public schools, had been awarded up to \$3,200,000 in Annenberg Foundation funds over a 4-year period, for the purpose of initiating and implementing strategies to reform education using the arts. In order for Annenberg funds to be released, a match of \$6.4 million is required, not more than 50% of which can be public dollars.

FORECAST BASIS:

Major gifts and grants from foundations and corporations are limited in duration and scope. As projects are retired, the Center will lose administrative revenue it uses to support staff salaries and other administrative services.

CHANGE ITEMS:

It is expected that the Center's Board of Directors will consider raising the arts high school student residential fee again in the spring of 1999. The outcome of those deliberations is unknown at this time.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: CENTER FOR ARTS EDUCATION

Summary of Agency Revenues	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Forecast	Governor Recomm.	Forecast	Governor Recomm.	Dollars	Percent
DEDICATED RECEIPTS:									
GRANTS:									
FEDERAL	21	15	11	11	11	11	11	(4)	-15.4%
AGENCY	221	282	300	300	300	300	300	18	3.1%
OTHER REVENUES:									
SPECIAL REVENUE	283	335	319	319	319	319	319	(16)	-2.4%
AGENCY	47	57	58	58	58	58	58	1	.9%
GIFT	321	562	763	763	763	763	763	201	15.2%
OTHER SOURCES:									
SPECIAL REVENUE	44	30	29	29	29	29	29	(1)	-1.7%
AGENCY	4	4	6	4	4	4	4	(2)	-20.0%
Total Dedicated Receipts	941	1,285	1,486	1,484	1,484	1,484	1,484	197	7.1%
Agency Total Revenues	941	1,285	1,486	1,484	1,484	1,484	1,484		7.1%

2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

AGENCY: Lola & Rudy Perpich MN Center for Arts Education

I. Statewide Professional Development

PROGRAM PROFILE:

An increasingly important part of the Center's mission is to provide professional development opportunities statewide to teachers and teaching artists in the K-12 system. By statute, the Center is charged with helping to meet the staff development challenges posed by Minnesota's Graduation Standards.

STRATEGIES AND PERFORMANCE:

The Center uses the following strategies to help meet teachers' and teaching artists' demands for new resources and materials, and new tools and methods to meet higher and more complex expectations.

A. Professional Development Institute

Staff work closely with teachers and artists to build new skills and knowledge. Major activities include:

- *Partnerships between Schools and Arts Organizations.* The Center works with schools and arts organizations who commit staff and resources to plan and deliver professional development programs specific to their region of the state, community and/or clients. These include:
 - Partners School Program
 - Dance Education Initiative (DEI)
 - Comprehensive Arts Planning Program (CAPP)
 - Private/Public Partnerships, including the Minnesota Arts & Education Partnership (MAEP), the Annenberg Initiative: Arts for Academic Achievement, and Partners: Arts and Schools for Students (PASS).
- *Classes/Seminars/Conferences.* The Center provides direct instruction through short and long-term workshops, courses and seminars, including graduate credit classes offered through various colleges and universities and summer institutes

in collaboration with the State Arts Board.

- Artist/Educator Institute
- Graduation Rule/Profile Training
- Sponsorship of conferences on key issues (cognition, brain research)
- Assessment Development for Graduation Standards

- *Network of Practitioners.* The Center is creating a statewide network of teachers and teaching artists to share information on effective practices, course materials and teaching strategies. The network is built using person-to-person interaction and supported through technology (list servers, e-mail, distance learning). Practitioners working together is one of the best ways to implement and sustain education reform.

B. Research

- *Research Information Resources.* The Center assembles information from leading projects and programs, both nationally and internationally. Research findings are maintained in the professional development collection of the Learning Resource Center (library). Findings are shared through professional development programs and through electronic and print media, special briefings and information sessions.
- *Funding of Research Initiatives.* Limited funding supports research undertaken in response to requests for proposals.

C. Grant Making

Through its Minnesota Arts eXperience grants program, the Center supports an array of practitioner-driven programs designed to introduce the arts as a resource to new users, schools and communities.

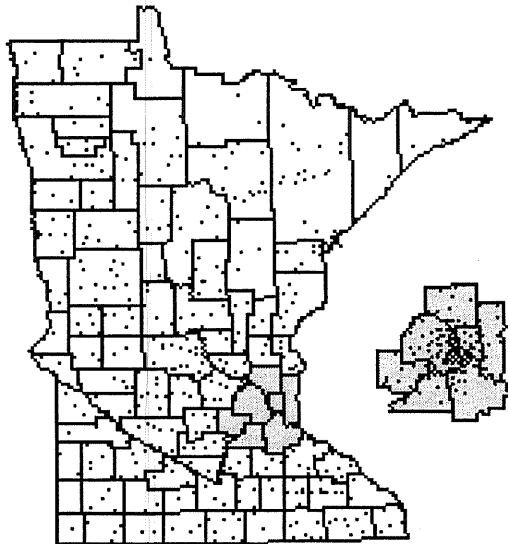
Program performance is measured by:

- Number and demographic profile of program users;
- Geographic spread of provided and requested services;
- Demand for services and products;
- Informal evaluations/feedback of program participants;
- Formal evaluations and research initiatives; and
- Grants from other organizations to develop effective instructional practices.

2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education
AGENCY: Lola & Rudy Perpich MN Center for Arts Education
 (Continuation)

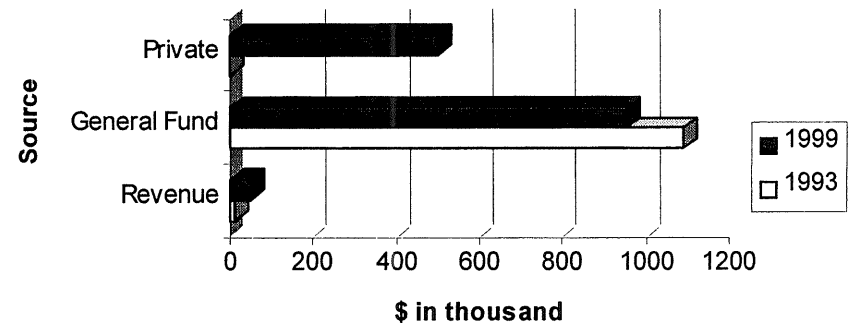
Professional Development Sites 1986-1997



FINANCING INFORMATION:

The professional development programs are supported by General Fund appropriations, private non-profit dollars and fees. When the state suffered budget shortfalls in the early 1990s, the Center's base budget was reduced by 18%, and has remained relatively flat since that time. As the cost of the arts high school and residential life component continue to increase, the resources available for statewide professional development efforts continue to erode. To maintain high quality services, the Center charges for some materials and services (conferences, workshops), has solicited grants from foundations to support development and outreach, and has responded to foundation requests to develop education programming for community initiatives. Staff salaries supported by foundation dollars are valued at approximately \$60,000 (1.5 positions). Program cuts have totaled \$150,000.

Changes in Funding Sources 1993 vs. 1999



BUDGET ISSUES:

The key issue for the professional development program is how much of the budget should be supported by private dollars. Private dollars are usually short-term and project specific, and are an unpredictable source of revenue. While the Center has been willing to develop alternative sources of funding outside the general fund, it is seeking some stability in its basic program operations to offset the loss in General Fund purchasing power over the last few years. We would instead like to be able to use non-profit dollars to augment our ongoing, statutorily required work, rather than to support it.

2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

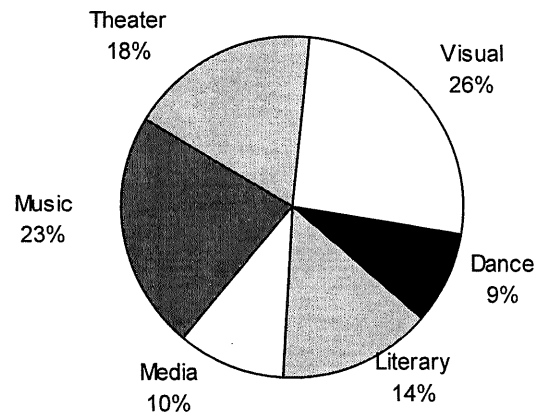
AGENCY: Lola & Rudy Perpich MN Center for Arts Education
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II. Arts High School

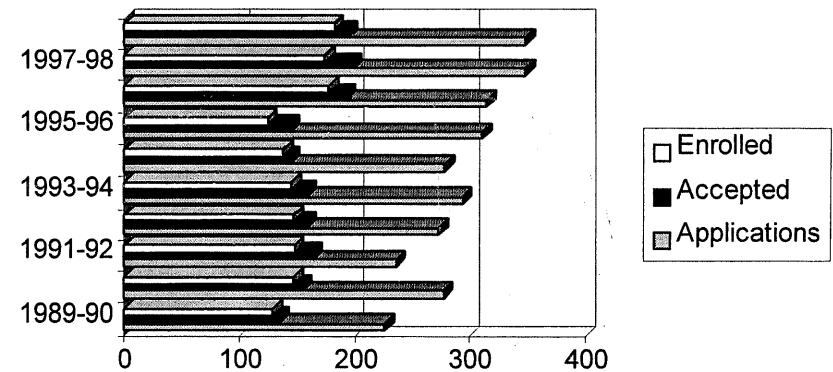
PROGRAM PROFILE:

The arts school is a statewide public high school serving 11th and 12th graders who are motivated and talented in the arts. Students come from each of the 8 congressional districts and are accepted through a competitive review process that is governed by administrative rule. By statute, enrollment is capped at 300 students. The program has been fully enrolled for the last 3 years. The ratio of applicants to acceptances is approximately 2:1. Students choose to attend the arts school for several reasons, including immersion opportunities in art forms that are unavailable in their local schools, instruction that is compatible with their learning styles, solid academic instruction, strong post-secondary counseling, and a safe environment for those who have felt ostracized or estranged in their local communities.

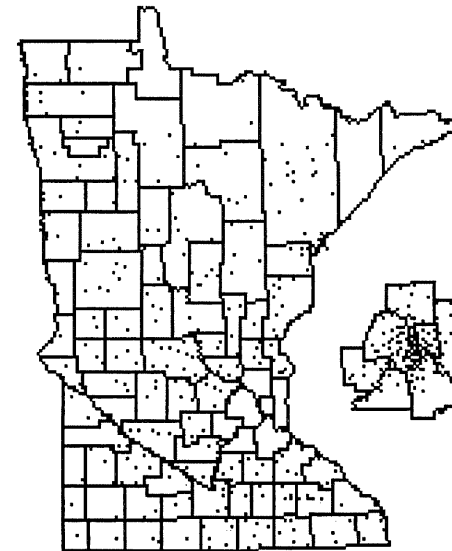
Enrollment by Art Area



Admissions Information



APPLICANT LOCATIONS 1989-1997



2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

AGENCY: Lola & Rudy Perpich MN Center for Arts Education

(Continuation)

STRATEGIES AND PERFORMANCE:

The arts high school offers an interdisciplinary, full-time comprehensive instructional program that leads to a high school diploma. Students enroll in one area of art specialization: dance, literary arts, media arts, music, theater, or visual arts. Academic offerings include: English, foreign languages (Spanish and French), chemistry, physics, social studies, and mathematics. The program is designed to offer in-depth learning experiences in both the arts and academics through individualized instruction, performances and exhibitions, block scheduling and an extended school day. The program is student-centered with high standards and personal accountability for performance. The school expects its graduates to be creative thinkers and problem-solvers, proficient in the application of fundamental skills, technologically sophisticated, and aware of what it takes to be a successful and productive citizen in the world after school.

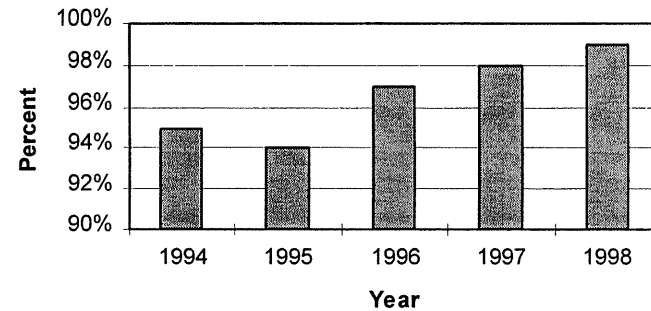
Teachers serve expanded professional roles by advising students, coordinating administrative functions such as purchasing and contracting, participating in extensive agencywide committee work to develop the Center's priorities and direction, and developing curriculum and assessment packages that support the graduation standards, both internally and for use by professionals statewide.

Performance indicators the school uses to evaluate its effectiveness include:

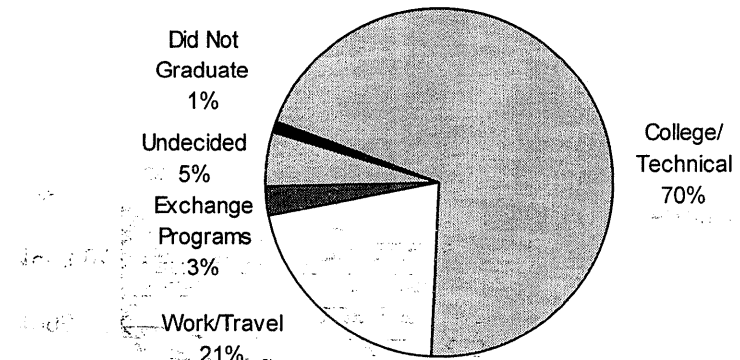
Comparative ACT Scores:

	<u>Arts High School</u>	<u>National Average</u>
1994	21.0	20.8
1995	23.0	20.8
1996	24.0	20.9
1997	23.0	20.7
1998	23.0	20.5

Rates of Graduation



Post-Secondary Plans 1998



2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
(Continuation)

FINANCING INFORMATION:

The arts high school is funded through a General Fund appropriation. All students pay a small activity fee that funds group social activities outside the school program.

BUDGET ISSUES:

The cost of the school program has grown over the last several years, primarily due to the following factors:

- A relatively young instructional staff which has progressed upwards through the salary grid both in terms of cost of living adjustments and step/lane changes, resulting in approximate annual salary increases of 6%.
- The expansion of course offerings in response to parent/student demand and teacher recommendations. This has required additional part-time faculty, increased hours for existing part-time faculty, and expansion of some part-time faculty to full-time status, as well as a commensurate increase in supplies and materials.
- An extended school day which requires security personnel to monitor the 33-acre campus and facilities after 4:00 p.m. Because school buildings are open late into the evening to students and teachers for informal and formal learning opportunities, an adult supervisory presence is needed to secure student and staff safety and respond to emergencies.
- Recurring investments in sophisticated equipment and ancillary applications needed to teach art areas that are equipment and materials intensive, i.e. media, visual arts and music.

Other factors contributing to school costs include the relatively small student population of 300 and the need to teach a comprehensive and challenging cur-

riculum, given the career goals and postsecondary aspirations of the students. Under these circumstances, economies of scale available to larger schools are not achievable.

The Center is currently reviewing and re-writing the high school's admission rule. Ten years of experience, coupled with the implementation of the state's graduation standards, are driving the process, which is anticipated to result in more complex student evaluation procedures, with staffing implications.

III. Residential Life

PROGRAM PROFILE:

The arts high school enrolls students from throughout Minnesota, and operates a residence hall on campus to facilitate out-state attendance. The purpose of the program is to provide a safe and secure place for students who do not reside within reasonable commuting distance to live while they are in school.

- The facility has a capacity to house 168 students.
- Food service is provided in the main classroom building through a contract with a commercial vendor.
- Eligibility for dormitory living is governed by the distance between a student's home residence and the campus.
- Students apply to live in the dormitory.
- Students pay a fee to defray operating costs. The current fee is \$1,450/year.

The residence hall consists of 1 dormitory with 3 floors of approximately 12,500 square feet each. Girls live on 2 floors; boys on 1. Supervision, counseling, health assistance and social activities are provided by a staff of 11: a residence hall director, assistant director (who is a social worker as well), nurse, health and wellness counselor (also a social worker) and 5 residence hall coordinators. The residence hall coordinators are the first line of support for students. Supervision is 24 hours a day, 7 days a week while students are on campus.

STRATEGIES AND PERFORMANCE:

Managing a creative adolescent population in a residential setting is an on-going challenge. The staff to student ratio is now 12.5 to 1, roughly comparable to other high school residential programs. Students apply to live in the dormitory, and participate, with their parents, in an interview process. This has yielded good information about student needs and family dynamics. It is an excellent

2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
(Continuation)

way to proactively inform students of rules and expectations and to avoid inappropriate placements. Living in the dormitory is considered a privilege. Students who do not respect the privilege by consistently violating house rules are subject to having their contracts canceled.

Arts school students face the same social and health pressures as other adolescents. Sometimes the issues are exacerbated by being away from home; sometimes they are mitigated by the distance. Students with "special needs" contracts (requiring special consideration for issues related to mental or physical health) are monitored especially carefully and require considerable staff time and investment. Special needs students comprise about 15% of the dorm population.

Residence hall staff make extraordinary efforts to communicate regularly with parents, through written dorm progress reports, personal parent conferences, phone conferences, monthly reports of student off-campus activities, and periodic dorm informational meetings.

A successful year in the dormitory is generally measured by:

- the number of complaints;
- canceled contracts;
- incident reports; and
- feedback from parents.

FINANCING INFORMATION:

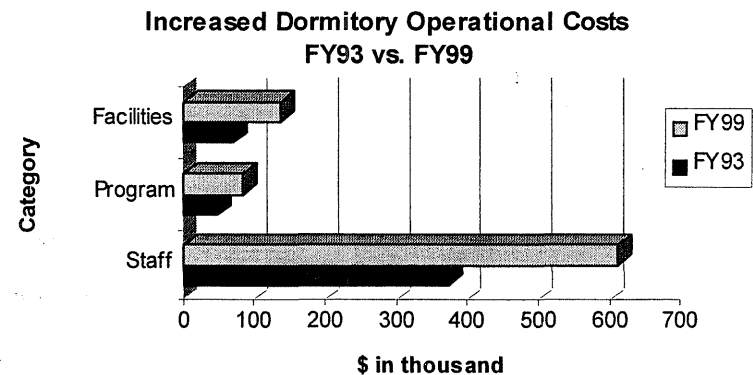
The total cost of the residential life component for the 1998-99 school year is estimated at \$835,000. Parents are charged an annual fee of \$1,450, which covers the cost of food services and 1 staff. A sliding fee scale is available for students who qualify for the federal school breakfast and lunch program. Fee revenue supports 20% of the program; the balance of \$660,000 is paid for out of the Center's General Fund appropriation.

BUDGET ISSUES:

Residential facilities for minor adolescent students are expensive to operate. They are labor intensive and require considerable outlay for maintenance, repairs and periodic updating. The increase in dormitory staff in recent years has been driven by the need to provide a safer and more secure environment for students living away from home for the first time.

By law, the Center's board is required to charge a "reasonable" fee for room and board. The definition of "reasonable" is an on-going discussion:

- Is it appropriate to charge out-state students the full cost if living in the dorm is the only way they can attend the arts school?
- Should there be a more elaborate need-based fee schedule that requires some parents to pay more based on their income, regardless of how far they live from campus?
- Will higher fees decrease opportunities for out-state students?
- What is the threshold where access is diminished for non-commuting students?



2000-01 Biennial Budget

PROGRAM: Lola & Rudy Perpich MN Center for Arts Education

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
(Continuation)

Increasing dormitory costs have resulted in diminished resources for the school and professional development programs. In order to protect the integrity of the school program and slow down the erosion in professional development programming, additional general fund dollars are needed. Other options to address the problem include:

- Increase fees and risk a loss of out-state students;
- Reduce dorm staff and risk student health and safety;
- Eliminate dorm eligibility for more students and require them to find their own housing or assume on longer commutes;
- Enroll out-of-state students and charge them the full cost of the program, including instruction.

IV. Administrative Support Services

PROGRAM PROFILE:

The arts high school, professional development and residential programs of the Center share equally in general administrative services costs.

STRATEGIES AND PERFORMANCE:

The Center's administrative services delivery is similar to other state agencies. Most major administrative functions such as general accounting and reporting, personnel, purchasing, technology, accounts payable, and maintenance/facilities are centralized to ensure compliance with state laws and administrative policy. The Center's facilities maintenance responsibility is significant.

Administrative performance is gauged by feedback/complaints from staff, students and parents, contractors and vendors, and other agencies responsible for oversight, compliance and monitoring such as the Office of the Legislative Auditor, Departments of Finance, Employee Relations and Administration.

FINANCING INFORMATION:

General administrative services are funded through the center's General Fund appropriation.

BUDGET ISSUES:

Major issues for the Center's administrative services division include:

- The need to attract, add and retain technology staff and secure operational dollars.
- The need to respond to human services issues and state policy directives.
- Increased demand for information by the general public, students, teachers, and artists for information in many formats -- print, electronic, personal visits, exchanges, tours, product development, etc.
- The desire to be able to proactively address facilities and grounds maintenance issues.

GOVERNOR'S RECOMMENDATION:

The Governor recommends increased appropriations of \$978,000 in F.Y. 2000 and \$1.031 million in F.Y. 2001.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: CENTER FOR ARTS EDUCATION

Program: CENTER FOR ARTS EDUC

Activity: CENTER FOR ARTS EDUC

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	3,421	3,586	4,056	3,933	4,480	4,041	4,620	1,458	19.1%
OPERATING EXPENSES	2,040	1,657	2,826	2,432	2,763	2,412	2,764	1,044	23.3%
OTHER EXPENSES	14	18	20	20	20	20	20	2	5.3%
SUBTOTAL STATE OPERATIONS	5,475	5,261	6,902	6,385	7,263	6,473	7,404	2,504	20.6%
CAPITAL OUTLAY	37	0	100	84	84	84	84	68	68.0%
PAYMENTS TO INDIVIDUALS	60	63	68	37	37	37	37	(57)	-43.5%
LOCAL ASSISTANCE	560	977	1,292	1,224	1,324	1,209	1,309	364	16.0%
Total Expenditures	6,132	6,301	8,362	7,730	8,708	7,803	8,834	2,879	19.6%
<u>CHANGE ITEMS:</u>									
	<u>FUND</u>								
(B) PROFESSIONAL DEVELOPMENT	GEN				300		300		
(B) INFORMATION TECHNOLOGY	GEN				456		509		
(B) ARTS HIGH SCHOOL	GEN				100		100		
(B) GENERAL ADMINISTRATIVE SERVICES	GEN				122		122		
Total Change Items					978		1,031		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	5,300	5,176	6,312	6,211	7,189	6,319	7,350		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	342	275	501	348	348	348	348		
FEDERAL	111	18	17	11	11	11	11		
AGENCY	135	251	613	362	362	362	362		
GIFT	244	581	919	798	798	763	763		
Total Financing	6,132	6,301	8,362	7,730	8,708	7,803	8,834		
<u>REVENUE COLLECTED:</u>									

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
PROGRAM: Lola & Rudy Perpich MN Center for Arts Education
ACTIVITY:

ITEM TITLE: Statewide Professional Development

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$300	\$300	\$300	\$300
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-
Statutory Change? Yes ___ No <u>X</u>				
If yes, statutes(s) affected:				
<input type="checkbox"/> New Activity <input checked="" type="checkbox"/> Supplemental Funding <input type="checkbox"/> Reallocation				

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$600,000 to restore and maintain statewide professional development arts education efforts for K-12 teachers and teaching artists.

RATIONALE:

Education research continues to show that the arts engage students in learning and can contribute to increased student achievement. The Center's statutory responsibility is to 1) provide teacher education services statewide that support the improvement of arts education, and 2) to encourage and demonstrate how the use of the arts throughout the general curriculum can be effective. It is especially important to continue and expand professional development efforts as they relate to the implementation of the new graduation rule and profile of learning.

Budget pressure in the early 1990s was felt most acutely in the professional development wing of the agency. In order to adequately fund direct student services, i.e. the arts high school program, the campus residence hall (which houses

approximately 50% of the student population), and the growing need for sophisticated technology, funds were shifted out of the professional development division. The Center is seeking restoration of lost purchasing power for program development and staff support.

FINANCING:

To supplement the existing professional development budget and maintain a high quality of service delivery, the Center charges for some materials and services, and has solicited and received foundation grants. An additional infusion of General Fund dollars is sought to reduce reliance on external funds to support statutory responsibilities. Specifically, the Center seeks a continuation of the one-time 1998 \$300,000 arts resource grant to continue work on the implementation of the new graduation standards.

Existing base budgets for this area includes:

General Fund	\$ 950,000
Private/Foundation	\$ 500,000 (Projected)
Arts Resource Grant	\$ 300,000 (One-Time)
Other Revenue	<u>\$ 40,000</u>
TOTAL	\$1,790,000

OUTCOMES:

- Increased proficiency with graduation rule implementation.
- Development of meaningful education products for educators' use.
- Greater rates of educator participation in staff development opportunities.
- More opportunities for immersion in arts high school programs by interested teachers from other schools.
- Expansion of the Center's partnership base with communities, arts organizations and schools.
- Increased student learning statewide through the application of research findings.

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
PROGRAM: Lola & Rudy Perpich MN Center for Arts Education
ACTIVITY:

ITEM TITLE: Arts High School

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$100	\$100	\$100	\$100
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-
Statutory Change? Yes ____ No <u>X</u>				
If yes, statutes(s) affected:				
<input checked="" type="checkbox"/> New Activity <input checked="" type="checkbox"/> Supplemental Funding <input type="checkbox"/> Reallocation				

GOVERNOR'S RECOMMENDATION:

The Governor recommends that \$200,000 be added to the base of the arts high school budget to address instructional and residential life issues unanticipated during the program's initial planning.

RATIONALE:

As the arts high school program matured over the last decade, it became apparent that the initial planning process did not adequately anticipate the supervisory costs of running an extended school day, the curricular demands of students and parents, nor the staffing implications of operating a residential life program for adolescent children. The need to absorb these costs within a reduced budget and assume the costs of faculty progression through the salary grid, has resulted in an erosion of funds available to purchase new instructional materials, replace obsolete or broken equipment, offer new courses, and keep even with inflationary pressures on program budgets that have been held flat or reduced.

FINANCING:

The additional funds will be used to augment instructional programs, and better maintain the residential life program including security and transportation services.

Existing budget bases for these areas are:

	<u>Program</u>	<u>Salaries</u>	<u>Total</u>
Student Services	\$96,000	\$320,000 (7.25 fte)	\$416,000
Residential Life	<u>50,000</u>	<u>610,000</u>	<u>\$660,000</u>
TOTAL	\$146,000	\$930,000	\$1,076,000

OUTCOMES:

- Increased capacity of school programs to keep pace with inflation and respond to curricular demands and standards.
- Proactive planning for the regular rotation and replenishment of materials and equipment.
- Enhanced residential programs, student van service and security presence after midnight.

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Lola & Rudy Perpich MN Center for Arts Education
PROGRAM: Lola & Rudy Perpich MN Center for Arts Education
ACTIVITY:

ITEM TITLE: Administrative Services

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$122	\$122	\$122	\$122
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

☐ New Activity ☒ Supplemental Funding ☐ Reallocation

GOVERNOR'S RECOMMENDATION:

The Governor recommends the addition of \$244,000 to support the Center's general administrative services and facilities functions. This includes a biennial increase of \$100,000 to the agency's base budget for repair and replacement of state asset and facilities. This recommendation is part of a statewide, multi-agency initiative to reduce facility repair and replacement needs by approximately 5% in each agency.

RATIONALE:

In F.Y. 1992, the Center sustained a 18% reduction in its budget. Since that time, it has received some small compensation increases to its base, and an appropriation increase in F.Y. 1998 to support the operations of a new classroom wing. While every effort has been made to keep administrative staff and budgets to a minimum, costs have risen due to general inflationary factors and the requirement that agencies absorb escalating insurance costs within their base budgets. As programs have expanded, so have numbers of staff and their demands on lean administrative

resources. And, as the Center's reputation has grown, requests for information, tours, and consultation have increased. Teachers and other professionals are not able to manage the logistics of responding to the inquiries by themselves. Additionally, the Center has significant facilities maintenance responsibility which has been underfunded since the creation of the agency. The lack of sufficient repair and maintenance resources causes difficulties in planning regular physical plant maintenance and managing major breakdowns in equipment and systems.

FINANCING:

Resources will be targeted to specific areas of need: relief from escalating insurance costs, and operating costs related to recent capital projects, an enhanced facilities repair and replacement budget. Current base budgets for these areas are:

	<u>Program</u>	<u>Salaries</u>		<u>Total</u>
Facilities repair and replacement	\$60,000	\$147,000	(3 fte)	\$207,000
Insurance cost reimbursement	-0-	442,000	(85* 5,200)	442,000
TOTAL	\$60,000	\$589,000		\$649,000

OUTCOMES:

- An enhanced staff presence to deal with internal and external human resources issues and state policy directives.
- An improved capacity to proactively address facilities and grounds maintenance issues.

F.Y. 2000-2001 Information Technology New Funding

AGENCY: CENTER FOR ARTS EDUCATION

PROGRAM: CENTER FOR ARTS EDUC

ACTIVITY: CENTER FOR ARTS EDUC

IT Change Item: INFORMATION TECHNOLOGY

ITEM DESCRIPTION AND PURPOSE:

Operations & Additional Staff

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	89	98	103	108	113	119
Personnel	322	354	389	428	471	518
Services	19	23	24	25	27	28
Software	13	17	18	19	20	21
Supplies	10	12	12	13	14	15
Training	3	5	5	6	6	6
Total	456	509	551	599	651	707

Funds are requested to provide a full complement of appropriately-qualified personnel; enhanced database programming and management and improved capacity to develop new information applications; student-based instructional services; and a regular replacement schedule for hardware and software.

RATIONALE:

The Center needs increased financial resources to support its general technology infrastructure. Technology staff complement has grown from 1 in 1991 to five in 1998. This growth is attributable to the increasingly sophisticated and rapidly changing electronic environment in which the Center functions, both in terms of administrative operations and instructional expectations. Increased payroll costs and investments in equipment and ancillary support services have been absorbed within the Center's operating base.

The maturation of the arts high school program and the demands on the statewide professional development division of the agency continue to exert pressure on a limited resource base. That pressure has resulted in some positions remaining vacant and the diversion of program dollars to help fund technology staff and basic operations, i.e. the regular rotation and retiring of obsolete equipment. The continued erosion of program dollars has created performance issues and unfulfilled expectations from professionals in the field, arts high school students, parents and staff. Additional technology funding would allow the Center to complete its information systems complement, enhance administrative functions in terms of database programming and management, provide student-based instructional services that are relevant to their fields of specialization and study, and enhance statewide professional outreach efforts to teachers who are working to integrate the arts into their curricula and meet K-12 graduation standards.

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development						
Operations	X	X	X	X	X	X
Modification						
Retirement						

F.Y. 2000-2001 Information Technology New Funding

OFFICE OF TECHNOLOGY ANALYSIS:

The Center is new to the information resource management approach. The Center will be required to address information resource management practices in conjunction with receipt of funding.

OT Master Plan: Goal 1-Technically literate and competent society. This project would provide basic technology infrastructure, student-based instructional services, and additional staff to support the center's rapidly growing electronic environment. Recommendation: Proceed as planned. OT supports this project.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$456,000 in F.Y. 2000 and \$509,000 in F.Y. 2001 to support the agency's technology infrastructure and staffing needs.

2000-01 Biennial Budget
PROGRAM STRUCTURE/INDEX

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**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Minnesota State Academy for the Deaf and the Blind

AGENCY MISSION AND VISION:

The Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind are statewide public schools with dormitory facilities that provide programming for deaf or blind students. Students receiving educational services through the Academies range between the ages of 0-22, come from all regions of the state, and often have additional disabilities, some quite severe.

Federal law mandates that services provided by the Academies meet the student's need for a free and appropriate public education within the least restrictive environment. Students attending the Academies have direct access to the services they need to become productive citizens. In addition to services provided on campus, the Academies offer services within the community and within public schools across Minnesota.

To fulfill the agency mission, the Academies both educate enrolled students and/or support public schools to educate students to:

- develop self-esteem, social skills, leadership skills, and specialized skills such as braille or sign language;
- complete a course of study comparable to public schools;
- earn a living, become integrated into the community, live on their own or in supported living arrangements; and
- prepare for higher education or vocational training.

KEY SERVICE STRATEGIES:

The range of services provided by the Academies to support the agency's mission are unique and often complex when compared to most public schools, making the Academies a necessary option for many school districts.

OPERATING ENVIRONMENT:

The Academies have provided educational services to deaf and blind students for more than 130 years. Historically, the Academies were the only educational options

available to deaf or blind students. If students were deaf or blind it was assumed they would attend the Academies. Today, most deaf and blind students attend school in their local community.

The Academies:

- provide services that would be prohibitively expensive or unavailable in public schools;
- help the state meet federal statutory requirements, the Individuals with Disabilities Education Act (IDEA);
- provide access to a direct communication environment, comprehensive services, additional resources and increased opportunities which meet the individual needs of students as mandated by their individualized education plans (IEPs).

Services provided by the Academies have begun shifting over past years in an effort to maintain students within their own communities and meet gaps in services for deaf and blind students. As a result, students may have an "enrolled status" or "non-enrolled status." Enrollment trends are shown below:

	<u>F.Y.1994-95</u>	<u>F.Y.1995-96</u>	<u>F.Y.1996-97</u>	<u>F.Y. 1997-98</u>	<u>F.Y.1998-99</u>
Enrollment					
MSAB	58	57	63	66	66
MSAD	<u>158</u>	<u>150</u>	<u>145</u>	<u>148</u>	<u>150</u>
TOTAL	216	207	208	214	216

In addition to educating enrolled students, the schools provide services to non-enrolled students, school districts, and educators.

The Minnesota State Board of Education currently provides governance for the Academies and delegates responsibility for the day-to-day administration of the Academies to the chief administrator of each school. Because deaf and blind students have very different educational needs, each school has its own administrator. The administrators work jointly to meet the overall goals of the agency. In addition, they work together to administer those services shared between the 2 Academies such as personnel, maintenance, business office, health services, and nutrition.

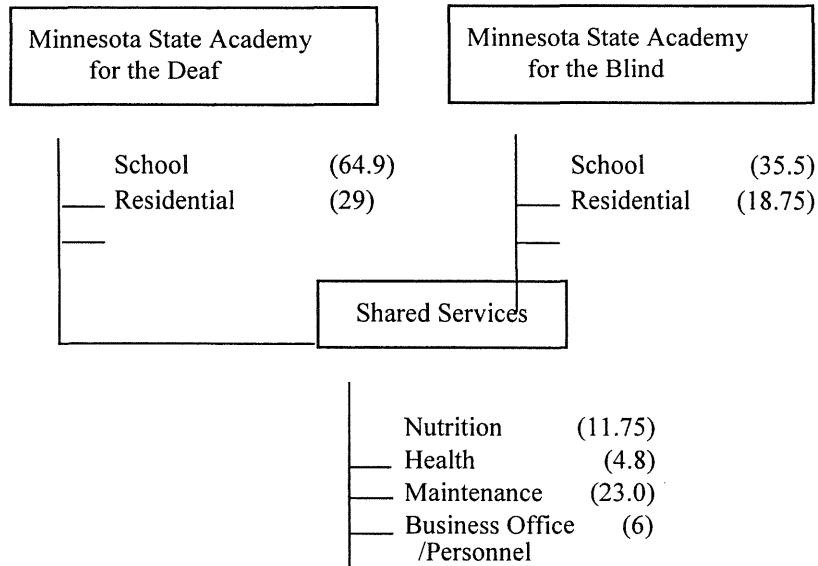
As the result of statutory changes made during the 1998 legislative session, the State Board of Education will be abolished in December 1999. A new 7- member

**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Minnesota State Academy for the Deaf and the Blind
(Continuation)

Academies. The Academies will continue their direct relationship with state agencies such as the Department of Administration, the Department of Finance, the Attorney General's Office, and the Department of Education, Children & Families.

ORGANIZATION/PROGRAM STRUCTURE:



6/30/98 Total FTE's (195.70) (19 FTE's are used as 1:1 assistants for students)

GOVERNOR'S RECOMMENDATION:

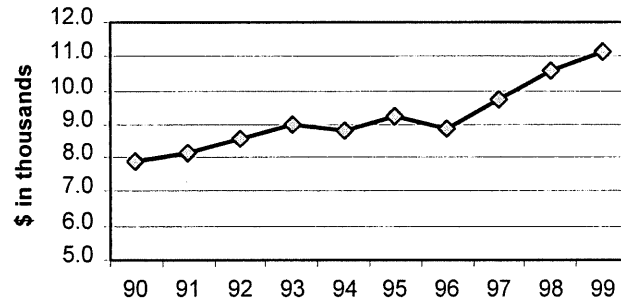
The Governor recommends a biennial appropriation of \$20.439 million, which includes funding for the following change items:

- \$355,000 in F.Y. 2000 and \$325,000 in F.Y. 2001 for Technology Maintenance.
- \$255,000 in F.Y. 2000 and \$255,000 in F.Y. 2001 for Career Development and Life Skills.
- \$230,000 in F.Y. 2000 and \$230,000 in F.Y. 2001 for Educational Remediation.
- \$75,000 in F.Y. 2000 and \$75,000 in F.Y. 2001 for Statewide Asset Preservation and Repair.

**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Minnesota State Academy for the Deaf and the Blind
(Continuation)

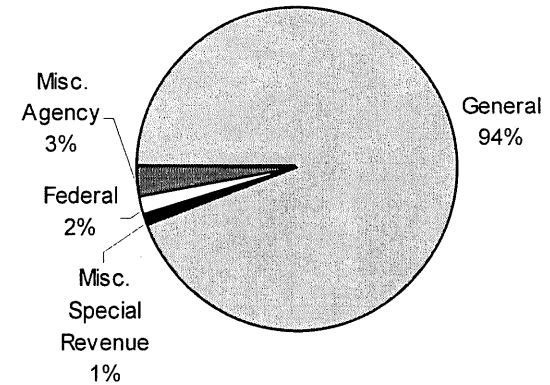
Total Budget - All Funds



One-time appropriations of \$1,783,000 were expended in F.Y. 1998-99

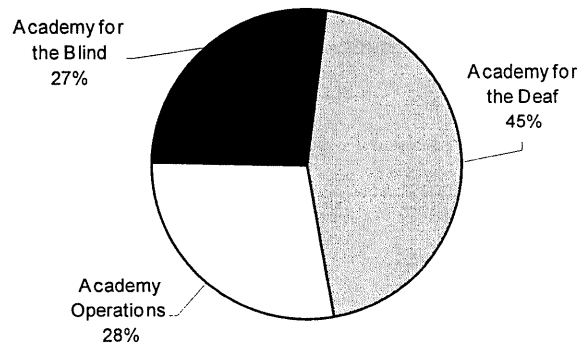
F.Y. 1998-99 Expenditures by Fund

Total \$21,740



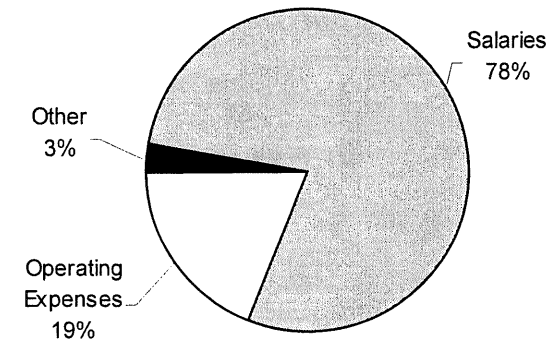
F.Y. 1998-99 Expenditures by Program

Total \$21,740



F.Y. 1998-99 Expenditures by Category

Total \$21,740



Personnel is 88% without one-time appropriations

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES

Program: RESENDT'L ACADEMIES/DEAF&BLIND

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY ACTIVITY:</u>									
ACADEMY FOR THE DEAF	4,278	4,819	5,199	4,745	5,145	4,858	5,258	385	3.8%
ACADEMY FOR THE BLIND	2,564	2,860	3,507	2,880	3,320	2,958	3,368	321	5.0%
ACADEMY OPERATIONS	2,905	2,918	3,186	3,199	3,274	3,257	3,332	502	8.2%
Total Expenditures	9,747	10,597	11,892	10,824	11,739	11,073	11,958	1,208	5.4%

<u>CHANGE ITEMS:</u>	<u>FUND</u>				
(P) CAREER DEVELOPMENT AND LIFE SKILLS	GEN			255	255
(P) EDUCATIONAL REMEDIATION	GEN			230	230
(P) TECHNOLOGY MAINTENANCE	GEN			355	325
(B) INCREASED R & R FUNDING	GEN			75	75
Total Change Items				915	885

<u>FINANCING BY FUND:</u>							
<u>DIRECT APPROPRIATIONS:</u>							
GENERAL	8,629	9,182	9,704	9,195	10,110	9,444	10,329
<u>STATUTORY APPROPRIATIONS:</u>							
GENERAL	620	787	1,249	1,012	1,012	1,012	1,012
SPECIAL REVENUE	117	111	133	115	115	115	115
FEDERAL	149	187	204	161	161	161	161
AGENCY	213	313	330	324	324	324	324
GIFT	19	17	265	16	16	16	16
ENDOWMENT	0	0	7	1	1	1	1
Total Financing	9,747	10,597	11,892	10,824	11,739	11,073	11,958

<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	188.0	188.5	187.8	187.8	198.8	187.8	198.8
PART-TIME, SEASONAL, LABOR SER	4.8	7.3	8.1	8.1	8.1	8.1	8.1
Total Full-Time Equivalent	192.8	195.8	195.9	195.9	206.9	195.9	206.9

**2000-01 Biennial Budget
Agency Budget Brief
(\$ in thousands)**

Agency: Minnesota State Academy for the Deaf and the Blind **Fund:** General

	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>Biennium</u>
<u>BASE-YEAR (F.Y. 1999)</u>			
Appropriations (F.Y. 1999)	\$9,486	\$9,486	\$18,972
<u>BASE ADJUSTMENT</u>			
One Time Appropriation	(500)	(500)	(1,000)
2000-01 Salary Benefit Base	241	490	731
Uniform Pension Bill Reduction	43	(43)	(86)
Statewide Administration Systems	<u>11</u>	<u>11</u>	<u>22</u>
<u>BASE LEVEL (for 2000 and 2001)</u>	\$9,195	\$9,444	\$18,639
<u>CHANGE ITEMS</u>			
Career Development and Life Skills	255	255	510
Educational Remediation	230	230	460
Technology Maintenance	355	325	680
Statewide Asset Preservation and Repair	<u>75</u>	<u>75</u>	<u>150</u>
GOVERNOR'S RECOMMENDATION	\$10,110	\$10,329	\$20,439

GOVERNOR'S RECOMMENDATION:

The Governor recommends the agency's base budget and the following change items:

- *Career Development and Life Skills:* \$255,000 each year to support and enhance programming at the Academies.
- *Educational Remediation:* \$230,000 each year to provide additional remediation instruction to enrolled and non-enrolled students.
- *Technology Maintenance:* \$355,000 in F.Y. 2000 and \$325,000 in F.Y. 2001 to maintain existing computer infrastructure and integrate computers in the classroom.
- *Statewide Asset Preservation and Repair:* \$75,000 each year for ongoing repairs, maintenance and asset preservation activities. This recommendation is part of a statewide, multiagency initiative to reduce facility repair and replacement needs by approximately 5% in each agency.

Brief Explanation of Budget Decisions:

■ The budget includes the following base adjustments: a reduction of \$1.0 million due to one-time technology funding, an increase of \$731,000 for anticipated salary and benefit increases, an \$86,000 decrease due to the uniform pension bill reduction, and an increase of \$22,000 for statewide administrative system costs.

2000-01 Biennial Budget

PROGRAM: Minnesota State Academy for the Blind (MSAB)

AGENCY: Minnesota State Academy for the Deaf and the Blind

PROGRAM PROFILE:

The Minnesota State Academy for the Blind (MSAB) provides educational opportunities for blind/visually impaired students.

MSAB plays a vital role in services for students across Minnesota. While the core program offered by MSAB is the 24-hour educational program, MSAB strives to work collaboratively with local school districts and other governmental agencies to identify service delivery gaps, develop model programs, and encourage or provide services in underserved areas.

1997-1998 Students Served/Enrolled and Other

May 1 Student Count	Day Students	Residential Students	Total Enrolled Students Served
66	23	46	69

Numbers served in other programs:

- LIFE, a 4-week work program	10
- Summer School, a 3-week program	70
- Direct services in public schools	25
- Workshops for families	18 families
- Teachers of the blind training	450

STRATEGIES AND PERFORMANCE:

- Students at MSAB are subject to the Minnesota Graduation Rule requirement, as are their peers in public schools.
- Upon graduation, students attend post high school training programs, become employed, or are placed in alternative living arrangements.
- Performance is measured via progress in the development of skills as defined in the students' individual education plans (IEPs). This includes progress in academic and non-academic environments.

- MSAB is developing a transition survey which will help measure the school's performance.
- MSAB has consulted with school districts upon request to determine appropriate caseloads and strategies to serve students in public schools. MSAB has provided training for staff within the Academy as well as assisting with staff development for professionals across the state. Training opportunities have had a strong emphasis on technology and transition issues.
- In response to a shortage of orientation and mobility instructors in the state of Minnesota, MSAB has provided resources in conjunction with the Department of Education, Children & Families (ECF) and the Pennsylvania College of Optometry to support a graduate training program to produce 8 to 10 additional certified instructors. MSAB will develop strategies to encourage the University of Minnesota to maintain their teacher of the visually impaired training program.

FINANCING INFORMATION:

- The agency's General Fund direct appropriation accounts for approximately 85% of the Academies' operating budget.
- The agency receives approximately \$140,000 per year for tuition aid from school districts for students attending the Academies.
- The agency receives approximately \$627,000 per year from school districts and ECF for instructional aides required as part of a student's IEP.
- As a result of changes to the compensatory education statute, local school districts are now required to send the compensatory revenue generated by students attending MSAD or MSAB to the academies. This payment is estimated at \$245,000 per year.
- The agency receives federal Title I funds and federal funding for child nutrition programs. Combined these federal funds total \$161,000 per year.

BUDGET ISSUES:

- In recent years, the Academies have seen a changing student population. Students referred to the Academies have had increasingly complex needs, requiring more educational support services. Costs associated with serving

2000-01 Biennial Budget

PROGRAM: Minnesota State Academy for the Blind (MSAB)

AGENCY: Minnesota State Academy for the Deaf and the Blind
(Continuation)

more complex students have escalated due to increased personnel costs, materials and equipment.

- The Academies expect to have a dramatic increase in the number of retirees over the next 5-10 years. The severance costs for retirees places a strain on the agency's budget. Because of these budget constraints, the Academies frequently delay hiring replacement staff for up to 4 to 6 months.
- The Academies are faced with increasing costs which are not within the agency's control, such as insurance and staff contract settlements, placing stress on other areas of the budget.
- Faculty members working with deaf or blind students must have extensive training. At the same time, there is a severe shortage of qualified applicants, resulting in higher personnel costs.
- The Academies received one-time appropriations for furniture and technology initiatives in F.Y. 1998-99. Discounting these one-time appropriations, personnel costs make up 88% of the budget.
- The Academies are considered both a state agency and a public school. Because of its state agency status, the Academies have not received the funding increases provided to other public schools. Consequently, the Academies' abilities to strengthen programming in areas such as career development, vocational/technical, and life skills training is limited.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES

Program: RESENDT'L ACADEMIES/DEAF&BLIND

Activity: ACADEMY FOR THE BLIND

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	2,298	2,395	2,552	2,566	2,916	2,644	2,994	963	19.5%
OPERATING EXPENSES	225	439	940	300	390	300	360	(629)	-45.6%
SUBTOTAL STATE OPERATIONS	2,523	2,834	3,492	2,866	3,306	2,944	3,354	334	5.3%
CAPITAL OUTLAY	0	5	0	0	0	0	0	(5)	-100.0%
PAYMENTS TO INDIVIDUALS	33	21	15	14	14	14	14	(8)	-22.2%
LOCAL ASSISTANCE	8	0	0	0	0	0	0	0	
Total Expenditures	2,564	2,860	3,507	2,880	3,320	2,958	3,368	321	5.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(P) CAREER DEVELOPMENT AND LIFE SKILLS	GEN				135		135		
(P) EDUCATIONAL REMEDIATION	GEN				130		130		
(P) TECHNOLOGY MAINTENANCE	GEN				175		145		
Total Change Items					440		410		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	2,221	2,485	2,691	2,464	2,904	2,542	2,952		
STATUTORY APPROPRIATIONS:									
GENERAL	206	261	495	312	312	312	312		
SPECIAL REVENUE	85	64	56	55	55	55	55		
FEDERAL	29	27	28	28	28	28	28		
AGENCY	8	7	10	9	9	9	9		
GIFT	15	16	227	12	12	12	12		
Total Financing	2,564	2,860	3,507	2,880	3,320	2,958	3,368		
<u>REVENUE COLLECTED:</u>									

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES

Program: RESENDT'L ACADEMIES/DEAF&BLIND

Activity: ACADEMY FOR THE BLIND

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	159	230	434	311	311	311	311
SPECIAL REVENUE	80	55	55	55	55	55	55
AGENCY	9	7	9	9	9	9	9
GIFT	34	10	12	12	12	12	12
Total Revenues Collected	282	302	510	387	387	387	387
FTE BY EMPLOYMENT TYPE:							
FULL TIME	53.0	54.5	53.8	53.8	59.3	53.8	59.3
PART-TIME, SEASONAL, LABOR SER	0.3	0.8	1.6	1.6	1.6	1.6	1.6
Total Full-Time Equivalent	53.3	55.3	55.4	55.4	60.9	55.4	60.9

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2000-01 Biennial Budget

PROGRAM: Minnesota State Academy for the Deaf (MSAD)
AGENCY: Minnesota State Academy for the Blind and the Deaf
Minnesota State Academy for the Deaf

PROGRAM PROFILE:

The Minnesota State Academy for the Deaf (MSAD) provides educational opportunities for deaf/hard of hearing students.

Programming at MSAD includes regular and specialized curriculum for enrolled students, including such specialized courses as American Sign Language, Deaf Studies, and Independent Living Skills. The educational process is provided in an environment where direct communication access is available to all students. This setting is language-rich, using ASL and English to foster effective communication in a setting where there is a critical mass of similar-age, language peers. Students have social opportunities to develop positive self-esteem, leadership potential, self-advocacy skills and a sense of community. Updated technology prepares students for future career opportunities and employment. Cooperative activities with parents and siblings of the students improve outcomes and strengthen the family structure.

For some deaf students, their local school district is the appropriate placement. Consequently, MSAD has become a resource to Minnesota public school districts, supporting deaf students who are mainstreamed in the public school environment. MSAD provides outreach, assessment, and evaluation services statewide.

STRATEGIES AND PERFORMANCE:

Students at MSAD are subject to the Minnesota Graduation Rule requirements. Using updated technology and a professional staff of teachers who are required to pass Sign Language Proficiency tests, MSAD's goal is to have all students pass the basic skills test.

Performance is measured via progress in the development of skills as defined in the students' individual education plans (IEPs), including progress in academic and non-academic environments.

FINANCING INFORMATION:

MSAB's and MSAD's financing information was written jointly and is included under MSAB to avoid duplication. Please refer to Financing Information under MSAB.

BUDGET ISSUES:

MSAB's and MSAD's budget issues were developed jointly. To avoid duplication, they are listed in the MSAB program profile.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES
Program: RESENDT'L ACADEMIES/DEAF&BLIND
Activity: ACADEMY FOR THE DEAF

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	3,859	3,970	4,410	4,304	4,614	4,417	4,727	961	11.5%
OPERATING EXPENSES	401	830	759	416	506	416	506	(577)	-36.3%
SUBTOTAL STATE OPERATIONS	4,260	4,800	5,169	4,720	5,120	4,833	5,233	384	3.9%
PAYMENTS TO INDIVIDUALS	18	19	30	25	25	25	25	1	2.0%
Total Expenditures	4,278	4,819	5,199	4,745	5,145	4,858	5,258	385	3.8%
<u>CHANGE ITEMS:</u>									
<u>FUND</u>									
(P) CAREER DEVELOPMENT AND LIFE SKILLS	GEN				120		120		
(P) EDUCATIONAL REMEDIATION	GEN				100		100		
(P) TECHNOLOGY MAINTENANCE	GEN				180		180		
Total Change Items					400		400		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	3,899	4,272	4,422	4,067	4,467	4,180	4,580		
STATUTORY APPROPRIATIONS:									
GENERAL	288	435	614	560	560	560	560		
SPECIAL REVENUE	17	32	40	40	40	40	40		
FEDERAL	61	56	58	58	58	58	58		
AGENCY	9	23	20	15	15	15	15		
GIFT	4	1	38	4	4	4	4		
ENDOWMENT	0	0	7	1	1	1	1		
Total Financing	4,278	4,819	5,199	4,745	5,145	4,858	5,258		
<u>REVENUE COLLECTED:</u>									

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES

Program: RESENDT'L ACADEMIES/DEAF&BLIND

Activity: ACADEMY FOR THE DEAF

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	319	505	561	561	561	561	561
SPECIAL REVENUE	11	23	40	40	40	40	40
FEDERAL	89	83	86	86	86	86	86
AGENCY	11	13	15	15	15	15	15
GIFT	4	4	4	4	4	4	4
ENDOWMENT	0	0	1	1	1	1	1
Total Revenues Collected	434	628	707	707	707	707	707
FTE BY EMPLOYMENT TYPE:							
FULL TIME	92.0	92.0	92.0	92.0	97.5	92.0	97.5
PART-TIME, SEASONAL, LABOR SER	2.2	2.9	2.9	2.9	2.9	2.9	2.9
Total Full-Time Equivalent	94.2	94.9	94.9	94.9	100.4	94.9	100.4

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2000-01 Biennial Budget

PROGRAM: Academy Operations

AGENCY: Minnesota State Academy for the Blind (MSAB)
Minnesota State Academy for the Deaf and the Blind

PROGRAM PROFILE:

Academy Operations includes the following departments: building and grounds, personnel, business office, nutrition, and health services. The program helps both schools run effectively and efficiently.

Academy Operations:

- Maintains and preserves the physical plant, including historical buildings, in a manner which assures access and a safe learning and living environment for students and a safe working environment for staff;
- Provides food, health, and transportation services to students; and
- Provides personnel and financial management services to both schools.

STRATEGIES AND PERFORMANCE:

Prior to 1975, each school had a full complement of services. In an effort to economize resources and reduce duplication, the 2 schools combined the departments referenced above.

FINANCING INFORMATION:

See Financing under MSAB.

BUDGET ISSUES:

The ability of the buildings and grounds department to maintain and preserve the buildings has been greatly enhanced by appropriations made during the last 2 legislative sessions. Additional funding was used to make capital improvements, including replacing roofs and windows. However, the Academies continue to have a substantial backlog of deferred maintenance.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES
Program: RESENDT'L ACADEMIES/DEAF&BLIND
Activity: ACADEMY OPERATIONS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,895	1,793	1,977	2,025	2,025	2,083	2,083	338	9.0%
OPERATING EXPENSES	808	835	902	867	942	867	942	147	8.5%
OTHER EXPENSES	196	283	300	300	300	300	300	17	2.9%
SUBTOTAL STATE OPERATIONS	2,899	2,911	3,179	3,192	3,267	3,250	3,325	502	8.2%
PAYMENTS TO INDIVIDUALS	6	7	7	7	7	7	7	0	.0%
Total Expenditures	2,905	2,918	3,186	3,199	3,274	3,257	3,332	502	8.2%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) INCREASED R & R FUNDING	GEN				75		75		
Total Change Items				75			75		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	2,509	2,425	2,591	2,664	2,739	2,722	2,797		
STATUTORY APPROPRIATIONS:									
GENERAL	126	91	140	140	140	140	140		
SPECIAL REVENUE	15	15	37	20	20	20	20		
FEDERAL	59	104	118	75	75	75	75		
AGENCY	196	283	300	300	300	300	300		
Total Financing	2,905	2,918	3,186	3,199	3,274	3,257	3,332		
<u>REVENUE COLLECTED:</u>									

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: FARIBAULT ACADEMIES

Program: RESENDT'L ACADEMIES/DEAF&BLIND

Activity: ACADEMY OPERATIONS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	142	166	140	140	140	140	140
SPECIAL REVENUE	20	20	20	20	20	20	20
FEDERAL	76	93	75	75	75	75	75
AGENCY	196	283	300	300	300	300	300
NONDEDICATED							
GENERAL	441	684	550	550	550	550	550
Total Revenues Collected	875	1,246	1,085	1,085	1,085	1,085	1,085
FTE BY EMPLOYMENT TYPE:							
FULL TIME	43.0	42.0	42.0	42.0	42.0	42.0	42.0
PART-TIME, SEASONAL, LABOR SER	2.3	3.6	3.6	3.6	3.6	3.6	3.6
Total Full-Time Equivalent	45.3	45.6	45.6	45.6	45.6	45.6	45.6

F.Y. 2000-2001 Information Technology New Funding

AGENCY: FARIBAULT ACADEMIES

PROGRAM: RESENDT'L ACADEMIES/DEAF&BLIND

IT Change Item: TECHNOLOGY MAINTENANCE

ITEM DESCRIPTION AND PURPOSE:

Funding is necessary to maintain educational services and programs, to provide students and staff with access to technology, and to maintain the present system.

Funding includes provisions for network administration, training of students and staff, equipment replacement, and technical support.

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	130	100	100	100	100	100
Personnel	175	175	175	175	184	184
Services	50	50	50	50	50	50
Software	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Training	0	0	0	0	0	0
Total	355	325	325	325	334	334

There is no base funding for the recently developed technology program currently in place at the Academies. The Academies received \$1 million in one-time funding for technology during the 1997 legislative session. The requested funding will allow the Academies to maintain their technology plan at current levels.

RATIONALE:

To prepare for the 21st century, students attending the Academies require access to technology.

Computer technology provides equal access to information for deaf, hard-of-hearing, and blind individuals. It replaces verbal communications for deaf students. It provides blind students access to written information in a timely manner. For blind/visually impaired students, assistive technology removes barriers to print. Without technology, students access to information is delayed and cumbersome, requiring interpreters/captioning for deaf students and braille transcription for blind students.

During F.Y.1998-99, a substantial investment was made in computer technology at MSAB and MSAD. This investment must be maintained. Student/staff training is imperative to make full use of technology. To maintain the network, specialists must provide technical assistance to keep the systems up and running. This includes hardware, software, e-mail systems, internet connections, and wiring.

Finally, effective implementation of technology has many positive educational effects:

- It helps students become proficient at accessing, evaluating and communicating information.
- It helps students learn at different rates.
- It increases the quantity and quality of student thinking and writing.
- It helps students solve complex problems.
- It provides students with access to a deeper and wider curriculum.
- It helps students become comfortable with the tools of the information age.

F.Y. 2000-2001 Information Technology New Funding

AGENCY: FARIBAULT ACADEMIES
IT Change Item: Technology Maintenance
(Continuation)

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development						
Operations	X	X	X	X	X	X
Modification						
Retirement						

This request will support operations and maintenance of the existing system. The request follows the technology plan established 2 years ago and includes staff/student training, continuous upgrades to hardware/software, maintenance of the network, technical assistance, limited programming, and access to educational opportunities for deaf students/blind students.

OFFICE OF TECHNOLOGY ANALYSIS:

The academy is new to the information resource management approach. The academy will be required to address information resource management practices in conjunction with receipt of funding.

OT Master Plan: Goal 1-Technically literate and competent society. This project would continue services and programs for students, provide access to and maintain the present system. Recommendation: Address agency requirements. OT support is contingent upon addressing agency and project requirements.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$355,000 in F.Y. 2000 and \$325,000 in F.Y. 2001 for the technology maintenance program.

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Mn State Academy for the Deaf & the Blind
PROGRAM: Mn State Academy for the Deaf & the Blind
ACTIVITY:

ITEM TITLE: Career Development/Life Skills

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$255	\$255	\$255	\$255
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

☒ New Activity ☐ Supplemental Funding ☐ Reallocation

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$510,000 to the agency's budget for the career development/life skills initiative.

RATIONALE:

- The unemployment rate for blind people is estimated at 70%, and approximately one-third of the deaf population relies partially or exclusively on some form of governmental assistance. Successful employment depends on students attaining jobs skills and training, acquiring basic living skills, and integrating socially into the community.
- Federal law (IDEA) requires children 14 years of age and over to have a transition plan in place, including appropriate programming to help students move successfully from school to the workplace and the community.
- Career development and life skills programming is central to the agency's mission of providing deaf and blind students with the skills necessary to

become productive citizens. Two-thirds of the deaf graduates go onto technical colleges and require basic vocational preparation to be successful in their post high school education. However, current programming at the Academies is not preparing students adequately for careers in this area.

- Meeting the diverse needs of deaf and blind students requires a continuum of work-related opportunities throughout the community as students transition from school to successful post high school employment.
- Deaf and blind students often require direct instruction to acquire basic living skills (such as communicating, cooking, housekeeping, traveling). These skills are necessary for independent living and successful integration into community life. After graduating, students must be able to access community resources and advocate for themselves.
- The current career development, vocational/technical, and life skills programming at the Academies needs to be strengthened, enhanced and expanded so that students can make a successful transition from the Academies to the workplace and the community.

FINANCING:

- An appropriation of \$255,000 each year is requested for the following:
 - Two industrial technology teachers, one at each school.
 - One teacher for the A+ program, a transition program offered at MSAB that focuses on job training, daily living skills, recreation and leisure, community living, and post secondary education and training options. This funding will be used to permanently fund the A+ program which was started as a pilot project this school year.
 - Three dormitory positions, two at MSAD and one at MSAB, to direct the life skills development programs that take place after school hours in the dorm facilities.

OUTCOMES:

- Students will be better prepared to enter the workforce and live successfully in the community.
- Success will be measured by checklists, post high school placements, functional skills assessments, and other qualitative measures.
- Post-graduate/transition surveys will be developed and used to collect baseline data, determine program impact, and refine program design.

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Mn State Academy for the Deaf & the Blind
PROGRAM: Mn State Academy for the Deaf & the Blind
ACTIVITY:

ITEM TITLE: Educational Remediation

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$230	\$230	\$230	\$230
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

☒ New Activity ☐ Supplemental Funding ☐ Reallocation

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$460,0000 to the agency's budget for educational remediation programming.

RATIONALE:

- Minnesota requires that students meet the Graduation Standards in order to receive their high school diplomas.
- In general, deaf and blind students require more educational time to achieve the same educational outcomes as other students. This is not because deaf and blind students have less intellectual ability, rather it is because their learning process is more complex. Additional learning opportunities are necessary to provide a comparable education to deaf and blind students.
- Reading, writing, and math remediation is necessary for students to pass the Basic Skills component of the Minnesota Graduation Standards.

- The challenge of teaching the English language and reading to deaf children requires special knowledge and expertise.
- A solid curriculum with scope and sequence involving disability specific understanding of blind students is necessary to provide a comparable education.
- Funding is necessary to:
 - provide remediation programming to deaf and blind students during the summer and throughout the school year.
 - support a staff position to coordinate the curriculum process and implement a remediation program at MSAB.
 - hire a reading specialist whose background is disability specific to deafness to develop remediation curriculum and materials and implement remediation programs for use at MSAD and throughout the state.

FINANCING:

An appropriation of \$230,000 each year is requested for the educational remediation program.

OUTCOMES:

- Teachers at the Academies will provide remediation for deaf and blind students throughout Minnesota who are not progressing at expected rates. This includes direct instruction to students, study materials for Local Education Associations and parents, and technical assistance specific to the disability.
- The Academies will provide remediation programming in reading, writing and math throughout the school year and during the summer for deaf and blind students, focusing on their disability specific needs. This program will serve both enrolled and non-enrolled students and is in addition to programs currently offered by the Academies. Outcomes will be determined by increased learning as demonstrated via improved test scores, graduation rates, qualitative measurements, checklists and/or functional assessments.

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Mn State Academy for the Deaf & the Blind
PROGRAM: Mn State Academy for the Deaf & the Blind
ACTIVITY:

ITEM TITLE: Statewide Asset Preservation and Repair

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$75	\$75	\$75	\$75
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-
Statutory Change? Yes ___ No <u>X</u>				
If yes, statutes(s) affected:				
<input type="checkbox"/> New Activity	<input type="checkbox"/> Supplemental Funding	<input type="checkbox"/> Reallocation		

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$150,000 to the agency's budget for repair and replacement of state assets and facilities. This recommendation is part of a statewide, multiagency initiative to reduce facility repair and replacement needs by approximately 5% in each agency.

RATIONALE:

■ In a report released by the Legislative Auditor in February 1998, state building maintenance was evaluated. The Academies' facility audit rating was the lowest among all state buildings with a score of 48 and a rating of poor.

■ Funding is necessary to break the cycle of underfunded deferred maintenance for aging and deteriorated state facilities.

■ Prior to the 1995 legislative session, the Academies received minimal funding

to maintain the facilities. In 1995, funding improved through the access of CAPRA and asset preservation allocations:

1992 CAPRA \$430,898	1992 Asset Preservation \$0
1994 CAPRA \$836,925	1994 Asset Preservation \$0
1996 CAPRA \$583,000	1996 Asset Preservation \$750,000
1998 CAPRA \$615,000	1998 Asset Preservation \$725,000

In 1997 the Academies also received base funding of \$150,000 for deferred maintenance needs. Even with these funds, the Academies continue to have a substantial backlog of deferred maintenance. Many of these projects need immediate attention to prevent further deterioration, to meet code requirements and to maintain basic facility operations.

- This funding initiative is required by state statute created in 1998 bonding legislation. This legislation sets minimum funding guidelines for facility and infrastructure maintenance effective 7-1-99. The funding guidelines indicate that the funding requirements for the Academies are \$1.3 million per year or \$2.6 million per biennium.
- Academies' staff have developed an inventory and cost estimates of deferred maintenance requirements. The estimated costs of completing all of the projects identified in this inventory is currently over \$12 million.

FINANCING:

An appropriation of \$75,000 each year for asset preservation and repair.

OUTCOMES:

- Increased funding would allow the Academies to repair and maintain state buildings on a routine basis, rather than a crisis basis.
- Funding would reduce the Academies dependency on bonded money, both CAPRA and asset preservation, reducing the overall state cost.
- Students would benefit by having accessible, safe, well-maintained, and up-to-date facilities.

2000-01 Biennial Budget

AGENCY: Minnesota State High School League

DESCRIPTION: The Minnesota State High School League is a non-profit, voluntary association of public and private schools with a history of service to Minnesota youth since 1916. Its mission is to provide educational opportunities through interscholastic athletic and fine arts programs for students and leadership and support for member schools.

The League is not a state agency. In 1960, the League incorporated under Minnesota Law as a nonprofit, voluntary association of high schools. The League's founding purposes are to:

- Administer interscholastic athletic and fine arts activities for Minnesota high school youth on subsection, section, and state levels.
- Elevate standards of sportsmanship and encourage the growth of responsible citizenship among students, member schools and their personnel.
- Establish uniform and equitable rules for interscholastic athletics and fine arts activities.
- Provide insurance to help meet medical, dental, and hospital expenses member students incur because of injuries in interscholastic activities.
- Protect youth, member schools and their personnel from exploitation by special interest groups.
- Act as a medium for cooperative coordination in educational endeavors and other related activities on a statewide basis among schools.

League activities include: Debate, drama, speech, music, girls and boys golf, girls and boys swimming and diving, girls and boys basketball, boys baseball, boys football, girls and boys hockey, girls and boys soccer, boys wrestling, girls synchronized swimming, girls volleyball, boys and girls Alpine skiing, girls and boys Nordic ski racing, girls and boys cross-country running, girls and boys tennis, girls and boys track and field, girls softball, girls dance team, girls badminton, adapted soccer, adapted hockey, and adapted softball.

Although the League is not a state agency, the Department of Education, Children & Families (ECF) and the State Auditor's Office have direct oversight responsibilities. The commissioner of ECF must review certain information about the League including its annual audit and complaints filed against the league. The State Auditor must conduct an annual financial and compliance audit of the League's practices.

PERFORMANCE SUMMARY:

- Approximately 80,000 students take part in at least 1 inter-scholastic athletic program.
- Approximately 80,000 students are involved in League fine arts activities.
- More than 10,000 coaches and fine arts directors and 4,500 game officials, judges of speech, drama, and debate take part in League activities.
- More than 500 high schools are League members.
- Training programs register and train 4,500 contest officials and judges; provide an education program for coaches; sponsor TARGET Minnesota, a chemical health program; and provide statewide rules interpretation meetings for coaches and officials.
- The League sponsors statewide meetings with school board members, superintendents, principals, coaches, students and other interested persons twice a year.
- The League also sponsors the Women in Sports Leadership Conference for high school athletic directors, coaches and officials.

EXPLANATION OF AGENCY'S BUDGET PLAN: The Minnesota State High School League receives no direct or statutory state appropriation, but is required to submit a budget in the same manner and format as executive branch agencies (M.S. 128C.02, Subd. 8).

The League's revenues are received from the following sources:

- Tournament revenues including ticket sales, program and souvenir sales, and broadcast rights fees.
- Membership services charged to member schools.
- Publication sales, official registration fees, investment income and corporate partners, and coaching certification classes.

The League expends funds for tournaments, membership services, officials programs, fine arts programs, and general and administrative expenses.

GOVERNOR'S RECOMMENDATION: The Governor makes no recommendation regarding the Minnesota State High School League's budget.

2000-01 Biennial Budget

AGENCY: Minnesota State High School League
(Continuation)

	Dollars in Thousands				
	Actual F.Y. 1997	Actual F.Y. 1998	Projected F.Y. 1999	Projected F.Y. 2000	Projection F.Y. 2001
Revenues					
Tournaments	\$3,315	\$3,493	\$3,770	\$3,770	\$3,770
Tournament contingencies	0	0	(216)	(216)	(216)
Membership services	337	352	352	352	352
Contest Officials registration	139	149	140	140	140
Sales of handbooks, Rule books, and supplies	169	172	170	170	170
Corporate partnership	315	332	350	350	350
Interest	97	93	65	65	65
Women in Sports Leadership	30	14	46	46	46
NFICEP Coaching Classes	55	57	40	40	40
Other	<u>21</u>	<u>32</u>	<u>12</u>	<u>12</u>	<u>12</u>
TOTAL	\$4,478	\$4,694	\$4,729	\$4,729	\$4,729
Expenses					
Tournaments	1,429	1,498	1,565	1,565	1,565
School expense reimbursement	800	792	0	0	0
Membership services					
Insurance	193	199	225	225	225
Handbooks, rule books, and supplies	171	212	198	198	198
Other	69	63	84	84	84
Fine arts programs	18	20	23	23	23
Officials association	88	83	119	119	119
Women in Sports Leadership	0	36	46	46	46
Committees	24	14	20	20	20
Board of directors	72	56	71	71	71
Salaries	817	845	970	970	970
Employee benefits	234	254	316	316	316
Insurance	7	7	10	10	10
Legal	23	27	30	30	30
Other professional services	50	75	65	65	65
Maintenance	73	46	53	53	53
Utilities	45	42	44	44	44
Postage	73	75	81	81	81
Supplies	34	26	31	31	31
Data processing and office equipment	104	61	300	300	300
Public relations	29	44	47	47	47
Corporate Sponsor commission	47	51	53	53	53
Interest	0	0	0	0	0
Depreciation	79	81	82	82	82
NFICEP Coaching Classes	52	46	40	40	40
Other	<u>51</u>	<u>62</u>	<u>71</u>	<u>71</u>	<u>71</u>
TOTAL Expenses	4,582	4,715	4,544	4,544	4,544
Excess of Revenues Over (Under) Expenditures	<u>(104)</u>	<u>(21)</u>	<u>185</u>	<u>185</u>	<u>185</u>
Total Full-Time Equivalent	17	17	20	20	20

The Minnesota State High School League receives no state funding. The League's fiscal year runs from August 1 to July 31 and coincides with the member schools academic year. The Board of Directors begins to prepare an annual budget in April of each year and that budget is finalized at the August organization meeting. The F.Y. 2000 and the F.Y. 2001 budget projections are extensions of the F.Y. 1999 and are presented as an informational item only. 142-agy.bed

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**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Education, Children & Families, Department of

MISSION AND VISION:

The mission of the Department of Education, Children & Families, from its enabling legislation (M.S. 119A.01), is to “increase the capacity of Minnesota communities to measurably improve the well-being of children and families.”

To carry out the mission of the department, the goals and priorities toward which the department directs its efforts are:

- **Learning Readiness:** The department will build the capacity of the state and its schools and communities to prepare children to start school ready to learn.
- **Safe, Caring, Communities:** The department will build the capacity of the state and its communities to provide safe, accessible, violence-free, caring environments in which to raise children.
- **Healthy Children:** The department will build the capacity of the state and its local communities to ensure that children are physically and emotionally healthy.
- **Stable Families:** The department will build the capacity of the state and its local communities to support individuals in poverty and help all families provide a stable environment for their children.
- **Learner Success:** The department will manage the design of and help schools implement graduation standards to increase learning and support teaching.
- **Information Technologies:** The department will build the capacity of the state and its schools and communities to use current and emerging information technologies to increase learning and support teaching.
- **Lifework Development:** The department will build the capacity of the state and its schools and communities to create a lifework development system that provides youth and adults with the knowledge and skills to be productive workers and citizens in a global economy.
- **Lifelong Learning:** The department will build the capacity of the state and its schools and communities to provide lifelong learning and quality library services and opportunities to Minnesotans of all ages.
- **Finance and Management:** The department will design funding processes and build the capacity of the state schools, community groups and other local units of government to manage fiscal resources for the most effective and efficient delivery of services.

KEY SERVICE STRATEGIES:

The service strategies of the agency are:

- coordinating and integrating state funded and locally administered family and children programs;
- improving flexibility in the design, funding and delivery of programs affecting children and families;
- providing greater focus on strategies designed to prevent problems affecting the well-being of children and families;
- enhancing local decision-making, collaboration and the development of new governance models;
- improving public accountability through the provision of research, the dissemination of information and the development of measurable program outcomes;
- increasing the capacity of communities to respond to the whole child by improving the ability of families to gain access to services;
- encouraging all members of a community to nurture all the children in the community;
- supporting parents in their dual roles as breadwinners and parents; and
- reducing the condition of poverty for families and children through comprehensive, community-based strategies.

OPERATING ENVIRONMENT:

Minnesota’s system for children, families and learners is undergoing substantive change. Factors that are driving this change process and the corresponding program improvements include:

- Moving from single agency systems which utilize the resources of only one agency to cross-agency systems that have joint responsibility for shared customers, students and families.
- Moving from system accountability based solely on organizational processes and inputs to include learner outcomes as a third and major accountability factor.
- Moving from a system that expects and accepts failure for some learners to a system that believes and acts on the belief that every student can learn and be successful.
- Moving from a finance system designed around inputs to funding mechanisms designed to facilitate and reward achievement of results.
- Moving to student based and site based data collection and accountability systems.

**2000-01 Biennial Budget
Agency Executive Summary**

AGENCY: Education, Children, & Families, Department of
(Continuation)

Factors that are increasing the demand for resources include:

- Increasing concentration of minority students.
- Aging instructional staff.
- Increased demand for student academic accountability and comparison data.
- Increasing number of students enrolling in alternative learning environments.
- Increased demand for early childhood services.
- Increased awareness and emphasis on health/safety and violence prevention.
- Increased demand for assistance due to welfare reform efforts.
- Increased demand for learners to be proficient in the use of technology in the workplace.
- Increased emphasis on school-to-work transitions.
- Increased need to strengthen connections and transitions between K-12 and postsecondary institutions.

ORGANIZATIONAL STRUCTURE:

Executive Team	6.0 fte
— Teaching and Learning	133.0 fte
— Lifework Development	47.4 fte
— Management & Support Services	187.0 fte
— Community Services	172.1 fte
— State Board of Education	2.0 fte
— Minnesota Academic Excellence Foundation	8.0 fte
— Board of Teaching	2.0 fte
— SciMath Minnesota	6.0 fte
FTEs as of June 30, 1998	TOTAL 563.5 fte

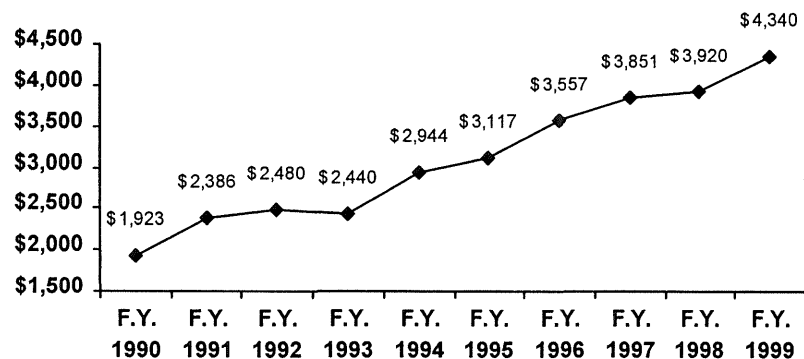
Dotted line denotes functions that are included in ECF's budget but have independent legislative authority.

**2000-01 Biennial Budget
Agency Executive Summary**

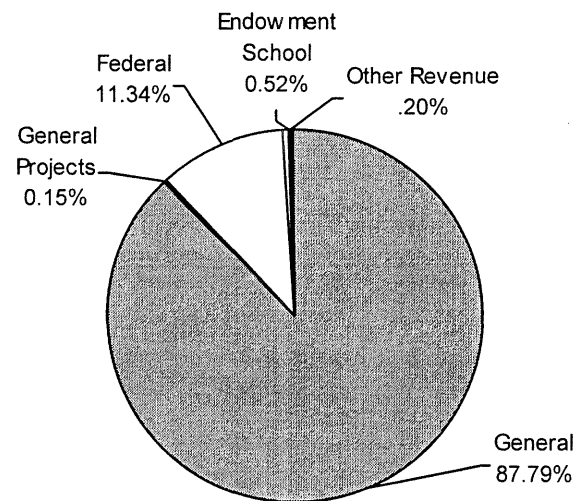
AGENCY: Education, Children & Families, Department of
(Continuation)

TRENDS AND PERSPECTIVE:

Total Budget - All Funds
\$ in millions



1998-99 Expenditures by Fund
Total \$8,259,412
(Dollars in Thousands)



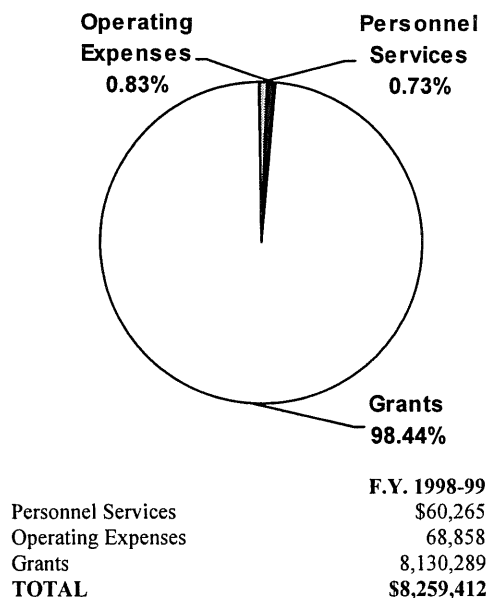
F.Y. 1998-99	
General	\$7,251,279
Federal	936,944
General Projects	12,000
Misc. Special Revenue	10,454
Endowment School	42,878
Other Revenue:	
Misc. Agency	2,719
Gift	2,904
State Gov. Misc.	192
Trunk Highway	42
TOTAL	\$8,259,412

**2000-01 Biennial Budget
Agency Executive Summary**

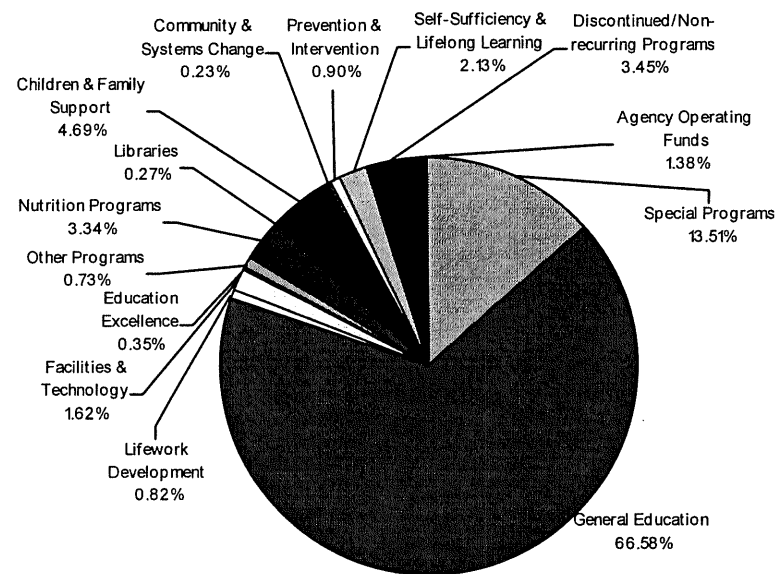
AGENCY: Education, Children & Families, Department of
(Continuation)

TRENDS AND PERSPECTIVE:

1998-99 Expenditures by Category
Total \$8,259,412
(Dollars in Thousands)



1998-99 Expenditures by Program
Total \$8,259,412
(Dollars in Thousands)



	F.Y. 1999
General Education	\$5,499,043
Special Programs	1,116,131
Lifework Development	67,659
Facilities and Technology	133,935
Education Excellence	28,853
Other Programs	60,628
Nutrition Programs	275,555
Libraries	22,619
Children and Family Support	387,372
Community and Systems Change	18,861
Prevention and Intervention	73,953
Self-Sufficiency and Lifelong Learning	175,501
Discontinued/Nonrecurring Programs	285,281
Agency Operating Funds	114,021
TOTAL	\$8,259,412

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Agency Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY PROGRAM:									
GENERAL EDUCATION	2,755,786	2,627,811	2,917,104	2,830,596	3,020,112	2,818,948	3,129,787	604,984	10.9%
SPECIAL PROGRAMS	479,092	495,587	621,563	708,060	739,250	718,620	781,643	403,743	36.1%
LIFEWORk DEVELOPMENT	27,418	32,836	34,824	31,290	28,248	31,574	24,177	(15,235)	-22.5%
FACILITIES AND TECHNOLOGY	46,083	56,803	72,673	75,051	74,963	73,241	73,760	19,247	14.9%
EDUCATION EXCELLENCE	936	10,823	14,598	15,178	26,156	13,591	24,137	24,872	97.8%
OTHER PROGRAMS	25,202	25,347	35,274	36,586	38,560	38,761	41,349	19,288	31.8%
NUTRITION PROGRAMS	153,857	141,491	134,351	134,269	136,754	134,233	136,718	(2,370)	-.9%
LIBRARIES	11,365	10,776	11,843	11,479	13,399	11,479	13,474	4,254	18.8%
CHILDREN AND FAMILY SUPPORT	111,615	170,503	220,525	243,478	245,134	250,961	252,591	106,697	27.3%
COMMUNITY AND SYSTEMS CHANGE	12,741	9,942	8,919	21,701	21,701	22,261	22,261	25,101	133.1%
PREVENTION AND INTERVENTION	34,365	37,562	36,391	34,432	23,100	34,259	23,100	(27,753)	-37.5%
SELF SUFFICIENCY & LIFELONG LR	18,844	86,961	88,538	95,097	94,997	99,125	99,025	18,523	10.6%
K-12 DISCONTINUED/NONRECURRING	122,290	161,367	72,388	286	286	286	286	(233,183)	-99.8%
AGENCY -- TEACHING & LEARNING	20,870	13,972	20,469	18,377	18,377	18,444	18,444	2,380	6.9%
AGENCY -- LIFEWORk DEVELOPMENT	2,754	4,119	4,598	4,488	4,488	4,522	4,522	293	3.4%
AGENCY -- MGMT. & SUPPORT SERV	16,661	17,566	25,779	19,916	23,115	19,917	20,457	227	.5%
AGENCY -- COMMUNITY SERVICES	10,102	13,187	18,531	23,753	22,923	18,687	17,825	9,030	28.5%
Total Expenditures	3,849,981	3,916,653	4,338,368	4,304,037	4,531,563	4,308,909	4,683,556	960,098	11.6%

FINANCING BY FUND:							
DIRECT APPROPRIATIONS:							
GENERAL	3,400,164	3,430,302	3,815,713	3,796,492	4,003,432	3,801,622	4,156,085
STATE GOVERNMENT SPECIAL REVENUE	0	96	96	96	96	96	96
ENDOWMENT SCHOOL	30,603	23,392	19,486	20,343	20,343	21,238	21,238
TRUNK HIGHWAY	21	21	21	21	21	21	21
STATUTORY APPROPRIATIONS:							
GENERAL	919	509	1,481	819	819	819	819
SPECIAL REVENUE	7,326	4,542	5,912	5,420	5,420	5,399	5,399
FEDERAL	409,427	455,848	491,979	479,702	500,288	478,570	498,754
AGENCY	1,611	644	2,075	622	622	622	622
GIFT	634	1,299	1,605	522	522	522	522
Total Financing	3,850,705	3,916,653	4,338,368	4,304,037	4,531,563	4,308,909	4,683,556

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Agency Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	419.6	490.7	559.2	555.8	550.0	540.8	535.0
PART-TIME, SEASONAL, LABOR SER	23.1	26.2	4.1	4.1	4.1	4.1	4.1
OVERTIME PAY	0.5	0.5	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	443.2	517.4	563.3	559.9	554.1	544.9	539.1

**2000-01 Biennial Budget
Aids Budget Brief
(\$ in thousands)**

Agency: Education, Children & Families, Aids

Fund: General

	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>Biennium</u>
<u>BASE-YEAR (F.Y. 1999)</u>			
Appropriations (F.Y. 1999)	\$3,853,705	\$3,850,669	\$7,704,374
<u>BASE ADJUSTMENT</u>			
Transfer of Admin Funding to			
Agency Budget	(4,914)	(4,914)	(9,828)
CFL Statutory Adjustment	(11,129)	(2,431)	(13,560)
MFIP Child Care Forecast Adjustment	22,722	24,436	47,158
Program Sunset	(29,525)	(33,367)	(62,892)
One-time Appropriations	(65,193)	(63,478)	(128,671)
Biennial Appropriations	<u>510</u>	<u>100</u>	<u>610</u>
<u>BASE LEVEL (for 2000 and 2001)</u>	\$3,766,176	\$3,771,015	\$7,537,191

CHANGE ITEMS

K-12:

Class Size/Reading Achievement	71,572	78,710	150,282
Referendum Equalization Increase	-0-	13,388	13,388
General Ed. Formula Increase	80,917	176,647	257,564
Special Education	34,543	66,449	100,992
Fast Break to Learning	2,956	2,956	5,912
Increase in LEP Funding	6,679	8,423	15,162
Graduation Standards Support	7,500	7,500	15,000
Reinstate and Expand Learning Year	1,800	2,000	3,800
Learning Year Formula Adjustment	(293)	(293)	(586)
Fully Fund Nonpublic Pupil Aid	1,242	1,866	3,108
Nonpublic Transportation Modification	561	(270)	291
Connecting K-12 and Higher Ed.	900	-0-	900
Learning Academy	500	500	1,000
Regional Library Telecomm Aid	1,700	1,700	3,400
Basic Library Grants	675	750	1,425
Residential Academies Operating Costs	550	250	800
Restructure Secondary Vocational Ed.	2,000	4,700	6,700
Operating Referendum/Integration Revenue	-0-	(592)	(592)
Reinstate Learning Year	29,525	33,367	62,892
Nonpublic Formula Modifications	421	1,242	1,663
Debt Service Equalization	0	594	594
Eliminating Small Grant Programs	8,809	(15,284)	(24,093)

Family and Early Childhood:

After School Enrichment	1,000	1,000	2,000
Early Childhood Screening	1,350	1,500	2,850
Basic Sliding Fee Child Care Refinancing	(30,000)	(30,000)	(60,000)

Eliminating Small Grants	(750)	(350)	(1,100)
Transfer the Office of Drug Policy to DPS	(2,495)	(2,495)	(4,990)

GOVERNOR'S RECOMMENDATION **\$3,970,220** **\$4,125,273** **\$8,095,493**

Brief Explanation of Budget Decisions:

- The 1997 legislature required the agency to transfer all funding used for administrative purposes from the state aids budget to the agency budget. The decrease of \$9.828 million reflects this movement of funds. This adjustment does not represent a decrease in program funding or an increase in administrative funding, rather it reflects a realignment of administrative funding for budgetary purposes.
- The program sunset reflects the sunset of the learning year program.
- The CFL statutory adjustment modifies program base levels to reflect the aid formulas that are in law, resulting in a \$11.129 million reduction in F.Y.2000 and a \$2.431 million increase in F.Y. 2001.
- Other base adjustments include: an increase of \$47.158 million to reflect case load increases in the MFIP child care program and other forecast adjustments to the general education program, a reduction of \$128.671 million for one-time appropriations, and an increase of \$610,000 for biennial appropriations.

GOVERNOR'S RECOMMENDATION(S):

The Governor recommends a biennial appropriation of \$8,065 million which includes funding for the following initiatives:

Class Size Reduction/Reading Achievement: \$150.282 million for class size reduction in grades kindergarten through three to enhance student achievement.

Referendum Equalization Increase: \$13.388 million to increase operating referendum aid. This will reduce referendum levies to offset increases in capital levies due to class size reduction efforts.

**2000-01 Biennial Budget
Agency Budget Brief**

Agency: Education, Children & Families, Aids
(Continuation)

Fund: General

General Education Formula Increase: \$257.564 million to increase the formula allowance by 2.5% each year.

Special Education: \$100.992 million to relieve pressure on school districts' general operating budgets as a result of increased special education costs.

Fast Break to Learning: \$5.912 million for a sliding-fee school breakfast program for public elementary schools.

LEP Funding Increase: \$15.162 million to reflect the growth in students who do not speak English as their first language.

Graduation Standards Support: \$15 million for implementation of graduation standards.

Learning Year: \$3.8 million to encourage programs that extend the school day, week or year for students who need additional help.

Nonpublic Pupil Aid: \$3.108 million to fully fund the entitlement for the three funds composing nonpublic pupil aid.

Nonpublic Transportation Modification: \$291,000 to remove the impact of changes in the formula allowance associated with the roll-out of T&E and the roll-in of district cooperation revenue.

Connecting K-12 and Higher Education: \$900,000 to establish a network of regional partnership centers that will connect K-12 schools with higher education research and resources.

Learning Academy: \$1 million to train educators to effectively integrate technology in the classroom.

Regional Library Telecommunication Aid: \$3.4 million for regional libraries to continue the implementation of the Learning Network.

Basic Library Grants: \$1.4 million in additional operating funds for libraries.

Residential Academies Operating Costs: \$800,000 for the operating costs for the three residential academies that were awarded capital and start-up funding this past fall and plan to open in F.Y. 2000.

Restructuring of Secondary Vocational Education: \$6.7 million to restructure secondary vocational education programming.

Eliminating Small Grant Programs: \$24.093 million in reduced spending due to the elimination of existing grant and aid programs in favor of more flexible funding.

Operating Referendum/Integration Revenue: \$592,000 in reduced spending to authorize integration revenue to follow students to charter schools, and to authorize the equalized portion of referendum revenue to follow students under open enrollment and to charter schools.

Learning Year Reinstatement: \$62.892 million to reinstate the learning year program, sunset by the 1996 legislature.

Nonpublic Formula Modifications: \$1.663 million to increase nonpublic pupil and nonpublic pupil transportation aid in conjunction with the increase in the general education program.

Debt Service Equalization: \$594,000 to increase debt service equalization.

Family and Early Childhood Initiatives:

After School Enrichment: \$2 million in increased funding to keep schools open and offer programming for youth.

Early Childhood Screening: \$2.85 million to fund a state mandate that requires schools to screen children before they enter kindergarten.

Basic Sliding Fee Child Care Refinancing: \$60 million in reduced state spending offset by a \$60.825 million transfer of federal TANF dollars for child care subsidies. \$825,000 of the TANF funds will be used for child care quality and availability activities to maintain compliance with federal child care and development fund (CCDF) requirements.

Transfer of the Office of Drug Policy: Transfer the Community Crime Prevention Grant program, administrative funding, and federal funding to the Department of Public Safety.

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
CSA Base Adjustment Summary - FY 2000-03
(\$ in 000s)

	F.Y. 2000	F.Y. 2001	F.Y. 2000-01	F.Y. 2002	F.Y. 2003	F.Y. 2002-03
K-12 Programs						
General Education						
0103 District Cooperation Aid	(3,161)	(351)	(3,512)	-	-	-
0109 Transportation Safety	(16)	(19)	(35)	(21)	(22)	(43)
Special Programs						
0202 Aid for Children with Disabilities	(201)	(180)	(381)	(158)	(136)	(294)
0203 Travel for Home-Based Services	21	27	48	31	35	66
0207 School to Work for Students with Disabilities	4	(10)	(6)	(31)	(57)	(88)
0213 Homeless Student Aid	(138)	(142)	(280)	(140)	(140)	(280)
0223 Tribal Contract Schools	(130)	(46)	(176)	(35)	(35)	(70)
Lifework Development						
0301 Secondary Vocational Education	869	1,153	2,022	1,343	1,430	2,773
Health & Safety Programs						
0401 Health & Safety Aid	(163)	801	638	(147)	(1,056)	(1,203)
0402 Debt Service Aid	(5,259)	(6,367)	(11,626)	(7,324)	(8,324)	(15,648)
0403 Interactive Television	1,158	825	1,983	427	39	466
0404 Alternative Facilities	(942)	(714)	(1,656)	(714)	(714)	(1,428)
0405 Historic Building Aid	28	27	55	27	27	54
Education Excellence						
0505 Charter School Lease Aid	730	1,224	1,954	1,603	1,937	3,540
0506 Charter School Start-Up Aid	789	876	1,665	876	876	1,752
Other Programs						
0601 Abatement Aid	(4,413)	(4,576)	(8,989)	(3,730)	(2,751)	(6,481)
0605 Consolidation Aid	(682)	(758)	(1,440)	(758)	(758)	(1,516)
0604 Nonpublic Transportation	(1,417)	997	(420)	1,784	2,011	3,795
K-12 Subtotal	(12,923)	(7,233)	(20,156)	(6,967)	(7,638)	(14,605)
Family & Early Childhood Programs						
Children & Family Support						
0901 Early Childhood Family Education	(1,952)	(1,638)	(3,590)	(2,049)	(2,587)	(4,636)
0908 Extended Day Aid	(26)	(84)	(110)	(139)	(181)	(320)
Community & Systems Change						
1002 Community Education	(630)	(1,134)	(1,764)	(1,680)	(2,252)	(3,932)
Self-Sufficiency & Lifelong Learning						
1207 Adult Basic Education	2,684	5,352	8,036	8,700	12,588	21,288
1208 Adult Graduation Aid	1,718	2,306	4,024	2,791	3,324	6,115
Family & Early Childhood Subtotal	1,794	4,802	6,596	7,623	10,892	18,515
Total, All Programs	(11,129)	(2,431)	(13,560)	656	3,254	3,910

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Family and Early Childhood Levy Simplification and CSA Base Adjustment Summary
(\$ in 000s)

F.Y. 2000	Original Base*	Levy Simplification	CSA Adjustment	F.Y. 2000 Budget Base
Children & Family Support				
0901 Early Childhood and Family Education	13,900	6,043	(1,952)	17,991
0908 Extended Day Aid	300	0	(26)	274
Community & Systems Change				
1002 Community Education	1,604	13,162	(630)	14,136
Self-Sufficiency & Lifelong Learning				
1207 Adult Basic Education	12,272	4,148	2,684	19,104
1208 Adult Graduation Aid	2,546	0	1,718	4,264
F.Y. 2001	Original Base*	Levy Simplification	CSA Adjustment	F.Y. 2001 Budget Base
Children & Family Support				
0901 Early Childhood and Family Education	13,900	6,977	(1,638)	19,239
0908 Extended Day Aid	300	0	(84)	216
Community & Systems Change				
1002 Community Education	1,604	14,226	(1,134)	14,696
Self-Sufficiency & Lifelong Learning				
1207 Adult Basic Education	12,272	4,920	5,352	22,544
1208 Adult Graduation Aid	2,546	0	2,306	4,852

*Original base refers to the end of the 1997 legislative session base.

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Appropriation Summary - FY 1998-01
(\$ in 000s)

	Estimated Expenditures			Governor's Recommendations		
	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
General Education						
0101 General Education	2,548,605	2,795,836	5,344,441	2,922,414	3,029,219	5,951,633
0102 Property Tax Shift	18,700	90,205	108,905		Included in Gen. Ed	
0103 District Cooperation Revenue	8,083	7,011	15,094	5,537	518	6,055
0104 Limited English Proficiency	15,186	1,522	16,708		Included in Gen. Ed	
0105 Assurance of Mastery	12,215	1,377	13,592		Included in Gen. Ed	
0106 Class Size Reduction	0	0	0	71,572	78,710	150,282
0109 Transportation Safety	1,425	1,448	2,873	144	0	144
0110 Transportation Aid Enrollment Options	35	169	204	102	102	204
0111 Wide Area Transportation Pilot	170	50	220	0	0	0
General Education Subtotal	2,604,419	2,897,618	5,502,037	2,999,769	3,108,549	6,108,318
Special Programs						
0201 Special Education Aid	282,503	381,299	663,802	456,030	472,900	928,930
0202 Aid for Children with Disabilities	443	423	866	443	464	907
0203 Travel for Home Based Services	125	130	255	133	139	272
0204 Special Education Excess Costs	9,737	21,979	31,716	58,525	77,802	136,327
0205 Special Education Equalization	10,379	5,154	15,533	526	0	526
0206 Litigation Costs	0	500	500	500	500	1,000
0207 School to Work-Students with Disabilities	7,044	7,983	15,027	8,892	8,968	17,860
0208 Intervention Demonstration Project	0	250	250	0	0	0
0209 America Sign Language	11	14	25	0	0	0
0210 Lay Advocates	1	9	10	0	0	0
0211 Options Plus Pilot Grants	150	0	150	0	0	0
0212 Court Placed Special Education Revenue	0	350	350	350	350	700
0213 Homeless Student Aid	46	60	106	20	0	20
0214 Integration Aid	18,844	26,658	45,502	37,182	43,787	80,969
0215 Integration Programs	820	1,180	2,000	1,000	1,000	2,000
0216 Magnet School Grants	5,750	1,750	7,500	1,750	1,750	3,500
0217 Interdistrict Desegregation	800	970	1,770	970	970	1,940
0218 Indian Language & Culture	591	716	1,307	730	730	1,460
0219 American Indian Education	175	175	350	175	175	350
0220 Indian Post Secondary Preparation Grants	857	982	1,839	982	982	1,964
0221 Indian Scholarships	1,586	1,889	3,475	1,875	1,875	3,750

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Appropriation Summary - FY 1998-01
(\$ in 000s)

	Estimated Expenditures			Governor's Recommendations		
	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
Special Programs - Continued						
0222 Indian Teacher Preparation Grants	190	190	380	190	190	380
0223 Tribal Contract Schools	2,248	2,558	4,806	2,706	2,790	5,496
0224 ECFE at Tribal Schools	68	68	136	68	68	136
0225 Mexican Origin Grants	0	75	75	0	0	0
Special Programs Subtotal	342,368	455,362	797,730	573,047	615,440	1,188,487
Lifework Development						
0301 Secondary Vocational Aid	12,822	12,546	25,368	7,473	702	8,175
0302 Education & Employment Transitions	1,793	7,007	8,800	5,900	8,600	14,500
0303 Youthworks Program	1,762	1,815	3,577	1,788	1,788	3,576
0304 Work Study Student Compensation	10	90	100	0	0	0
0305 Learn and Earn	769	1,181	1,950	950	950	1,900
Lifework Development Subtotal	17,156	22,639	39,795	16,111	12,040	28,151
Facilities and Technology						
0401 Health and Safety	13,667	14,156	27,823	14,528	14,957	29,485
0402 Debt Service Equalization	35,476	33,612	69,088	33,165	32,651	65,816
0403 Interactive Television	4,638	6,028	10,666	4,197	2,851	7,048
0404 Alternative Facilities	0	14,652	14,652	19,058	19,286	38,344
0405 Historic Building	173	210	383	0	0	0
Facilities and Technology Subtotal	53,954	68,658	122,612	70,948	69,745	140,693
Education Excellence						
0501 St. Paul Community Based School	3,300	0	3,300	3,000	0	3,000
0502 State Testing/Graduation Standards	2,492	2,508	5,000	10,000	10,000	20,000
0503 AP & IB Programs	99	3,651	3,750	1,875	1,875	3,750
0504 Collaborative Urban Educator	895	500	1,395	500	500	1,000
0505 Charter School Lease Aid	1,043	2,059	3,102	2,660	3,154	5,814
0506 Charter School Startup	841	1,703	2,544	1,789	1,876	3,665
0507 School Enrichment Partnership	500	0	500	0	0	0
0508 Connecting K-12 & Higher Education	0	0	0	900	0	900
0509 Residential Academies	0	0	0	900	2,000	2,900
0510 Learning Academy	55	1,945	2,000	500	500	1,000
0511 Extended Instruction	0	0	0	1,800	2,000	3,800
Education Excellence Subtotal	9,225	12,366	21,591	23,924	21,905	45,829

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Appropriation Summary - FY 1998-01
(\$ in 000s)

	Estimated Expenditures			Governor's Recommendations		
	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
Other Programs						
0601 Abatement	15,497	9,114	24,611	9,110	8,947	18,057
0603 Nonpublic Pupil Aid	9,005	9,752	18,757	10,996	11,878	22,874
0604 Nonpublic Transportation	0	15,467	15,467	18,003	20,149	38,152
0605 Consolidation Transition Aid	595	691	1,286	451	375	826
0606 Family Connection Aid	250	250	500	0	0	0
Other Programs Subtotal	25,347	35,274	60,621	38,560	41,349	79,909
Nutrition Programs						
0701 School Lunch & Food Storage	7,254	7,770	15,024	7,770	7,770	15,540
0702 School Breakfast	456	456	912	0	0	0
0703 Summer Food Service	15	15	30	0	0	0
0704 Summer Food Service Replacement	150	150	300	150	150	300
0705 School Breakfast Outreach	15	15	30	15	15	30
0706 Fast Break to Learning	0	0	0	2,956	2,956	5,912
Nutrition Programs Subtotal	7,890	8,406	16,296	10,891	10,891	21,782
Libraries						
0801 Basic Library Grants	7,819	7,819	15,638	8,495	8,570	17,065
0802 Multicounty, Multitype Library Grants	865	903	1,768	903	903	1,806
0803 Librarians of Color	15	95	110	0	0	0
0804 Children's Library Services	150	150	300	0	0	0
0805 Regional Library System Outreach	250	250	500	0	0	0
0807 Regional Library Telecommunication Aid	0	0	0	1,700	1,700	3,400
Libraries Subtotal	9,099	9,217	18,316	11,098	11,173	22,271
K-12 Subtotal	3,069,458	3,509,540	6,578,998	3,744,348	3,891,092	7,635,440
Children & Family Support						
0901 Early Childhood Family Education	15,606	14,118	29,724	17,991	19,239	37,230
0902 Learning Readiness Program	10,308	10,393	20,701	10,395	10,395	20,790
0903 Health & Development Screening	1,550	1,550	3,100	2,900	3,050	5,950
0904 Way to Grow	475	475	950	475	475	950
0905 Head Start Program	18,237	18,763	37,000	18,375	18,375	36,750
0906 Child Care Assistance	69,623	100,531	177,384	108,439	110,820	219,259
0907 Child Care Development	4,980	2,753	7,733	1,865	1,865	3,730
0908 Extended Day	347	306	653	274	216	490
0909 Infant & Toddlers-Part C	0	0	0	0	0	0
Children & Family Support Subtotal	121,126	148,889	270,015	160,714	164,435	325,149

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Appropriation Summary - FY 1998-01
(\$ in 000s)

	Estimated Expenditures			Governor's Recommendations		
	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
Community & Systems Change						
1001 Family Collaboratives	7,339	6,798	14,137	6,825	6,825	13,650
1002 Community Education	1,823	1,341	3,164	14,136	14,696	28,832
1003 Adults with Disabilities Program	710	710	1,420	670	670	1,340
1004 Hearing Impaired Adults	70	70	140	70	70	140
Community & Systems Change Subtotal	9,942	8,919	18,861	21,701	22,261	43,962
Prevention & Intervention						
1101 Violence Prevention Education	1,233	1,667	2,900	1,450	1,450	2,900
1102 Male Responsibility	250	250	500	0	0	0
1103 Abused Children	915	945	1,860	945	945	1,890
1104 Community Crime Prevention Program	2,432	2,558	4,990		Transfer to DPS	
1105 Family Visitation Centers	200	200	400	200	200	400
1106 Children's Trust Funds	0	225	225	225	225	450
1107 After School Enrichment Grants	4,760	4,760	9,520	5,760	5,760	11,520
1109 Juvenile Assessment Centers/FAS	200	1,300	1,500	0	0	0
1113 Discontinued/Nonrecurring Programs	4,284	1	4,285	0	0	0
Prevention & Intervention Programs Subtotal	14,274	11,906	26,180	8,580	8,580	17,160
Self-Sufficiency & Lifelong Learning						
1201 Minnesota Economic Opportunity Grants	8,172	8,856	17,028	8,514	8,514	17,028
1202 Homeless Programs	1,640	2,244	3,884	1,642	1,642	3,284
1203 Emergency Food Programs	1,228	1,228	2,456	1,228	1,228	2,456
1204 Weatherization	1,054	576	1,630	0	0	0
1205 State Energy Assistance	500	0	500	0	0	0
1206 Lead Hazard	200	100	300	0	0	0
1207 Adult Basic Education	12,478	12,667	25,145	19,104	22,544	41,648
1208 Adult Graduation	2,550	2,609	5,159	4,264	4,852	9,116
1209 GED Tests	125	125	250	125	125	250
Self Sufficiency & Lifelong Learning Programs Subtotal	27,947	28,405	56,352	34,877	38,905	73,782
Family & Early Childhood Subtotal	173,289	198,119	371,408	225,872	234,181	460,053
Total, Without Discontinued Programs	3,242,747	3,707,659	6,950,406	3,970,220	4,125,273	8,095,493
Discontinued/Non-Recurring Programs (See Program 13 for Details)	161,156	72,068	233,224			
Total, With Discontinued Programs	3,403,903	3,779,727	7,183,630	3,970,220	4,125,273	8,095,493

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN FAMILIES
Gross Certified Levy Summary - FY 1998-01
(\$ in 000s)

		Based on Full Funding of Formulas					
		(Pay 1997)	(Pay 1998)		(Pay 1999)	(Pay 2000)	
		F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
General Education							
0101	General Ed	1,351,277.6	1,292,625.3	2,643,902.9	1,269,850.3	1,331,186.6	2,601,036.9
0101	Transition	9,610.5	7,793.1	17,403.6	8,155.6	8,228.6	16,384.1
0101	Supplemental	2,309.7	3,040.9	5,350.6	2,595.4	2,663.0	5,258.4
0101	Referendum	239,895.8	261,646.7	501,542.5	287,146.8	323,432.9	610,579.7
0103	Targeted Needs Transport	19,441.9	-	19,441.9	-	-	-
0103	Bus Purchase	-	556.1	556.1	1,062.6	-	1,062.6
0107	District Coop/Program Improvement	53,855.5	57,047.1	110,902.6	58,640.9	-	58,640.9
	Limitation Adjustment	(4,582.9)	(1,999.0)	(6,581.9)	(2,747.9)	(4,799.9)	(7,547.8)
	General Education Subtotal	1,671,808.1	1,620,710.2	3,292,518.3	1,624,703.7	1,660,711.2	3,285,414.9
Special Programs							
0205	Special Educ Current Year	67,666.1	41,277.0	108,943.1	-	-	-
0214	Integration	21,264.7	24,061.0	45,325.7	18,208.9	11,912.0	30,120.9
	Limitation Adjustment	8,242.9	9,479.1	17,722.0	2,492.2	(2,534.7)	(42.5)
	Special Programs Subtotal	97,173.7	74,817.1	171,990.8	20,701.1	9,377.3	30,078.4
Facilities and Technology							
0401	Hazardous/ Health & Safety	46,888.2	53,181.2	100,069.4	67,573.5	70,121.0	137,694.5
0402	Basic Debt Levy (No Equal.)	340,276.3	360,876.3	701,152.6	390,525.7	410,437.7	800,963.4
0402	Debt Equalization	(34,481.5)	(34,092.0)	(68,573.5)	(32,087.7)	(31,500.0)	(63,587.7)
0402	Energy Loan	3,419.3	4,064.3	7,483.6	3,536.5	3,400.0	6,936.5
0402	Lease Purchase	20,416.0	22,984.5	43,400.5	24,668.7	25,690.0	50,358.7
0402	Alt Facilities Debt	16,456.2	17,206.4	33,662.6	19,454.0	24,000.0	43,454.0
0402	Alt Facilities Debt Aid	-	(17,206.4)	(17,206.4)	(16,303.4)	(16,456.3)	(32,759.7)
0402	Secondary Coop Facilities Debt	289.1	-	289.1	-	-	-
0402	Facilities	1,063.2	2,564.2	3,627.4	4,179.5	5,179.5	9,359.0
0402	Equipment	1,933.1	2,162.4	4,095.5	3,249.1	4,249.1	7,498.2
0402	Debt Excess	(15,634.0)	(16,868.1)	(32,502.1)	(17,159.8)	(17,456.5)	(34,616.3)
0403	Interactive TV / Technology	2,537.5	2,950.6	5,488.1	2,585.9	1,854.0	4,439.9
0404	Alternate Facilities	9,617.1	18,018.0	27,635.1	21,456.5	27,000.0	48,456.5
0404	Alternate Facilities Aid	-	-	-	(2,829.8)	(2,829.9)	(5,659.7)
0404	Alternate Facilities Debt Aid	(1,196.8)	(1,039.0)	(2,235.8)	(491.4)	(500.0)	(991.4)
0405	Historic Building	-	57.7	57.7	79.2	90.0	169.2
0411	Disabled Access	4,274.3	3,371.7	7,646.0	3,978.6	3,000.0	6,978.6
0411	Building Lease	19,513.2	22,100.6	41,613.8	27,014.9	31,067.0	58,081.9
0411	Down Payment	980.7	1,057.5	2,038.2	1,140.6	1,140.6	2,281.2
0411	Coop Bldg Repair	-	-	-	-	-	-
0411	Technology	-	681.8	681.8	699.0	699.0	1,398.0
0411	Other Capital	298.2	27.2	325.4	27.2	-	27.2
	Limitation Adjustment	(5,339.9)	(13,852.7)	(19,192.6)	(10,849.4)	(10,342.7)	(21,192.1)
	Facilities and Technology Subtotal	411,310.2	428,246.2	839,556.4	490,447.3	528,842.5	1,019,289.8

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN FAMILIES
Gross Certified Levy Summary - FY 1998-01
(\$ in 000s)

		Based on Full Funding of Formulas					
		(Pay 1997)	(Pay 1998)		(Pay 1999)	(Pay 2000)	
		F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
Other Programs							
0601	Abatement Adjustments	6,743.2	5,535.3	12,278.5	3,819.8	5,408.5	9,228.3
0605	Consolidation/Retirement	156.1	118.5	274.6	-	130.0	130.0
0613	Mpls Retirement	759.0	558.9	1,317.9	358.8	158.7	517.5
0613	Additional Retirement	3,962.0	6,427.0	10,389.0	7,464.6	7,464.6	14,929.2
0613	St. Paul Severance	391.0	399.3	790.3	419.6	462.1	881.7
0613	Mpls Health Insurance	-	291.4	291.4	269.5	-	269.5
0613	Health Insurance	5,157.6	4,528.7	9,686.3	4,417.3	3,975.6	8,392.9
0613	Health Benefits	5,726.4	5,029.6	10,756.0	5,163.5	-	5,163.5
0613	Statutory Operating Debt	38.0	42.4	80.4	45.2	48.9	94.1
0613	Reorganization Severance	811.6	731.5	1,543.1	1,275.9	1,275.9	2,551.8
0613	Unemployment Insurance	5,943.2	-	5,943.2	1,351.6	3,000.0	4,351.6
0613	Operating Debt	1,152.1	1,033.3	2,185.4	1,201.6	1,201.6	2,403.2
0613	Reorganization Oper Debt	951.8	700.3	1,652.1	674.7	674.7	1,349.4
0613	Crime	3,841.8	5,969.3	9,811.1	6,265.2	6,453.0	12,718.2
0613	Judgments	578.3	435.7	1,014.0	339.5	460.0	799.5
0613	Consolidation	487.3	27.7	515.0	159.7	30.0	189.7
0613	Ice Arena	292.1	306.4	598.5	490.0	490.0	980.0
0613	Staff Development	8.4	30.4	38.8	27.8	27.8	55.6
0613	Attached Machinery Adj	-	(808.7)	(808.7)	(808.7)	(808.7)	(1,617.4)
0613	Fac & EQP Bond Adj	-	(5,345.9)	(5,345.9)	(7,156.1)	(9,428.6)	(16,584.7)
0614	Coop & Combination	975.5	476.2	1,451.7	-	-	-
0613	Other General	800.0	859.5	1,659.5	61.9	61.9	123.8
Other Programs Subtotal		38,775.4	27,346.8	66,122.2	25,841.4	21,086.0	46,927.4
Children and Family Support							
0901	ECFE	20,316.2	23,739.6	44,055.8	18,323.4	19,937.1	38,260.5
0901	ECFE Home Visiting	461.2	482.7	943.9	502.5	521.8	1,024.3
0908	Extended Day--Disabled	3,056.6	3,286.9	6,343.5	4,221.7	4,282.0	8,503.7
	Limit Adjustment	(262.2)	519.8	257.6	(108.8)	(19.4)	(128.2)
Children and Family Support Subtotal		23,571.8	28,029.0	51,600.8	22,938.8	24,721.5	47,660.3
Community and Systems Change							
1002	Basic	29,536.4	30,299.1	59,835.5	16,700.0	17,981.8	34,681.8
1002	Levy Equity	7,936.8	7,859.6	15,796.4	-	-	-
1002	Grandfather	588.2	578.4	1,166.6	587.0	587.0	1,174.0
1003	Adults with Disabilities	666.4	669.1	1,335.5	669.1	669.1	1,338.2
Community and Systems Change Subtotal		38,727.8	39,406.2	78,134.0	17,956.1	19,237.9	37,194.0

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN FAMILIES
Gross Certified Levy Summary - FY 1998-01

(\$ in 000s)

Based on Full Funding of Formulas

	(Pay 1997) F.Y. 1998	(Pay 1998) F.Y. 1999	F.Y. 1998-99	(Pay 1999) F.Y. 2000	(Pay 2000) F.Y. 2001	F.Y. 2000-01
Self-Sufficiency and Lifelong Learning						
1207 Adult Basic	4,051.3	4,310.9	8,362.2	-	-	-
Self-Sufficiency and Lifelong Learning Subtotal	4,051.3	4,310.9	8,362.2	-	-	-
Other						
Taconite	(11,259.9)	(11,480.0)	(22,739.9)	(11,509.7)	(11,509.7)	(23,019.4)
Other Total	(11,259.9)	(11,480.0)	(22,739.9)	(11,509.7)	(11,509.7)	(23,019.4)
Total Certified Levy Before HACA	2,274,158.4	2,211,386.4	4,485,544.8	2,191,078.6	2,252,466.7	4,443,545.3
Formula-Based Certified Levies	1,694,756.9	1,606,463.9	3,301,220.8	1,522,503.6	1,519,608.8	3,042,112.4
Referendum-Based Certified Levies	579,401.5	604,922.5	1,184,324.0	668,575.0	732,857.9	1,401,432.9
Total	2,274,158.4	2,211,386.4	4,485,544.8	2,191,078.6	2,252,466.7	4,443,545.3
HACA	(90,764.7)	(64,126.0)	(154,890.7)	(35,935.9)	(24,666.3)	(60,602.2)
Education Homestead Credit	-	(160,270.6)	(160,270.6)	(296,800.0)	(318,200.0)	(615,000.0)
Other Credits	(1,927.3)	(1,957.9)	(3,885.2)	(2,095.6)	(1,757.3)	(3,852.9)
Total Certified Levy After HACA & Credits	2,181,466.4	1,985,031.9	4,166,498.3	1,856,247.1	1,907,843.1	3,764,090.2
Total School District Revenue Levies						
Total Certified Levy Before HACA	2,274,158.4	2,211,386.4	4,485,544.8	2,191,078.6	2,252,466.7	4,443,545.3
Homestead Credit Adjustment - PERA	-	-	-	-	-	-
INT-Homestead Credit Adjustment - PERA	-	-	-	-	-	-
Taconite	11,259.9	11,480.0	22,739.9	11,509.7	11,509.7	23,019.4
Statutory Operating Debt	(38.0)	(42.4)	(80.4)	(45.2)	(48.9)	(94.1)
Total	2,285,380.3	2,222,824.0	4,508,204.3	2,202,543.1	2,263,927.5	4,466,470.6
Subtotal - Operating Levies	1,945,874.6	1,879,548.2	3,825,422.8	1,821,114.9	1,854,502.5	3,675,617.4
Subtotal - Non-Operating Levies	339,505.7	343,275.8	682,781.5	381,428.2	409,425.0	790,853.2

Note: Certified levies found in this table do not match levy authority found on individual program fiscal pages. This is because the certified levy is based on district estimates of student counts, expenditures, etc. in the year of certification. Levy authority is actual levy revenue earned for a program year based on revised or final student counts, etc. Levy authority includes the certified levy plus levy adjustments that may occur over a period of three years.

**2000-2001 Biennial Budget
Federal Funds Summary
(\$ in Thousands)**

Agency: Education, Children & Families, Department of

Federal Program	Related State Spending	Primary Purpose	SFY 1998 Revenues	SFY 1999 Revenues	Estimated SFY 2000 Revenues	Estimated SFY 2001 Revenues
Nutrition (5 grants)	yes	Nutrition	\$137,328	\$130,911	\$130,113	\$129,913
Consolidated Admin. (6 grants)	yes	Education	1,202	1,508	1,508	1,508
Special Education (5 grants)	yes	Special Education	63,726	78,765	79,194	79,194
Misc. Education (15 grants)	yes	Education	118,979	119,518	118,882	118,882
Child Care (2 grants)	yes	Child Care	46,099	59,201	59,936	59,177
Prevention* (7 grants)	yes	Prevention	21,419	23,364	22,567	22,394
Opportunity (8 grants)	yes	Opportunity	9,052	8,944	9,068	9,068
Energy Assistance (2 grants)	yes	Energy Assistance	46,660	48,199	48,199	48,199
Lifework Development (8 grants)	yes	Life Long Learning	11,383	10,686	10,656	10,656
Agency Total			\$455,848	\$481,096	\$480,123	\$478,991

The Department of Education, Children & Families relies heavily on federal funding to support the agency operating budget. The agency administers approximately 85 separate federal grants including 58 grants in the operating budget. These grants account for approximately 40% of the total operating budget. Federal funding is projected at the current level of funding unless the department is specifically aware of decreases and/or increases at the federal level. The majority of federal grants included in the operating budget are categorical in nature and do not permit the transfer of funding from designated or federal approved activities. When possible, the department utilizes all available sources of funding, including federal grants to assist in accomplishing its objectives. While federal allocations reflect an increase in F.F.Y. 1999, nutrition programs will be decreased in F.F.Y. 1999, 2000, and 2001 based on a revised childcare home reimbursement (tier level I and II) rate schedule.

The primary purpose of the above grants is support of state operations. Flow-through funds are included in the department's aids budget. Most grants administered by the agency have related state spending either in the form of required match, maintenance of effort and/or other state support.

* The Governor recommends transfer of federal Bureau of Justice Assistance funding to the Department of Public Safety.

F.Y. 2000-01 BIENNIAL BUDGET
FEDERAL FUNDS SUMMARY
EDUCATION, CHILDREN FAMILIES AIDS

(\$ IN 000S)

CFDA NUMBER	FEDERAL PROGRAM	STATE SPENDING	PRIMARY PURPOSE	SFY 98 REVENUES	ADMIN	FLOW	SFY 99 REVENUES	ADMIN	FLOW	SFY 2000 REVENUES	SFY 2001 REVENUES
	Special Programs										
(1)	CONSOLIDATED ADMIN		BASIC SKILLS	1,202	1,202		1,508	1,508		1,508	1,508
84011	MIGRANT EDUCATION		BASIC SKILLS	2,888	182	2,706	2,500	283	2,217	2,500	2,500
84013	NEG & DELINQUENT		SPECIAL EDUC	197		197	195		195	197	197
84025	MINN DEAF BLIND		SPECIAL EDUC	251		251	193		193	193	193
84029	CSPD PERSONNEL PREP		SPECIAL EDUC	166	105	61	128	108	20	128	128
84086	INCLUSIVE SCHOOL COMMUNITIES	YES	SPECIAL EDUC	137	6	131	0				
84158	TRANSITION SERVICES	YES	SPECIAL EDUC	158	29	129	120	25	95	120	120
84162	EMERGENCY IMMIGRANT		BASIC SKILLS	316		316	1,096		1,096	1,096	1,096
84173	PRESCHOOL GRANT	YES	SPECIAL EDUC	7,616	351	7,265	6,797	425	6,372	6,797	6,797
84185	BYRD HONORS SCHOLARSHIP		SCHOLARSHIPS	519		519	714		714	714	714
84196	HOMELESS CHILDREN	YES	HOMELESS EDUC	299	56	243	293	50	243	293	293
84213	EVEN START		BASIC SKILLS	1,159		1,159	1,339		1,339	1,339	1,339
84216	CAPITAL EXPENSE		BASIC SKILLS	1,250		1,250	888		888	888	888
84276	TITLE III GOALS 2000		GRAD STANDARDS	1,647	398	1,249	2,538	509	2,029	2,384	2,384
84279	MODIFYING GRAD STANDARDS		GRAD STANDARDS	367	153	214	340	176	164	340	340
84281	TITLE II EISENHOWER		TEACHER TRAINING	3,820	120	3,700	3,908	206	3,702	3,908	3,908
84298	TITLE VI		BLOCK GRANT	5,292	709	4,583	5,500	763	4,737	5,500	5,500
84010	TITLE I		BASIC SKILLS	83,013		83,013	82,117	117	82,000	82,000	82,000
84027	SPECIAL ED (IDEAS)	YES	SPECIAL EDUC	50,099	3,654	46,445	65,760	5,399	60,361	66,187	66,187
	subtotal			160,396	6,965	153,431	175,934	9,569	166,365	176,092	176,092
	Lifework Development										
17250	SCHOOL TO WORK OPPORTUNITIES	YES	JOB TRAINING	7,202	976	6,226	4,240	920	3,320	4,240	4,240
94007	AMERICORPS GOV INNOVATIVE		SERVICE BASED LEARNING	15		15	0				
94003	AMERICORPS GRANTS	YES	SERVICE BASED LEARNING	3,935		3,935	3,184		3,184	3,184	3,184
94003	AMERICOPRS PDAT		SERVICE BASED LEARNING	132	96	36	162	93	69	152	152
94003	AMERICORPS ADMIN		SERVICE BASED LEARNING	218	159	59	209	159	50	209	209
94004	DEEEN SCHOOL BASED IOWA		SERVICE BASED LEARNING	3	3		0				
93118	AIDS PREVENTION & HEALTH	YES	HEALTH EDUCATION	857	532	325	736	545	191	736	736
84048	VOC EDUC SECTION 120	YES	VOCATIONAL EDUC	5,439	598	4,841	5,632	688	4,944	5,632	5,632
84094	COMMON CORE DATA		DATA COLLECTION	36	36		25	25		25	25
84126	VOC REHAB		VOCATIONAL EDUC	24	24		27	27		27	27
84215	CHRISTA MCAULIFEE CCSO		SCHOLARSHIPS	65	65		35	35		35	35
94004	SERV AMERICA-CHIEF EXEC OFF		SERVICE BASED LEARNING	132	78	54	138	73	65	138	138
94004	SERV AMERICA- COMMUNITY		SERVICE BASED LEARNING	83	3	80	0			0	0
94004	SERV AMERICA- SCHOOL	YES	SERVICE BASED LEARNING	310	56	254	314	59	255	314	314
94004	VERMONT NSG		SERVICE BASED LEARNING	5		5	15		15	10	10
94004	NEXT STEP IOWA		SERVICE BASED LEARNING	9	9		15	15			
94004	FALS EVALUTION		SERVICE BASED LEARNING	120	24	96	194	35	159	194	194
	subtotal			18,585	2,659	15,926	14,926	2,674	12,252	14,896	14,896

F.Y. 2000-01 BIENNIAL BUDGET
FEDERAL FUNDS SUMMARY
EDUCATION, CHILDREN FAMILIES AIDS

(\$ IN 000S)

CFDA NUMBER	FEDERAL PROGRAM	STATE SPENDING	PRIMARY PURPOSE	SFY 98 REVENUES	ADMIN	FLOW	SFY 99 REVENUES	ADMIN	FLOW	SFY 2000 REVENUES	SFY 2001 REVENUES
<u>Facilities & Technology</u>											
84168	INTERNET INTO SCI/MATH		TECHNOLOGY	125	124	1	40	40			
84318	TECH LITERACY CHALLENGE		TECHNOLOGY	2,896	47	2,849	4,300	285	4,015	4,300	4,300
	subtotal			3,021	171	2,850	4,340	325	4,015	4,300	4,300
<u>Education Excellence</u>											
84282	PUBLIC CHARTER SCHOOLS	YES	CHARTER SCHOOLS	1,634	36	1,598	2,100	77	2,023	2,100	2,100
84215	PARTNERSHIPS IN CHARACTER ED		CHARACTER ED	0			250	41	209	250	250
	subtotal			1,634	36	1,598	2,350	118	2,232	2,350	2,350
<u>Nutrition Programs</u>											
10568	SURPLUS COMMODITIES FED	YES	NUTRITION PROGRAM	737	108	629	578	122	456	709	709
10553	NUTRI BREAKFAST	YES	NUTRITION PROGRAM	12,430		12,430	10,000		10,000	10,000	10,000
10553	NUTRI BREAKFAST EXPANSION		NUTRITION PROGRAM	18		18	0				
10555	LUNCH	YES	NUTRITION PROGRAM	65,968		65,968	60,000		60,000	60,000	60,000
10556	SPECIAL MILK	YES	NUTRITION PROGRAM	892		892	1,000		1,000	1,000	1,000
10558	CACFP COMMODITIES		NUTRITION PROGRAM	508		508	500		500	500	500
10558	CHILDCARE 2% AUDIT		NUTRITION PROGRAM	759	584	175	808	772	36	600	600
10558	CACFP FOOD SERV		NUTRITION PROGRAM	43,309		43,309	45,000		45,000	45,000	45,000
10558	CACFP FOOD ADMIN		NUTRITION PROGRAM	6,874		6,874	7,000		7,000	7,000	7,000
10558	CACFP FAMILY HOME		NUTRITION PROGRAM	216		216	0				
10559	SF SAE		NUTRITION PROGRAM	61	61		145	145		94	94
10560	STATE ADMINISTRATIVE EXPENSE	YES	NUTRITION PROGRAM	2,475	2,395	80	3,270	3,234	36	2,600	2,400
10564	TEAM NUTRITION		NUTRITION PROGRAM	204	126	78	385	283	102	385	385
10564	NUTRITION EDUCATION		NUTRITION PROGRAM	66	66		0				
	PRIOR REFUNDS		NUTRITION PROGRAM	22		22	25		25	25	25
10559	SUMMER FOOD-ADMIN	YES	NUTRITION PROGRAM	169		169	200		200	200	200
10559	SUMMER FOOD-FOOD	YES	NUTRITION PROGRAM	2,620		2,620	2,000		2,000	2,000	2,000
	subtotal			137,328	3,340	133,988	130,911	4,556	126,355	130,113	129,913
<u>Libraries</u>											
84034	LSCA TITLE I	YES	LIBRARIES	1,573	100	1,473	2,482	181	2,301	2,482	2,482
84035	LSCA TITLE III	YES	LIBRARIES	204		204	0				
84154	LSCA TITLE II		LIBRARIES	0			325		325		
	subtotal			1,777	100	1,677	2,807	181	2,626	2,482	2,482
<u>Children & Family Support</u>											
93575	CHILDCARE ASSISTANCE	YES	CHILDCARE	37,973		37,973	47,402		47,402	44,550	48,753
93594	MENTAL & CHILD HEALTH	YES	CHILDCARE	67	67		75	75		75	75
93596	CC ADMIN & DEVELOPMENT	YES	CHILDCARE	6,170	605	5,565	9,980	2,339	7,641	13,567	8,605
93672	CHILD TRUST FUND FED CHALLENGE	YES	CHILDCARE	1,512	106	1,406	1,357	172	1,185	1,357	1,357
93667	SOCIAL SERV BLOCK GRANT	YES	CHILDCARE	377		377	387		387	387	387
84181	INFANTS & TODDLERS PART H	YES	SPECIAL EDUC	5,102	288	4,814	5,572	1,026	4,546	5,572	5,572
	subtotal			51,201	1,066	50,135	64,773	3,612	61,161	65,508	64,749

F.Y. 2000-01 BIENNIAL BUDGET
FEDERAL FUNDS SUMMARY
EDUCATION, CHILDREN FAMILIES AIDS

(\$ IN 000S)

CFDA NUMBER	FEDERAL PROGRAM	STATE SPENDING	PRIMARY PURPOSE	SFY 98 REVENUES	ADMIN	FLOW	SFY 99 REVENUES	ADMIN	FLOW	SFY 2000 REVENUES	SFY 2001 REVENUES
<u>Prevention & Intervention</u>											
93194	PREVENTION FORWARD TO THE FUTURE	YES					2,954	252	2,702	2,962	2,962
16579	ANTI DRUG PROGRAM	YES	DRUG & VIOLENCE PREVENTION	3,279	29	3,250	8,969	527	8,442	8,780	8,780
16593	BJA RSAT 96	YES	DRUG & VIOLENCE PREVENTION	214		214	461		461	461	461
16592	BJA 96 LOCAL LAW ENFORCEMENT	YES	DRUG & VIOLENCE PREVENTION	842	36	806	34		34	700	700
16579	BJA 97	YES	DRUG & VIOLENCE PREVENTION	6,813	395	6,418	1,414		1,414		
16598	BCA STATE ID SYSTEM	YES	DRUG & VIOLENCE PREVENTION	173		173	0			173	
16575	VOCA 96 VA	YES	DRUG & VIOLENCE PREVENTION	1,670	38	1,632	1,830	100	1,730	1,789	1,789
84186	DRUG AND VIOLENCE PROGRAMS	YES	DRUG & VIOLENCE PREVENTION	5,949	413	5,536	6,164	573	5,591	6,164	6,164
84186	DRUG AND VIOLENCE PROGRAMS	YES	DRUG & VIOLENCE PREVENTION	2,479	109	2,370	1,538	79	1,459	1,538	1,538
	subtotal			21,419	1,020	20,399	23,364	1,531	21,833	22,567	22,394
<u>Self Sufficiency & Lifelong Learning</u>											
14231	HUD		HOUSING PROGRAM	876	23	853	1,253	36	1,217	1,253	1,253
93572	HUD RURAL HOMELESS		HOUSING PROGRAM	423	14	409	0				
93569	CSBG	YES	OPPORTUNITY	7,203	206	6,997	5,980	421	5,559	5,980	5,980
93568	ENERGY ASSISTANCE		LOW INCOME ENERGY ASSISTANCE	41,525	942	40,583	42,782	932	41,850	42,782	42,782
81042	WEATHERIZATION		LOW INCOME ENERGY ASSISTANCE	5,135	267	4,868	5,417	296	5,121	5,417	5,417
93571	COMMUNITY FOOD & NUTR		NUTRITION PROGRAM	35		35	35		35	35	35
93600	HEAD START FED	YES	HEADSTART	100	94	6	100	90	10	100	100
14570	HUD SAFAH		HOUSING PROGRAM	326	15	311	0				
93570	CSBG TRAINING & TECH		OPPORTUNITY	44	44		30	30		121	121
93600	HEAD START STATE COLLAB		HEADSTART	44	19	25	23	9	14	56	56
83523	FEMA EMERG FOOD & SHLTR		EMERGENCY FOOD & SHELTER	1	1		1	1		1	1
14235	HUD SUPPORTIVE HOUSING	YES	HOUSING PROGRAM	0			1,522	36	1,486	1,522	1,522
84002	ADULT EDUCATION BASIC GRT	YES	ADULT EDUCATION	4,775	668	4,107	4,548	672	3,876	4,548	4,548
	subtotal			60,487	2,293	58,194	61,691	2,523	59,168	61,815	61,815
	Total			455,848	17,650	438,198	481,096	25,089	456,007	480,123	478,991

Amounts on this table are drawn from the state accounting system and may not equal amounts stated in individual program narratives for a variety of reasons including differing state and federal fiscal years, carryforward authority, expenditure amounts versus grant amounts, and variation in timing of data availability.

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 120B.05; M.S. 122A.61; M.S. 123A.27;
M.S. 123B.05; M.S. 126C; M.S. 127A.51;
M.S. 127A.47

ACTIVITY PROFILE:

Purpose:

- To promote a general and uniform, thorough and efficient system of public schools throughout the state by providing:

Adequate and Equitable Core Funding for Students. General education revenue should provide sufficient funding to ensure that each student receives an adequate education (excluding unique needs funded through categorical programs). This includes a large base of funding on a uniform per pupil basis, and additional revenues for variations in: 1) the cost of delivering equivalent educational programs and services to students, and 2) the cost of programs to meet the unique needs of different student populations.

Equity for taxpayers. This program should require the same property tax effort throughout the state to finance core educational programs, and require school districts that provide discretionary programs and services to levy higher tax rates than school districts that do not provide these services.

Efficient use of resources. This program should encourage school districts to provide programs and services efficiently by allocating resources based on uniform formulas applied to demographic and economic factors that are beyond local control, and by giving districts flexibility in the use of funds.

Limited local control. The general education program should permit local school districts to raise limited additional revenues to supplement state allocations.

Facilitate state priorities. This program should encourage the development

of programs and services identified as priorities by the state, such as class size reduction, staff development, basic skills, and graduation standards implementation.

Stability. This program should provide stable funding to ensure continuity of programs for students and stability in tax rates for taxpayers.

Background:

- The general education program was initiated in F.Y. 1989, replacing the foundation program and numerous categorical programs, including teacher retirement aid, summer program aid and levy, gifted and talented aid, arts education aid, chemical dependency aid, programs of excellence grants, and the liability insurance levy.
- Beginning in F.Y. 1994, the pupil weighting factors for regular kindergarten and elementary students were increased to provide additional funding for elementary class size reduction.
- Beginning in F.Y. 1997, funding for regular transportation and operating capital were included in the general education program.
- Beginning in F.Y. 1999, limited english proficiency (LEP) revenue and assurance of mastery (AOM) revenue are included in the basic skills component of general education revenue, and a new general education revenue component has been added for graduation standards implementation.
- Beginning in F.Y. 2001, district cooperation revenue will be rolled into the general education formula, increasing the formula allowance by \$67.

Activity Description:

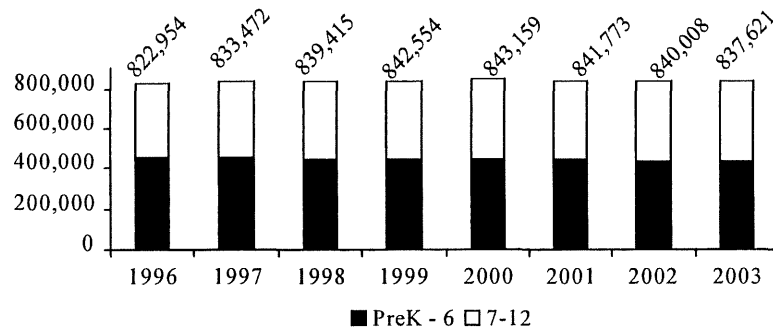
- General education revenue is provided for public school students in kindergarten through grade 12, and for pre-kindergarten students with disabilities.
- Funding is based on the average number of students enrolled throughout the school year. This is known as average daily membership (ADM), and is computed by dividing the number of student membership days by the number of days school is in session.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
 (Continued)

The graph below summarizes recent trends in total state ADM by grade level grouping:

Total Pre-K - 12 ADM

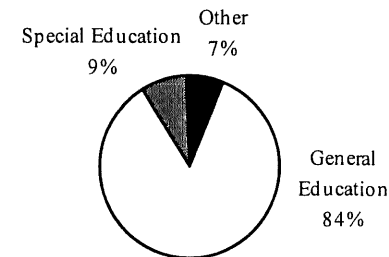


- To reflect cost differences, the ADM is weighted by grade level to determine weighted average daily membership (WADM) pupil units:

Disabled Pre-K and Kindergarten:	1.00
Regular Kindergarten:	.53
Grades 1 - 6:	1.06
Grades 7 - 12:	1.30

- In F.Y. 1999, the general education revenue program accounts for 84% of school district general fund state aid and levy revenues:

General Fund Revenue From State Aids and Property Taxes F.Y. 1999



- General education revenue consists of several components, as described later under the financing information section. Most of these components provide school districts with unrestricted funds for general operating purposes. Exceptions are as follows:

Class Size Reduction. The additional basic revenue generated by the increase in pupil weights from .50 to .53 for regular kindergarten and from 1.00 to 1.06 for grades 1-6 is reserved for class size reduction, beginning with kindergarten and grade 1. In F.Y. 1999, this amounts to approximately \$87 million.

Staff Development. Beginning in F.Y. 1999, an amount equal to 1% of basic revenue (\$35.30 per pupil unit in F.Y. 1999) must be reserved for staff development. This is an overall requirement which includes the portion of graduation standards revenue used for staff development.

Basic Skills. This revenue must be used to meet the educational needs of students who enroll under-prepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learners of their age. The compensatory portion of basic skills revenue must be allocated to the sites generating the revenue.

Operating Capital. This revenue is reserved for facilities and equipment

Graduation Standards. This revenue is reserved for graduation standards implementation as described below.

- Additional information on general education entitlements and appropriations can be found in the Appendix.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
 (Continued)

STRATEGIES AND PERFORMANCE:

Indicators of the adequacy and equity of general education revenue include the following:

■ Growth in Revenue per ADM

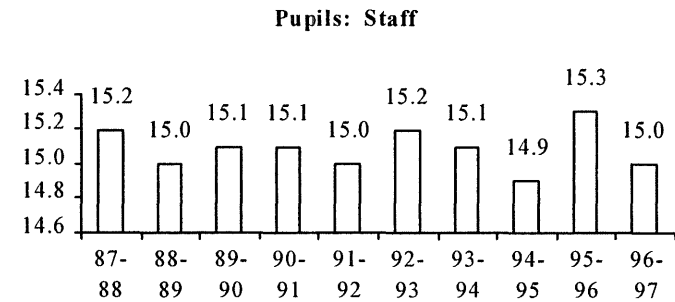
The table below shows the change in general education revenue per ADM from F.Y. 1991 through F.Y. 1999 in current and constant (1999) dollars. Between F.Y. 1991 and F.Y. 1999, general education revenue per ADM increased by 28.4%. After adjusting for inflation, the increase was 4.4%.

General Education Revenue per ADM, F.Y. 1992 - F.Y. 1999
 (Excluding Revenue Components Rolled In Since F.Y. 1992)¹

	Revenue per ADM Current Dollars		Revenue per ADM Constant (1999) Dollars	
	Amount	Cumulative Percent Change	Amount	Cumulative Percent Change
1991	\$3,660		\$4,502	
1992	3,784	3.4	4,517	0.3
1993	3,846	5.1	4,451	-1.1
1994	3,967	8.4	4,486	-0.4
1995	4,185	14.3	4,592	2.0
1996	4,292	17.3	4,580	1.7
1997	4,505	19.1	4,621	0.9
1998	4,505	23.1	4,621	2.6
1999	4,701	28.4	4,701	4.4

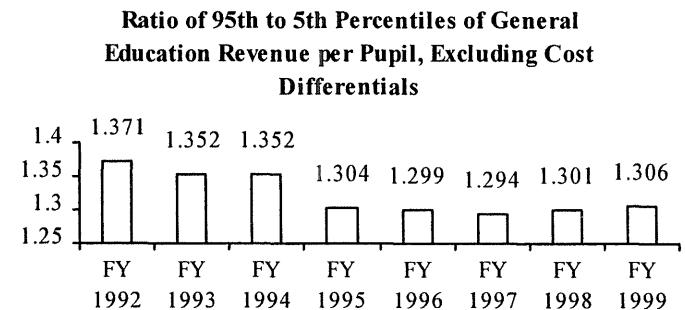
■ Pupil - Staff Ratios

Compensation for teachers and other district staff constitutes the districts' largest operating cost. The graph shows the ratio of ADM pupils to licensed professional staff. This ratio has varied little over time, ranging from 14.9 to 15.3 over this period.



■ Disparity in Revenue per Pupil Unit

MS 127A.51 requires the department to report annually on the disparity in general education revenue per unit, as measured by the ratio of the 95th percentile of general education revenue per pupil unit to the 5th percentile of general education revenue per pupil unit. According to this measure, the disparity in general education revenue per pupil unit declined significantly between F.Y. 1992 and F.Y. 1995, and has remained virtually constant since F.Y. 1995.



FINANCING INFORMATION:

- General education revenue can be categorized along two dimensions: (a) by revenue component and (b) by funding source.

¹ Excludes transportation, operating capital, LEP, Assurance of Mastery

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
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 (Continued)

- First, the district's total revenue is determined for each revenue component. The table below shows the total general education revenue by component.
- Next, the local property tax share of this revenue is determined.
- Finally, state aid is calculated by subtracting the local property tax levy from total revenue.

FY 1999 General Education Revenue by Component

Component	# of Districts	Amount (millions)	% of Total
Formula Based Revenues:			
1. Basic	350	\$3,384.0	76.0
2. Basic Skills:			
a) Compensatory	348	\$192.8	4.3
b) LEP (Incl. Concentration)	168	\$21.9	0.5
c) AOM Replacement	350	\$14.3	0.3
One-Time Compensatory:			
Formula Aid	63	\$7.2	0.2
Grants	6	\$7.3	0.2
3. Sparsity	67	\$10.8	0.2
4. Transportation Sparsity	350	\$44.4	1.0
5. Training & Experience	332	\$91.7	2.1
6. Operating Capital	350	\$188.5	4.2
7. Grad Stds Implement:			
a) Basic	350	\$49.8	1.1
b) Full Implementation	350	\$13.4	0.3
c) Equity Adjust.	186	\$17.5	0.4
8. Transition	177	\$19.1	0.4
9. Supplemental	34	\$5.7	0.1
10. Misc. Adjustments			
a) Pension Adjust	350	(\$44.6)	(1.0)
b) PSEO-College	n/a	\$15.2	0.3
c) Shared Time	n/a	\$2.9	0.1
d) Contract Alternative	n/a	\$6.8	0.2
Subtotal	350	\$4,048.7	90.9
Referendum-Based Revenues:			
11. Oper. Referendum	280	\$406.3	9.1
Grand Total Revenue	350	\$4,455.0	100.0

A. Revenue Components

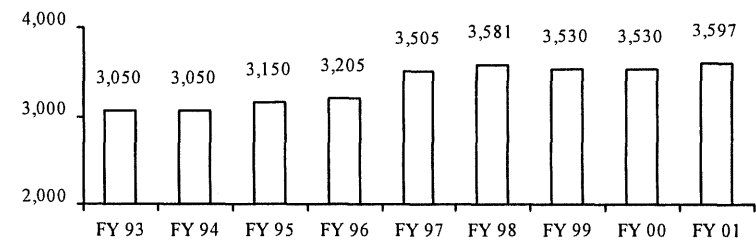
For F.Y. 1999 and later, the components of general education revenue are as follows:

1. Basic Revenue

- Basic revenue provides all districts with a uniform allocation per pupil unit. Basic revenue for a district equals the product of the district's weighted average daily membership (WADM) times the formula allowance established in law. The figure below shows the growth in the formula allowance since F.Y. 1993.

Formula Allowances for FY 1993 - FY 2001

(Current law)



- The change in the formula allowance is not a reliable indicator of the growth in school district revenue per student over time because of the following factors:

- **Changes in Pupil Weights.** The formula allowances don't reflect changes from year to year in pupil unit weights. For example, the pupil unit weight for elementary students was increased from 1.00 in F.Y. 1993 to 1.03 in F.Y. 1994, and to 1.06 in F.Y. 1995 and later.
- **Formula Offsets.** Since F.Y. 1995, supplemental and referendum revenues have been reduced by a portion of the increase from 1993-94 levels in basic, compensatory, and training and experience revenue per WADM. (These other funding components are explained below.) For many districts, much of the gain in basic revenue has been lost in supplemental or referendum revenue.
- **Roll-ins and Roll-outs.** Starting in F.Y. 1997, the formula allowance includes approximately \$170 that previously was provided through transportation funding. For F.Y. 1997 and F.Y. 1998 only, the formula allowance includes \$130 that previously was provided through the

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
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(Continued)

training and experience formula. Beginning in F.Y. 2001, the formula allowance includes \$67 that previously was provided through the district cooperation formula.

- **Additional Formula Components.** The formula allowances don't reflect revenue increases provided through other formulas, such as the compensatory formula and the graduation standards implementation formula.

2. Basic Skills Revenue

- Basic skills revenue must be used to meet the educational needs of students who enroll under-prepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learners of their age.
- Beginning in F.Y. 1999, basic skills revenue includes the former compensatory revenue, limited English proficiency (LEP) revenue, LEP concentration revenue, and assurance of mastery (AOM) revenue. While these revenues are combined into a single component, the amount of funding is computed using the existing formulas for the individual categories.

a. Compensatory Revenue:

- Compensatory revenue provides funding for basic skills purposes based on the concentration of poverty in a district or school building.
- Prior to F.Y. 1998, compensatory education revenue was computed using district-level AFDC counts.
- Beginning in F.Y. 1998, compensatory education revenue is computed using building-level free and reduced-price lunch counts from October 1 of the previous fiscal year. With this change, total state compensatory revenue increased by 37%, from \$135 million to \$185 million.
- This revenue is allocated directly to school sites; however, in F.Y. 1999 and F.Y. 2000, an amount equal to 5% of the district's compensatory funding under the old AFDC formula may be allocated according to a local plan approved by the commissioner.
- A site's compensatory revenue for each eligible pupil increases as the

concentration of eligible pupils at the site increases. The maximum compensatory funding per free-lunch pupil is 60% of the formula allowance in sites where the free-lunch count plus $\frac{1}{2}$ of the reduced-price lunch count is 80% or more of the total enrollment.

- For F.Y. 1999 only, additional district-wide compensatory revenue is provided for districts with less than a 35% increase per pupil unit between the amount the district would have received under the old AFDC formula in F.Y. 1998 and the actual F.Y. 1999 compensatory revenue. Six districts also received a one-time compensatory grant for F.Y. 1999.

b. Limited English Proficiency (LEP) Revenue:

- LEP revenue provides funding for basic skills purposes based on the concentration of LEP students, and expenditures for LEP programs.
- There are 2 components to LEP revenue: regular LEP revenue and concentration aid.
 - 1) LEP base revenue, computed using second-prior year data, equals 68% of one FTE teacher salary for every 40 LEP students, plus 47% of the cost of supplies and equipment up to \$47 per LEP pupil.
 - 2) Regular LEP revenue equals the base revenue times the ratio of current LEP enrollment to second prior year LEP enrollment; however, state total LEP revenue is capped in law. For F.Y. 1999, state total LEP revenue is capped at \$16.092 million.
 - 3) LEP concentration aid provides additional funding of \$190 times the LEP enrollment, times the lesser of 1 or the ratio of the district's LEP concentration percent to 11.5.

c. AOM Replacement:

- Each district receives additional revenue equal to \$22.50 times the fund balance pupil units in kindergarten through grade 8. This component of basic skills revenue replaces assurance of mastery (AOM) revenue.
- This component must be matched with an equal amount of other district funds used for basic skills purposes.

3. Sparsity Revenue

- This revenue funds the added costs of operating 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. Sparsity revenue is calculated on a school-by-school basis.
- Separate formulas are used for elementary schools and secondary schools.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
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(Continued)

- a. **Secondary Sparsity:**
 - For a secondary school to generate sparsity revenue, it must have a secondary ADM (grades 7-12) less than 400, and an "isolation index" greater than 23.
 - The isolation index equals the square root of 55% of the attendance area of the school district, plus the distance to the nearest other high school. The isolation index approximates the longest travel distance that would be necessary after consolidation.
- b. **Elementary Sparsity:**
 - For an elementary school to generate sparsity revenue, it must have an elementary ADM (grades K-6) less than 140, and be located at least 19 miles from the nearest other elementary school.
- 4. **Transportation Sparsity Revenue**
 - This revenue funds the added cost of pupil transportation in areas with low population density. The transportation sparsity allowance for a district increases as the number of pupil units per square mile decreases.
- 5. **Training & Experience (T & E) Revenue**
 - This revenue adjusts for cost variations associated with differences in the training and experience of the faculty.
 - For F.Y. 1997 and F.Y. 1998, \$130 was added to the formula allowance, and a T & E adjustment was included in the computation of transition revenue.
 - Beginning in F.Y. 1999, T & E is reinstated as a separate funding component, but is phased out as teaching staff employed in F.Y. 1997 leave the district.
- 6. **Operating Capital Revenue**
 - Operating capital revenue is placed in a reserved account within the general fund and may be used for facilities, equipment, or personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and software.
 - The revenue equals \$168 per pupil unit, plus an adjustment of up to \$50 per

pupil unit, based on the average age of the district's buildings.

- This revenue was added to the general education program in F.Y. 1997, replacing separate categorical revenues for facilities and equipment.
- 7. **Graduation Standards Implementation Revenue**
 - This revenue is provided to enhance the implementation of the graduation rule.
 - For F.Y. 1999, the revenue consists of three components:
 - \$52 per pupil unit for all school districts, of which at least \$20 must be allocated to the sites for staff development, and at least \$5 must be used for gifted and talented programs;
 - an additional \$14 per pupil unit for districts fully implementing the graduation rule in F.Y. 1999, which must be allocated to the sites for staff development; and
 - an additional \$34 per pupil unit as an equity adjustment for districts with referendum allowances below the referendum allowance limit and continuing to be affected by the referendum allowance reduction initiated in F.Y. 1995.
 - For F.Y. 1999, revenues not reserved for staff development or gifted and talented programs may be used for technology or class size reduction.
 - For F.Y. 2000 and later, all districts will receive \$43 per pupil unit, and the equity adjustment for qualifying districts will be \$25 per pupil unit. These revenues must be allocated to the sites and used for staff development, gifted and talented programs, technology, or class size reduction.
- 8. **Transition Revenue**
 - This revenue is used to smooth the transition to the new general education formulas which began in F.Y. 1997:
 - For F.Y. 1997 and later years, districts receiving more transportation revenue per pupil unit under the categorical transportation formula in F.Y. 1996 than under the "roll-in" (\$170 increase in formula allowance plus transportation sparsity) receive a positive transportation transition adjustment. (Districts receiving more under the roll-in received a negative transportation transition adjustment in F.Y. 1997 only to phase in the increase.)
 - For F.Y. 1997 and F.Y. 1998 only, districts receiving more than \$130 per pupil unit for T & E in F.Y. 1996 received a positive T & E transition adjustment, while those receiving less than \$130 in F.Y. 1996 received a negative transition adjustment to phase in the increase.
 - For F.Y. 1998 and later years, districts receiving less under the new compensatory formula than under the old AFDC formula receive a positive

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

compensatory transition adjustment.

- For F.Y. 2001 and later years, districts receiving the \$25,000 minimum revenue for district cooperation will receive a positive cooperation transition adjustment.

9. Supplemental Revenue

- This revenue was initiated in F.Y. 1989 to ensure that all districts would receive an increase in revenue per WADM when the general education program was formed by combining the old foundation program, teacher retirement aid and several other categorical programs.
 - A district's supplemental allowance equals the district's F.Y. 1993 supplemental revenue per WADM, less a reduction of \$100 to offset the increase in the formula allowance for F.Y. 1995, less a reduction equal to 25% of the district's increase in compensatory and T & E revenue per WADM between F.Y. 1994 and F.Y. 1996.
 - Through F.Y. 1999, the size of the reduction is smaller in districts with low tax capacity per pupil unit.
 - Beginning in F.Y. 1998, a district's supplemental revenue is increased by an amount equal to the revenue lost when the post-secondary enrollment options replacement aid was repealed.

10. Miscellaneous Adjustments to General Education Revenue

- a. **Post-Secondary Enrollment Options (PSEO) Aid** is paid to Minnesota higher education institutions for courses taken by 11th and 12th grade students for high school credit.
 - For institutions granting quarter credit, the reimbursement per credit hour is 88% of the formula allowance times 1.3, and divided by 45.
 - For institutions granting semester credit, the reimbursement per credit hour is 88% of the formula allowance times 1.3, and divided by 30.
- b. **Contracted Alternative Aid** is paid to districts for students eligible to participate in the graduation incentives program who enroll in nonpublic,

nonsectarian schools that have contracted with the serving school district to provide education services.

- c. **Shared Time 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.

- d. **Pension Adjustment.** General education aid is adjusted to offset the impact of certain changes in employer contribution rates for members of the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA). Beginning in F.Y. 1998, state aid is reduced by an amount equal to 2.34% of the F.Y. 1997 salaries for TRA members. State aid for F.Y. 1998 is increased by 0.35% of the F.Y. 1997 salaries of PERA members. Beginning in F.Y. 1998, the PERA adjustment is increased to 0.7% of F.Y. 1997 PERA salaries. In addition to these adjustments, an adjustment is made for a 1984 PERA rate change.

11. Referendum Revenue

- A school board may increase its revenue for general education, beyond the level otherwise provided by state law, by obtaining approval from district voters for a referendum levy.
 - A district's gross referendum revenue is computed according to the wording on the ballot. For elections held in 1990 or earlier, the revenue equals the tax capacity rate approved by voters, multiplied by the school district's net tax capacity. For elections held after 1990, or converted to an allowance per pupil unit in 1992 or 1993, the revenue equals an allowance per WADM, multiplied by the school district's WADM. Beginning in F.Y. 2002, all remaining rate-based referendums will be converted to allowances per pupil unit.
 - A district's referendum allowance may not exceed the greater of: (a) 25% of the formula allowance less \$300 (\$807.50 in F.Y. 1999), or (b) the district's referendum allowance in F.Y. 1994. The referendum allowance cap does not apply to districts receiving sparsity revenue.
 - Referendum allowances approved before 1996 are subject to an allowance reduction of up to \$100 plus 25% of the increase in compensatory and T & E revenue between F.Y. 1994 and F.Y. 1996.

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BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

B. Funding Source

General education revenue is funded through a combination of state aid and local property tax levies. For F.Y. 1999 and later, general education aid and levies are computed as follows:

■ **Initial General Education Aid and Levy.**

- Beginning in F.Y. 1999, initial general education revenue equals the sum of the basic, basic skills, sparsity, transportation sparsity, operating capital, graduation standards, and training & experience revenues.
- The general education levy is the local share of initial general education revenue.
- The total state general education levy for each year is set in law. By July 1 of each year, the department determines the uniform statewide tax rate that will raise the statutory dollar amount. For property taxes levied in 1998 for taxes payable in 1999, to generate revenues for F.Y. 2000, the state total general education levy is \$1,268,500,000, and the uniform rate is 36.58% of adjusted net tax capacity (ANTC).
- ANTC 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 F.Y. 1991. The ANTC is determined as follows:
 - The net tax capacity (NTC) equals the product of the market value as determined by the tax assessor and the class rate (percentage) for the class of property as set in law.
 - The adjusted net tax capacity equals the NTC divided by the sales ratio determined by the Department of Revenue. The sales ratio compares the actual selling price of property to the value ascribed by the assessor.

- For most districts, the aid and levy are computed as follows:

$$(1) \text{ General Education Levy} = \text{General Education Tax Rate} \times \text{ANTC}.$$

$$(2) \text{ Initial General Education Aid} = \text{Initial General Revenue} - \text{Levy}.$$

- If a district's ANTC per WADM is extremely high, then the calculation in (1) may exceed the revenue. In such cases the district is said to be "off the formula." Districts off the formula do not receive general education aid. They 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 ANTC exceeds the revenue. Revenue raised through levy equity is subtracted from other state aids due to the district.
- The net result is that all districts receive equivalent funding per student, and all districts make equivalent tax effort (unless the amount of other state aids due the district is insufficient to fully implement the levy equity adjustment.)
- Beginning in F.Y. 1999, the general education levy is reduced by the education homestead credit.

■ **Transition and Supplemental Aids and Levies**

- School districts receiving transition revenue or supplemental revenue make additional levies for these purposes. Beginning with taxes payable in 1999 for F.Y. 2000 revenues, the levy and aid are computed as follows:

$$\text{Levy} = \text{Revenue} \times \text{lesser of } 1, \text{ or the ratio of district ANTC per WADM to } \$10,000^2$$

$$\text{Aid} = \text{Revenue} - \text{Levy}.$$

■ **Referendum Aid and Levy**

- School districts receiving referendum revenue make an additional levy for this purpose.
- For F.Y. 1995 through F.Y. 1999, the first \$315 per WADM of referendum revenue is fully equalized. Beginning in F.Y. 2000, the first \$350 per WADM is fully equalized.
- For referendum levies spread on tax capacity, the aid and levy shares of the equalized portion of the revenue are computed using the same formula as for transition and supplemental revenue.
- For referendum levies spread on referendum market value, the aid and levy

2

The equalizing factor of \$10,000 is adjusted for changes in ANTC due to class rate changes in the 1997 and 1998 Tax bills. For F.Y. 2000, the adjusted equalizing factor is \$8,404.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

shares of the equalized portion of the revenue are computed as follows:

Equalized Levy = Equalized Revenue x lesser of 1, or the ratio of district
Referendum Market Value per WADM to \$476,000.

Aid = Equalized Revenue - Equalized Levy.

■ Replacements Of General Education Revenue

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

- **School Endowment Fund.** This fund is apportioned twice a year to all districts on the basis of the previous year's average daily membership (M.S. 127A.33). 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 School Endowment Fund is subtracted from other state revenues provided to the district.
- **County Apportionment Deduction.** School districts receive revenue from the apportionment of certain county receipts (M.S. 127A.34). 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.
- **Taconite Aid.** Certain districts receive a portion of the state's revenue from various taconite taxes (M.S. 294.21 - 294.28; M.S. 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.

BUDGET ISSUES:

- 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 services for students and their families given limited growth of resources.
- 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:

1. **Formula Allowance.** Increase the general education formula allowance by 2.5% each year of the biennium, as reflected in the table below:

Per Pupil Formula Allowance

	Current Law	Governor's Rec.
F.Y. 1999	\$3,530	
F.Y. 2000	\$3,530	\$3,618
F.Y. 2001	\$3,597	\$3,779

On an appropriations basis, this change costs \$257.564 million in the F.Y. 2000-01 biennium, including \$80.917 million in F.Y. 2000 and \$176.647 million in F.Y. 2001.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

2. **Class Size Reduction.** Add a new component to the general education program for class size reduction, beginning in F.Y. 2000. The additional revenue is equal to \$185 per kindergarten pupil and \$370 per pupil in grades 1 to 3. (See the narrative for Class Size Reduction, Budget Activity 0106, for more detail.)

On an appropriations basis, this change costs \$149.982 million in the F.Y. 2000-01 biennium, including \$71.422 million in F.Y. 2000 and \$78.560 million in F.Y. 2001. The recommendation also includes an additional \$150,000 each year for Department staffing.

3. **Pupil Weight for Disabled Pre-K Students.** Increase the pupil unit weight for pre-kindergarten pupils with a disability from 1.0 to 1.25, beginning in F.Y. 2000. (See the narrative for Special Education, Budget Activity 0201, for more detail.)

On an appropriations basis, this change costs \$8.815 million in the F.Y. 2000-01 biennium, including \$4.090 million in F.Y. 2000 and \$4.725 million in F.Y. 2001.

4. **LEP Revenue.** Increase the state Limited English Proficiency (LEP) revenue from the F.Y. 1999 level of \$16.092 million to \$33.734 million for F.Y. 2000 and to \$38.928 million for F.Y. 2001.

On an appropriations basis, this change costs \$15.102 million in the F.Y. 2000-01 biennium, including \$6.679 million in F.Y. 2000 and \$8.423 million in F.Y. 2001.

5. **Referendum Equalization.** Increase the maximum referendum equalization allowance from the F.Y. 2000 level of \$350 to \$415 for F.Y. 2001, \$455 for F.Y. 2002 and \$465 for F.Y. 2003 and later.

On an appropriations basis, this change costs \$13.388 million in F.Y. 2001.

6. **Learning Year.** (1) Restore learning year pupil units, beginning in F.Y. 2001. (Current law repeals learning year pupil units effective June 30, 1999.) (2) Increase the divisors used in computing learning year pupil units to reflect the addition of 3 days to the school year. On an appropriations basis, the first change costs \$59.188 million for the F.Y. 2000-01 biennium. Because the sunset was excluded from the last forecast in error, however, there is no bottom line impact to restoring the learning year program.

On an appropriations basis, the second change saves \$586,000 for the F.Y. 2000-01 biennium, or \$293,000 each year.

7. **Operating Referendum Revenue.** Beginning in F.Y. 2001, allow the equalized portion of operating referendum revenue to follow students to nonresident districts and charter school under the alternative attendance adjustment.

On an appropriations basis, this change saves \$592,000 in F.Y. 2001.

8. **Basic Skills Revenue.** (1) Beginning in F.Y. 2000, require school districts to establish a reserve account for basic skills revenue. (2) Beginning in F.Y. 2000, eliminate the \$22.50 matching requirement for basic skills revenue.

9. **Area Learning Centers.** Exclude the transportation portion of general education revenue in computing the amount reserved for program costs at area learning centers, beginning in F.Y. 2000.

10. **Cash Flow Metering System.** Simplify the cash flow metering system for school districts by eliminating the provision calling for 1/3 of the final adjustment payment to be added to the cumulative amount due, and adding an equivalent amount to the cumulative percentage of current revenue due.

To implement these changes, the Governor recommends an aid entitlement of \$3,054.014 million for F.Y. 2000 and \$3,158.949 million for F.Y. 2001.

- Based on these entitlements, the Governor recommends total general education appropriations of \$2,994.870 million in F.Y. 2000 (\$271.838 million for F.Y. 1999 and \$2,723.031 million for F.Y. 2000) and \$3,109.552 million in F.Y. 2001 (\$292.309 million for F.Y. 2000 and \$2,817.243 million for F.Y. 2001).

State of esota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0101 - General Education
Program: General Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	2,607,991	2,868,145	2,840,621	2,833,859		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	2,607,991	2,868,145				
	4. Adjustment(s)	0	0				
	5. State Aid Entitlement under Current Law	2,607,991	2,868,145	2,840,621	2,833,859	198,344	3.62%
	6. Governor's Recommended Aid Change(s)						
	a. 2.5% Formula Increase			89,874	186,255		
	b. Class Size Reduction Initiative (Budget Activity 0106)			79,338	78,483		
	c. Increase Referendum Equalization from \$350 to \$415			0	14,875		
	d. Increase Limited English Proficiency (LEP) Funding			7,421	8,534		
	e. Increase Pupil Weighting for Pre-K with Disabilities			4,544	4,746		
	g. Reinstate Learning Year Program			30,972	31,349		
	h. Change Learning Year Pupil Unit Calculation for Add'l 3 Days			(293)	(293)		
	i. Referendum and Integration Revenue to Follow Student			0	(657)		
	j. Subtotal - Governor's Aid Changes			211,856	323,292		
	7. Governor's Aid Recommendation	2,607,991	2,868,145	3,052,477	3,157,151	733,492	13.39%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	1,612,298	1,572,805	1,574,467	1,666,459	55,823	1.75%
	9. Governor's Recommended Levy Change(s)						
	a. 2.5% Formula Increase			(769)	(970)		
	b. Increase Referendum Equalization from \$350 to \$415			0	(14,875)		
	c. Subtotal - Governor's Levy Changes			(769)	(15,845)		
	10. Governor's Levy Recommendation	1,612,298	1,572,805	1,573,698	1,650,614	39,209	1.23%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	4,220,289	4,440,950	4,415,088	4,500,318	254,167	2.93%
	a. Subtotal - Governor's Revenue Change			211,087	307,447		
	b. Governor's Revenue Recommendation	4,220,289	4,440,950	4,626,175	4,807,765	772,701	8.92%
Appropriations Basis for State Aid							
	Prior Year (10%)	234,999	247,099	272,186	292,155		
	Current Year (90%)	2,332,306	2,638,942	2,721,649	2,815,625		
	Transfers per M.S. 127A.41, subdivision 8						
	Total State Aid - General Fund	2,567,305	2,886,041	2,993,835	3,107,780		
	Funds for Agency Staff for Class Size Reduction			150	150		
	Total State Aid - General Fund			2,993,985	3,107,930		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0102 PROPERTY TAX REVENUE
RECOGNITION (Information Only)

PROGRAM: General Education

AGENCY: Education, Children & Families

CITATION: M.S. 123B.75, Subd. 5; M.S. 127A.41, Subd.6;
M.S. 127A.44

ACTIVITY PROFILE:

Purpose:

- This accounting mechanism was first used in 1983 to help balance the state's budget and lessen cuts in education programs.

Background:

- While property taxes are paid on a calendar year basis, school districts operate on a fiscal year that runs from July 1 to June 30. The first half of the property taxes payable for the calendar year are due in May, and the second half are due in October or November.
- Prior to F.Y. 1983, all of the school districts' May property tax collections were held and recognized as revenue in the following fiscal year, beginning July 1.
- Beginning in F.Y. 1983, the revenue recognition policy was changed so that a portion of the spring proceeds were recognized as revenue in the fiscal year of collection. This accounting change provided the state with one-time savings in aid payments, without reducing the overall revenue recognized by a school district.
- This provision was structured to be revenue neutral to school districts.¹ In order to ensure that district revenue was not affected by the levy recognition change, state aid payments were 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. Districts with first time referendum levies recognize a portion of the levy a year early, while districts levying for the last time recognize only the balance not recognized the previous year.
- As the table below indicates, the "shift" percentage (the percent of the calendar year levy recognized early) has changed through the years, reflecting the budgetary needs and financial position of the state.

TAX REVENUE RECOGNITION POLICY
(\$ in millions)

	Early Recognition <u>Percent</u>	Current Aid Reduction/ <u>(Payment)*</u>	Cumulative <u>Aid Reduction</u>
1983	32.0	240.7	240.7
1984	32.0	34.4	275.1
1985	24.0	(69.5)	205.6
1986	24.0	6.5	212.1
1987	24.0	12.9	225.0
1988	27.0	42.1	267.1
1989	27.0	29.0	296.1
1990	31.0	6.6	302.7
1991	31.0	42.7	345.4
1992	37.0	108.6	454.0
1993	50.0	234.1	688.1
1994	37.4	(145.4)	542.7
1995	37.4	44.6	587.3
1996	18.1	(294.5)	292.8
1997	7.0	(198.6)	94.2
1998	7.0	(4.0)	90.2
1999	0.0	(90.2)	-

- For F.Y. 1997, the early recognition percent was reduced to 7%, and the early recognition subject to aid adjustments was limited to the general education levy, further reducing the cumulative aid reduction to \$94 million.
- Beginning in F.Y. 1999, the early recognition of levies subject to aid adjustments is eliminated, and all of the remaining cumulative aid reduction is returned to the school districts.

¹ Except for the referendum levy and other levies (such as health insurance) specified in law.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0102 PROPERTY TAX REVENUE
RECOGNITION (Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

- However, 31% of the referendum levy continues to be recognized early, as are 100% of levies for integration, reemployment insurance, health insurance, health benefits, retirement and retroactive formula changes.
- The state began repaying the shift in 1994. On a fund balance basis, the following amounts have been appropriated to eliminate the shift:

Dollars in Thousands					
<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
\$171,290	\$710	\$314,832	\$180,000	\$18,700	\$90,200

STRATEGIES AND PERFORMANCE:

- While the “shift” protected state education revenues, school districts had to increase the amount of borrowing in order to meet cash flow shortages.
- There are several mechanisms to help mitigate cash flow problems in districts:
 - 1) Minnesota Statutes allow for school districts to borrow for cash flow needs based on property taxes receivable from the county and state education aids receivable from the state.
 - 2) The credit enhancement program under M.S.126C.55 allows districts to benefit from the State of Minnesota’s favorable credit rating. It 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.
 - In the 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.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0103 DISTRICT COOPERATION REVENUE
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 126C.22

ACTIVITY PROFILE:

Purpose:

- To promote interdistrict cooperation as a means of improving quality and efficiency in the provision of educational services.
- To ensure that comprehensive, high quality special education and secondary vocational programs are available to children residing in an intermediate school district by requiring intermediate district members to reserve funds specifically for those purposes.

Background:

- This program was initiated in F.Y. 1995 to replace several earlier cooperation revenues, including the intermediate school district levy, education district revenue, and aids to cooperative service units and regional management information centers. Compared with the previous formulas,
 - local flexibility was increased by providing revenue directly to districts, instead of cooperative units; and
 - funding equity was increased by providing a uniform allowance for all districts, instead of varying allowances for different types of cooperatives.

Activity Description:

- All school districts have been eligible to participate in this program. In F.Y. 1999, 352 of the 353 districts participated.
- For F.Y. 2000 and earlier, districts must place this revenue in a reserved

account, and may only use the revenue for cooperative purposes. In addition:

- Districts that were members of an intermediate district on July 1, 1996 must allocate a specific portion for special and vocational education.¹ The district must demonstrate that the 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 this revenue on secondary vocational education.
- Beginning in F.Y. 2001, this revenue is rolled into the general education program (Budget Activity 0101).
 - Under current law the general education formula allowance will increase by \$67 to \$3,597.
 - Cooperation transition revenue will provide a hold-harmless for districts currently receiving the \$25,000 minimum revenue amount.
 - Restrictions on the use of revenue are as follows:
 - Districts that were members of the intermediate district on July 1, 1996 must continue to reserve 6/11ths of the district's portion of the Pay 1994 intermediate levy for secondary vocational education and 5/11ths of this amount for special education programs.
 - A new restriction is added for districts that are members of an education district on July 1, 1999. These districts must reserve \$50 per pupil unit for instructional services from entities formed for cooperative services, including special education, secondary vocational education, gifted and talented programs, and staff development.
 - For other districts, the revenue is unrestricted.

¹ This amount is equal to 5/11ths of the district's portion of the intermediate district levy for taxes payable in 1994 for special education and 6/11ths of this amount for secondary vocational education.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0103 DISTRICT COOPERATION REVENUE
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

STRATEGIES AND PERFORMANCE:

- The roll-in of this revenue into the general education program will:
 - simplify the education funding system;
 - provide most districts with flexibility to use revenues more efficiently;²
 - enable revenue to follow students under open enrollment and to charter schools; and
 - equalize the tax effort required to access this revenue.

FINANCING INFORMATION:

- This program is funded with state aid and a local property tax levy.
- The equalizing factor for this program, \$3,500, is only 35% of the equalizing factor used for fully equalized programs. Therefore, most of the program funding comes from the local levy. In F.Y. 1999, the levy accounted for 89% of the total program revenue, with only 212 of 352 participating districts receiving state aid.
- The formula for computing this revenue remains the same for F.Y. 1995 - F.Y. 2000: a district's maximum district cooperation revenue equals the greater of \$67 times the district's resident pupil units, or \$25,000.
- District cooperation revenue does not currently follow students under open enrollment or to charter schools.

BUDGET ISSUES:

² Districts that are members of an education district on 7-1-99 will have less flexibility than before.

- 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.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$5.186 million for F.Y. 2000.
 - Based on this entitlement, the Governor recommends an appropriation of \$5.537 million in F.Y. 2000 (\$869,000 for F.Y. 1999 and \$4.668 million for F.Y. 2000), and \$518,000 in F.Y. 2001 for the final payment for F.Y. 2000.

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0103 - District Cooperation*
Program: General Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	7,862	6,929	5,170	0		
	2. Statutory Excess/(Shortfall)	1,683	1,769				
	3. Appropriated Entitlement	9,545	8,698				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(1,683)	(1,769)				
	5. State Aid Entitlement under Current Law	7,862	6,929	5,170	0	(9,621)	-65.05%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			16	0		
	7. Governor's Aid Recommendation	7,862	6,929	5,186	0	(9,605)	-64.94%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	53,501	57,083	58,230	0	(52,354)	-47.34%
	9. Governor's Recommended Levy Change(s)			386	0		
	10. Governor's Levy Recommendation	53,501	57,083	58,616	0	(51,968)	-46.99%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	61,363	64,012	63,400	0	(61,975)	-49.43%
	a. Subtotal - Governor's Revenue Change			402	0		
	b. Governor's Revenue Recommendation	61,363	64,012	63,802	0	(61,573)	-49.11%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,172	951	869	518		
	Current Year (90%)	8,594	7,829	4,668	0		
	Transfers per M.S. 127A.41, subdivision 8	(1,683)	(1,769)				
	Total State Aid - General Fund	8,083	7,011	5,537	518		

*Program is rolled into General Education (Budget Activity 0101) in F.Y. 2001.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0104 LIMITED ENGLISH PROFICIENCY (LEP)
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 124.273, Subd. 1C-8, 124D.65, Subd. 1-11

ACTIVITY PROFILE:

Purpose:

- To provide funding, technical assistance and in-service training to school districts serving limited English proficient students.

Background:

- The limited English proficiency (LEP) program began in 1981.
- In F.Y. 1996 the program became part of the targeted needs program that also included the assurance of mastery (AOM) program and integration grants.
- Beginning in F.Y. 1999, LEP and AOM were combined, along with compensatory revenue, into the basic skills component of general education revenue (see Budget Activity 0101, General Education).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0104 - Limited English Proficiency (For Information Only - FY 1999-FY 2001 is in General Education, Budget Activity 0101)
Program: General Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	16,615	0	0	0		
	2. Statutory Excess/(Shortfall)	(1,399)					
	3. Appropriated Entitlement	15,216	0				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	1,399					
	5. State Aid Entitlement under Current Law	16,615	0	0	0	(16,615)	-100.00%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	16,615	0	0	0	(16,615)	-100.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	2,899	0	0	0	(2,899)	-100.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	2,899	0	0	0	(2,899)	-100.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	19,514	0	0	0	(19,514)	-100.00%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	19,514	0	0	0	(19,514)	-100.00%
Appropriations Basis for State Aid							
	Prior Year (10%)	93	1,522				
	Current Year (90%)	13,694					
	Transfers per M.S. 127A.41, subdivision 8	1,399					
	Total State Aid - General Fund	15,186	1,522	0	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0105 ASSURANCE OF MASTERY (AOM)
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 124.311, 124.3111, 124D.67, 124D.66

ACTIVITY PROFILE:

Purpose:

- To identify at-risk K-8 students and provide intervention and additional educational support to help them succeed in the education program.

Background:

- This program began in 1989.
- In F.Y. 1996 the program became part of the targeted needs program that also included the limited English proficiency and integration grants.
- Beginning in F.Y. 1999, LEP and AOM were combined, along with compensatory revenue, into the basic skills component of general education revenue (see Budget Activity 0101, General Education).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0105 - Assurance of Mastery (For Information Only - FY 1999-FY 2001 is in General Education, Budget Activity 0101)
Program: General Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	12,228	0	0	0		
	2. Statutory Excess/(Shortfall)	1,542					
	3. Appropriated Entitlement	13,770	0				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(1,542)					
	5. State Aid Entitlement under Current Law	12,228	0	0	0	(12,228)	-100.00%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	12,228	0	0	0	(12,228)	-100.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	12,228	0	0	0	(12,228)	-100.00%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	12,228	0	0	0	(12,228)	-100.00%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,364	1,377				
	Current Year (90%)	12,393					
	Transfers per M.S. 127A.41, subdivision 8	(1,542)					
	Total State Aid - General Fund	12,215	1,377	0	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0106 CLASS SIZE REDUCTION
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: None

ACTIVITY PROFILE:

Purpose:

- To improve student achievement by reducing average class sizes in kindergarten through grade 3 from current levels, with a target of 17:1 in those grades.
- For districts currently meeting the class size targets, to improve student achievement through other program improvement strategies.

Background:

- From F.Y. 1991 through F.Y. 1993, school districts received funding for class size reduction through the individualized learning and development aid (ILDA) program. The program was limited to kindergarten and grade 1 in F.Y. 1991, and was expanded to include grade 2 in F.Y. 1992 and to include grade 3 in F.Y. 1993. Total program funding was \$7.1 million in F.Y. 1991, \$11.6 million in F.Y. 1992, and \$16.6 million in F.Y. 1993.
- Beginning in F.Y. 1994, ILDA was replaced with learning and development revenue, a component of the general education program (budget activity 0101).
 - the pupil unit weight for regular kindergarten was increased to .515 for F.Y. 1994 and to .53 beginning in F.Y. 1995, and the pupil unit weight for grades 1-6 was increased to 1.03 for F.Y. 1994 and to 1.06 beginning in F.Y. 1995.
 - the additional revenue must be used to reduce and maintain a district's instructor-learner ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of this revenue to attain this level initially in kindergarten and grade one and then through the subsequent grades as revenue is available.
 - "instructor" includes regular classroom teachers, special subject teachers (e.g., art, music, physical education, Title I, LEP) and school social

workers. Special education teachers, media specialists, guidance counselors, and administrators are excluded.

- between F.Y. 1993 and F.Y. 1998, the state average learner-instructor ratio for grades K-6 decreased from 19.84 to 18.21.

Activity Description:

- The current learning and development revenue program will be continued, but the focus will change from instructor-learner ratios to class sizes.
- School districts will be eligible for additional revenue of up to \$185 per student in regular kindergarten plus \$370 per student in grades 1-3:
 - to qualify for the additional revenue, districts will submit plans showing how the funds will be used to progress toward the class size targets.
 - the first priority for use of the revenue must be to reduce average K-3 class size from the district's 1998-99 level to the target level of 17:1.
 - waivers will be possible in exceptional circumstances where districts face unavoidable capital constraints or other situations (e.g., statutory operating debt, loss of referendum authority) which make class size reduction impossible.
 - districts meeting the class size target with less than the maximum revenue amount may request authorization to use the remaining funds for other strategies to improve student achievement.
 - districts will submit a final report at the end of each fiscal year describing the impact of the additional revenue on class sizes and other strategies to improve student achievement.
- Class size reduction will require more classroom space in some districts, triggering an increase in school district lease building levies (for modular classrooms or building additions), or debt service levies.
 - capital and debt levies are projected to increase by \$14.3 million for taxes payable in 2000 and by \$20.6 million in later years.
 - to offset the increase in capital and debt levies, and improve overall education funding equity, referendum equalization will be extended from \$350 per pupil unit in F.Y. 2000 to \$415 per pupil unit in F.Y. 2001, \$455 in F.Y. 2002, and \$465 beginning in F.Y. 2003.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0106 CLASS SIZE REDUCTION
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

STRATEGIES AND PERFORMANCE:

- This program will improve student achievement by reducing class sizes, thereby increasing the amount of individual attention given to each learner in kindergarten through grade 3, and enabling districts meeting the class size targets to implement other program improvement strategies.

FINANCING INFORMATION:

- The operating portion of this initiative is funded entirely with state general education aid.
- Some school districts are expected to increase capital levies to provide additional classroom space.
- On a state aggregate basis, the increase in capital levies will be offset by a reduction in operating referendum levies through enhancement of the referendum equalization program.

BUDGET ISSUES:

- This initiative is funded on an ongoing basis, although there will be a slight decrease in future appropriation requirements due to declining enrollment in grades K-3.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$79.338 million in F.Y. 2000 and \$78.483 million in F.Y. 2001.
 - Based on these entitlements, the Governor recommends \$71.422 million in F.Y. 2000 and \$78.560 million in F.Y. 2001 be appropriated to general education (Budget Activity 0101) for class size reduction aid.

- The Governor also recommends an aid entitlement of \$14.875 million in F.Y. 2001 for increased referendum equalization aid to offset increases in capital levies.
 - Based on this entitlement, the Governor recommends \$13.388 million be appropriated to general education in F.Y. 2001.
- In addition, the Governor recommends the agency budget be increased by \$150,000 in F.Y. 2000 and F.Y. 2001 to fund 2 full-time staff members to administer this program.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0107 CHOICE PROGRAMS.(Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families

ACTIVITY PROFILE:

Purpose:

- To provide learners with a wide range of educational opportunities by allowing them to choose a school or educational program either in or outside of their resident district. Learners and their families must play an active role in determining educational goals, the student's needs and interests and the school's ability to provide an appropriate educational experience.

Background:

- The first choice program, post secondary enrollment options (PSEO), was enacted in 1985. The open enrollment program was enacted in 1988. Legislation authorizing charter schools was enacted in 1991.

Activity Description:

Minnesota's choice programs include:

1. Open Enrollment
2. Charter Schools
3. Learning Year Programs
4. Post-Secondary Enrollment Options
5. Graduation Incentives
6. Area Learning Centers
7. Alternative Learning Programs
8. Tax Credits and Deductions
9. Tax Deduction

1. Open Enrollment: (M.S. 124D.03)

This program allows all public school-eligible pupils to apply to attend a school outside their resident district.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Students Enrolled in Non-Resident District Through Open Enrollment	18,596	18,916	19,936	20,336	21,316

2. Charter Schools: (M.S. 124D.10)

- Charter schools are public schools and receive state funds from general education revenue based on pupil enrollment.
- Charter schools are designed to meet one or more of the following purposes:
 - improve individual learning,
 - increase learning opportunities,
 - use different and innovative teaching methods,
 - measure learning results using innovative forms of measurement,
 - establish new forms of accountability for schools, or
 - create new professional opportunities for teachers, including the opportunity to be responsible for a learning program at the school site.
- While charter schools are exempt from most state statutes and rules governing schools and school districts, they must comply with certain statutes and rules, including:
 - They must provide a comprehensive education program for at least one age group 5-18 years of age.
 - They must be nonsectarian.
 - They must comply with the pupil fair dismissal act.
 - They must comply with the public school fee law.
 - They cannot charge tuition.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Charter Schools	14	17	19	26	37
Number of Students Enrolled	1,046	1,494	2,138	3,251	5,531

3. Learning Year Programs: (M.S. 124D.128)

The learning year program extends the educational program from the traditional 9-month calendar to a 12-month calendar. Students can accelerate their educational program allowing them to either graduate early, or to make up courses.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0107 CHOICE PROGRAMS (Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families
 (Continued)

- A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from K-12. A continual learning plan must be developed for each student.
- Aid and revenue are based on the total number of hours of education programs for pupils in average daily membership for each fiscal year.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Learning Year Pupil Units	1,186	1,247	1,529	2,380	3,140

4. Post-Secondary Enrollment Options: (M.S. 124D.09)

This program allows high school juniors and seniors (both public and nonpublic, including home schooled) to take courses at eligible Minnesota post-secondary institutions. Students must meet the post-secondary institution's admission requirements.

- The program provides students with a greater variety of class offerings and an opportunity to pursue more challenging course work.
- The tuition, fees and required textbooks are provided at no cost to students.
- The student earns secondary credit when courses are completed, and earns post-secondary credit if they continue at a post-secondary institution that accepts those credit transfers after high school graduation.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Students Participating in PSEO	6,668	6,385	6,552	7,074	7,254

5. Graduation Incentives: (M.S. 124D.68)

This program identifies students who are having difficulty in a traditional educational program, and allows them to enroll in the following educational programs:

- any public school,
- public alternative program,
- area learning center,
- contracted alternative program,
- charter school,
- post-secondary enrollment options, or
- adult basic education.

6. Area Learning Centers: (M.S. 123A.05)

Area learning centers (ALC) are designed for secondary students and adults who meet graduation incentives criteria. Elementary students may also be served.

- Area learning centers are open all year, and during the day and evening.
- Instruction is geared towards the student's individual learning style and needs and includes:
 - applied academics,
 - school-to-work,
 - computerized instruction, and
 - service learning.
- A school district may establish an ALC by itself or in cooperation with other districts, other agencies, foundations, partnerships, etc. Except for a district located in a city of the first class, an ALC must serve the geographic region of at least 2 districts.

Area Learning Centers

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Centers (State-approved)	46	53	56	61	69
Sites (Locations where center services may be accessed)	390	418	453	468	492

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0107 CHOICE PROGRAMS (Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families
 (Continued)

7. Alternative Programs: (M.S. 127A.41, Subd. 7; M.S. 124D.12-124D.127; M.S. 124D.61)

Alternative programs are similar to area learning centers, except they may designate the age/grade levels to be served and they may restrict service to students already enrolled in or residents of the district offering the program.

Public Alternative Programs

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Programs (State-approved)	49	54	60	57	63
Sites (Locations where center services may be accessed)	65	70	76	70	82

Contracted Alternative Programs

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Programs (State-approved)	20	21	21	22	22
Sites (Locations where center services may be accessed)	20	21	21	22	22

8. Tax Credits: (M.S. 290.0674)

- This program was enacted by the 1997 legislature and first took effect for calendar year 1998.
- Families with school-age children and incomes at or below \$33,500 per year, may qualify for a tax credit of up to \$1,000 per child (\$2,000 per family) to reimburse them for certain educational expenses, including:
 - Tutoring
 - Academic summer camps

- Enrichment programs
- Textbooks and instructional materials
- Home computer hardware
- Educational software
- Some expenses associated with individual schools

- Parents of any child educated publicly, privately or at home may qualify for education tax credits.

9. Tax Deductions: (M.S. 290.01, subd. 19b)

- This deduction was first enacted in 1955, and most recently modified by the 1997 legislature. It is available to all families, regardless of income, and regardless of whether they itemize.
- In 1997, deductions for each dependent child in kindergarten through sixth grade were increased from a maximum deduction of \$650 to \$1,625; deductions for each dependent child in grades 7-12 increased from a maximum of \$1,000 to \$2,500.

FINANCING INFORMATION:

- Most school operating revenue follows students participating in open enrollment and charter schools.
- Referendum revenue and district cooperation revenue do not follow students under either program, and integration revenue does not follow students to charter schools.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0108 TRANSPORTATION FUNDING
(Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 123B.92; M.S. 124D.86; M.S. 125A.76;
M.S. 126C.10

ACTIVITY PROFILE:

Background:

- Between F.Y. 1996 and F.Y. 1999, Minnesota's approach to pupil transportation funding changed from maintaining a separate system of categorical aids and levies to incorporating pupil transportation funding as an integral part of the overall funding for general education, special education, and integration/desegregation programs.
- This change was intended to increase local flexibility in the use of resources, and strengthen incentives for cost efficient operations.
- Information on student participation, expenditures, and the value of the school bus inventory can be found in the Appendix.

FINANCING INFORMATION:

- Prior to F.Y. 1997, school districts received separate categorical funding for pupil transportation.
 - State aid and levy authority were provided for "regular transportation" (to and from school for public and nonpublic secondary students residing at least 2 miles from school, and elementary students residing at least 1 mile from school), and "nonregular transportation" (e.g., special transportation for students with disabilities, desegregation, between schools, noon kindergarten).
 - School districts that owned buses were required to reserve a portion of their regular transportation funding for school bus purchases. If the reserved amount was insufficient, a district could levy the amount needed for bus purchases.
 - Additional levy authority was provided for "excess transportation" (transportation of secondary students residing between 1 and 2 miles from

school, and transportation of students residing less than 1 mile from school where hazardous walking conditions were present), and for the late activity bus transportation.

- A separate transportation fund was maintained in UFARS to track revenues, expenditures, and fund balances for pupil transportation.
- Beginning in F.Y. 1997, funding for pupil transportation is included in the general education revenue program¹ (Budget Activity 0101). The Transportation Fund has been eliminated with all transportation revenues and expenditures recorded in the general fund. General education funding attributable to transportation includes:
 - 4.85% of the basic revenue (\$170 per pupil unit in F.Y. 1997);
 - transportation sparsity revenue (additional revenue for districts with low population density); and
 - transportation transition revenue (a hold-harmless provision guaranteeing that total transportation revenue per pupil unit will be at least as great as in F.Y. 1996).
- For F.Y. 1997 and F.Y. 1998 only, transportation for students with disabilities, desegregation transportation, and transportation of nonpublic school students were funded under the targeted needs transportation formula.
- Beginning in F.Y. 1999, funding for transportation of students with disabilities is included in the special education formula (Budget Activity 0201), while funding for desegregation/integration transportation is included in the integration revenue formula (Budget Activity 0213), and nonpublic pupil transportation is funded through a separate nonpublic pupil transportation aid formula (Budget Activity 0604).
- All pre-F.Y. 1997 transportation funding components, except transportation safety aid (Budget Activity 0104), are eliminated.

¹ This roll-in excluded special transportation for students with disabilities, desegregation transportation, and transportation of nonpublic school students

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0108 TRANSPORTATION FUNDING
(Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families
(Continued)

PUPIL TRANSPORTATION FUNDING, F.Y. 1996 - F.Y. 1999

	Dollars in Thousands			
	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
<u>Pre-F.Y. 1997 Funding</u>				
<u>Categories</u>				
Transportation Aid & Levy	\$274,623	n/a	n/a	n/a
Bus Purchase Levy	6,086	n/a	n/a	n/a
Late Activity Bus Levy	3,015	n/a	n/a	n/a
Transportation Safety Aid	1,391	1,231	1,436	1,444
<u>General Education Revenue</u>				
Basic Revenue (4.85%)	n/a	160,504	165,486	164,122
Transportation Sparsity	n/a	44,473	45,304	44,416
Transportation Transition	n/a	7,901	13,506	14,704
<u>F.Y. 1997 & Later</u>				
<u>Categoricals</u>				
Targeted Needs	n/a	93,650	95,797	n/a
Transportation				
Special Education Revenue	n/a	n/a	n/a	69,194
Integration Revenue	n/a	n/a	n/a	12,740
Nonpublic Transportation	n/a	n/a	n/a	17,315
Aid				
Total Pupil Transportation Funding	285,115	306,528	321,529	324,011
Pupils (ADM)	822,954	833,472	839,415	843,070
Total Transportation Funding per ADM (\$ in 00s)	\$346	\$368	\$383	\$385

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0109 TRANSPORTATION SAFETY
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 123B.92, Subds. 2 and 4

ACTIVITY PROFILE:

Purpose:

- To improve student conduct and safety on and around school buses.

Background:

- This program was enacted by the 1994 Legislature, together with new school bus safety training requirements that were recommended by the 1993 School Bus Safety Task Force. Additional driver training, student training, and written district transportation policies were some of the new requirements.

Activity Description:

- This aid is placed in a reserved revenue account. It can be spent only to:
 - provide paid adult bus monitors, including training and salary costs;
 - provide a volunteer bus monitor program, including training costs and the cost of a program coordinator;
 - purchase or lease external public address systems or video recording cameras for use on buses;
 - purchase or implement other equipment or activities that have been approved by the commissioner of public safety;
 - provide bus safety training for students;
 - fund reporting costs for incidents of student misconduct;
 - train and evaluate school bus drivers; and
 - purchase crossing gates/arms.
- Instruction in school bus safety with demonstration of competencies is required for all K-10 students who are transported by school bus. Most districts train and test all enrolled K-10 students, since they do not know whether the student will need to be transported for a school event at some time during the year.

STRATEGIES AND PERFORMANCE:

- Over 98% of students receiving training demonstrate the required competencies. The majority of those who do not demonstrate the required competencies are unable to do so because of physical, mental and/or emotional disabilities.

FINANCING INFORMATION:

- This activity is funded with state aid.
- Since F.Y. 1996, state aid has been \$1.50 per pupil unit, with a minimum of \$500 per district.
- In F.Y. 1995, the first year of funding, state aid was set at 1% of regular and nonregular transportation funding, with a minimum of \$1,000 per district.
- For F.Y. 1995 through F.Y. 1997, the three major expenditure areas were adult bus monitor salaries, student safety training and school bus driver training/evaluations.

BUDGET ISSUES:

- Safety training of students and bus drivers will continue to be a priority for school districts. There will be increased pressure to add additional safety equipment items on school bus such as seat belts, railroad warning devices, crossing arms, etc.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing categorical funding for this program beginning in F.Y. 2000.
 - To pay the final portion of the F.Y. 1999 entitlement, the Governor recommends an appropriation of \$144,000 in F.Y. 2000.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0109 - Transportation Safety
Program: General Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	1,440	1,450	1,442	1,441		
	2. Statutory Excess/(Shortfall)	5	10				
	3. Appropriated Entitlement	1,445	1,460				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(5)	(10)				
	5. State Aid Entitlement under Current Law	1,440	1,450	1,442	1,441	(7)	-0.24%
	6. Governor's Recommended Aid Change(s)						
	a. Eliminate Program & Redirect Resources			(1,442)	(1,441)		
	7. Governor's Aid Recommendation	1,440	1,450	(1,442)	(1,441)	(5,773)	-199.76%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	1,440	1,450	1,442	1,441	(7)	-0.24%
	a. Subtotal - Governor's Revenue Change			(1,442)	(1,441)		
	b. Governor's Revenue Recommendation	1,440	1,450	(1,442)	(1,441)	(5,773)	-199.76%
Appropriations Basis for State Aid							
	Prior Year (10%)	129	144	144	0		
	Current Year (90%)	1,301	1,314				
	Transfers per M.S. 127A.41, subdivision 8	(5)	(10)				
	Total State Aid - General Fund	1,425	1,448	144	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0110 ENROLLMENT OPTIONS
TRANSPORTATION
PROGRAM: General Education
AGENCY: Education, Children & Families
CITATION: M.S. 124D.03; M.S. 124D.09; M.S. 124D.10

ACTIVITY PROFILE:

Purpose:

- To help low income students participate in the post-secondary enrollment options (PSEO), school district enrollment options (SDEO), and charter schools programs by providing state aid to school districts that reimburse families for transportation expenses associated with these programs. (See Budget Activity 0108 for a description of these programs).

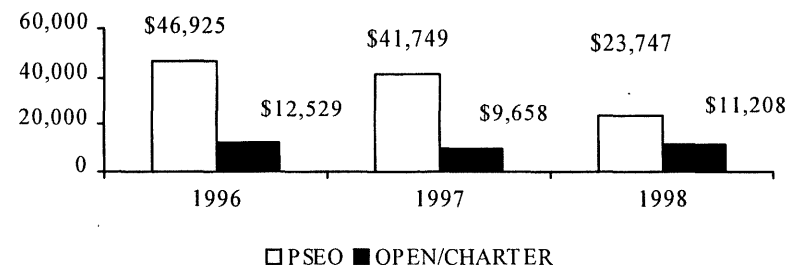
Background:

- State aid is paid to school districts to reimburse families whose income is below 100% of the federal poverty guidelines. The mileage reimbursement rate is set at 15 cents per mile and is limited to 250 miles per week.¹
- The PSEO mileage reimbursement program was made available to students attending nonpublic schools (including home schools), beginning in F.Y. 1999.
- Students provide their own transportation in this program. PSEO students apply through their resident districts (or the post-secondary institutions, if nonpublic). Open enrollment students submit their applications to the enrolling districts. Charter school students can either apply to their charter schools or the districts providing the transportation services.

STRATEGIES AND PERFORMANCE:

¹ For the PSEO program, if the closest post-secondary institution is greater than 25 miles one way from the student's home, the actual distance to the nearest post-secondary institution is used to determine mileage reimbursement.

Transportation Claim Amounts from Low Income Families



FINANCING INFORMATION:

- This activity is funded with state aid.
- In F.Y. 1998, the number of claims in this program has decreased. This may be due to the strong economy which allows more individuals to obtain decent paying jobs.

BUDGET ISSUES:

- Some students, because of disabilities, cannot participate in this program unless they receive district-provided transportation services. Districts may be forced to provide the service because of requirements in IDEA and ADA, Section 504. These districts do not receive any state reimbursement to help with this potentially high cost transportation service.
- The low eligibility threshold for this program (100% of federal poverty guidelines) excludes many students qualifying for other poverty based measures (e.g., free and reduced priced lunch).

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$102,000 for F.Y. 2000 and \$102,000 for F.Y. 2001, with carryforward authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: GENERAL EDUCATION

Activity: TRANSPORTATION AID ENROLL OPT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	51	35	169	102	102	102	102	0	.0%
Total Expenditures	51	35	169	102	102	102	102	0	.0%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	51	35	169	102	102	102	102		
Total Financing	51	35	169	102	102	102	102		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0111 WIDE AREA TRANSPORTATION (WATS)
PROGRAM: General Education
AGENCY: Education, Children & Families
CIATION: Laws 1997, 1Sp, Chapter 4, Article 1, Section 62, Subd. 5

ACTIVITY PROFILE:

Purpose:

- To provide transportation services for students beyond the school attendance area or district boundary so that they can participate in programs where a relatively small number of students are drawn from a large geographical area. These are known as “low incidence” programs, and include special education, enrollment options, chemical dependency treatment programs and nonpublic education.

Background:

- The 1995 Legislature appropriated \$250,000 to develop the program. The funds were used to hire staff, rent offices, purchase hardware, routing software, and a computerized map. WATS started providing transportation services at the beginning of the 1996-97 school year.
- An additional appropriation of \$150,000 was given to WATS by the 1997 Legislature. This money was used to buy an NT server and the NT version of the routing software. The map of the entire metropolitan area is now available on the WATS computer system.

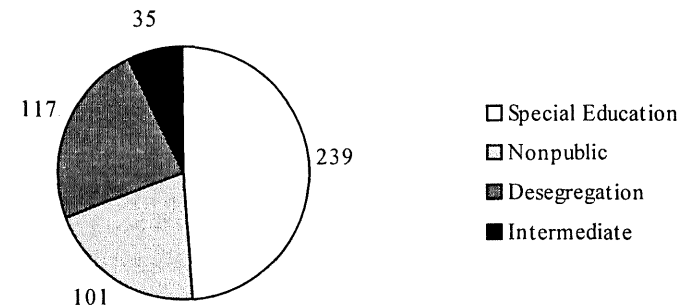
Activity Description:

- WATS develops bus routes using computerized routing software after receiving information from school districts on student addresses and schools. A route can travel through a number of districts in transporting students to jointly-offered programs. Outer ring suburbs have saved significant amounts by using the WATS bus routes.

STRATEGIES AND PERFORMANCE:

- WATS transported an average of 475 students per month during the 1997-98 school year. Eleven east metropolitan school districts used the WATS program along with two nonpublic schools, an intermediate school district and an interdistrict desegregation/integration school. Most of the students being transported are special needs students.

Types of Students Being Transported by WATS 1997-98 School Year



FINANCING INFORMATION:

- This activity is funded with state aid.

BUDGET ISSUES:

- The 1995 and 1997 appropriations were used for start-up and expansion purposes. No funds are being requested for F.Y. 2000 and later.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends elimination of funding for this program.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0201 SPECIAL EDUCATION - REGULAR
PROGRAM: Special Programs
AGENCY: Education, Children & Families
STATE CITATION: M.S. 125A.02; M.S. 125A.03; M.S. 125A.53;
M.S. 125A.75; M.S. 125A.76; M.S. 125A.77;
M.S. 125A.78; M.S. 125A.79
FEDERAL CITATION: P.L. 95-17 Individuals with Disabilities
Education Act (IDEA)

ACTIVITY PROFILE:

Purpose:

- To assure that students with disabilities have specially designed instruction and related services available to meet their needs.

Background:

- Special education services have been available in Minnesota since the 1950s in various forms and degrees, particularly in the larger cities. However, children with disabilities were not being identified and assured a free and appropriate public education (FAPE) until the Congress passed Public Law 94-142, Education for All Handicapped Children Act in 1975.
- P.L. 94-142 mandated that school districts seek out, identify and provide a free and appropriate public education to all students with a disability.
- From 1975 forward, the numbers of special education students, special education staff and special education services have been growing and evolving in the public schools. Children with severe disabilities, previously living in state hospitals and not receiving an education program, were moved to home settings and to group homes throughout Minnesota during the 1980s. The education programs for these students are now the responsibility of the public school system.
- As shown in the table below, in F.Y. 1998 Minnesota provided special education services to 95,938 school-aged students, ages 5 through 18,

compared with 72,556 in F.Y. 1991. Although the number of school aged students grew by 23,382, special education enrollment as a percent of total enrollment only increased from 8.68% in F.Y. 1991 to 10.28% in F.Y. 1998. Therefore, in F.Y. 1998, the total school aged population identified as having a disability was 1.6% greater than it was in F.Y. 1991.

Count Date	Fiscal Year	Preschool Spec Educ Enroll (0-4)	School Age Spec Educ Enroll (5-18)	% of Total School Age Enroll (5-18)	Special Education Enroll (19-21)
12/1/1990	1991	6,901	72,556	8.68	1,043
12/1/1991	1992	7,486	74,092	8.74	1,060
12/1/1992	1993	8,079	76,815	8.85	1,036
12/1/1993	1994	8,525	80,881	9.14	1,145
12/1/1994	1995	8,864	86,356	9.63	1,323
12/1/1995	1996	8,900	90,501	9.85	1,531
12/1/1996	1997	9,022	93,482	10.15	1,567
12/1/1997	1998	9,347	95,938	10.28	1,613

- Mandates to identify children with severe disabilities from birth; programs to transition students from school to work, to post secondary programs and community; the call for programs to serve children with emotional disturbances; and inclusive education programs were all introduced in the mid- to late-1980s.
- As reported by school districts on UFARS, total expenditures for special education increased from 14.9% of total General Fund expenditures in F.Y. 1991 to 17.4% in F.Y. 1997.
- Special education instruction and services are governed by state statute (M.S. 125A.02; M.S. 125A.03; M.S. 125A.75); state education rules (chapter 3525); federal law (P.L. 95-17, Individuals with Disabilities Education Act (IDEA)); and federal rules (CFR 300).
- The combination of these laws and rules require the provision of a Free Appropriate Public Education (FAPE) for all eligible children and youth with disabilities. FAPE is defined as instruction and services that are:
 - Based on need as identified in a multi-disciplinary assessment;
 - Written into an individual education plan (IEP); and
 - Provided in the least restrictive environment appropriate to the student's needs and at no cost to parents.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: GENERAL EDUCATION

Activity: WIDE AREA TRANSPORTATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	170	50	50	0	50	0	(220)	-100.0%
Total Expenditures	0	170	50	50	0	50	0	(220)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE WATS PROGRAM	GEN				(50)		(50)		
Total Change Items					(50)		(50)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	170	50	50	0	50	0		
Total Financing	0	170	50	50	0	50	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0201 SPECIAL EDUCATION - REGULAR
PROGRAM: Special Programs
AGENCY: Education, Children & Families
 (Continued)

Special Education Expenditures State and Federal F.Y. 1992 - 1998 (\$ in thousands)

	<u>F.Y. 92</u>	<u>F.Y. 93</u>	<u>F.Y. 94</u>	<u>F.Y. 95</u>	<u>F.Y. 96</u>	<u>F.Y. 97</u>	<u>F.Y. 98</u>
Salaries	\$381,674	\$408,329	\$433,119	\$475,015	\$503,611	\$531,835	\$561,625
Fringe Benefits ¹	89,693	95,957	99,617	109,254	110,794	118,067	129,174
Contracted Services	12,663	19,073	21,915	25,637	25,027	26,302	30,139
Instructional Supplies and Equipment	7,482	7,870	8,467	10,344	9,428	10,567	10,927
Misc. Federal	8,308	7,065	13,030	10,793	13,399	10,819	12,660
Subtotal	\$499,820	\$538,294	\$576,148	\$631,043	\$662,259	\$697,590	\$744,525
Transportation ²	45,596	48,155	49,874	55,935	59,712	63,312	64,578
TOTAL	\$545,416	\$586,449	\$626,022	\$686,978	\$721,971	\$760,902	\$809,103
Annual % Change	9.3%	7.5%	6.7%	9.7%	5.1%	5.4%	6.3%

Activity Description:

- Special education is broad-based and focuses on areas of instruction that students without disabilities can generally accomplish without specific instruction directed to them. Specifically, the goals are that:
 - Individuals will demonstrate measurable and continuous progress in a variety of academic and non-academic tasks and environments. This includes meeting the Graduation Standard and Profiles of Learning to the degree and extent appropriate;
 - Individuals will develop a healthy physical and emotional self-awareness;
 - Individuals will develop social skills to interact effectively with peers who do and do not have disabilities;

¹ Estimated based on ratio of salaries to fringe benefits for staff paid with federal funds.

² Includes transportation to and from school, between schools, and board lodging. F.Y. 1998 estimate is based on a 2% increase over F.Y. 1997.

- Individuals will be introduced to, and learn to use, assistive technology that can enhance and expand learning and has the potential to normalize tasks that would otherwise not be possible; and
- Individuals will demonstrate the ability to make school to adult transitions.
- Students become eligible for special education services by meeting specific state eligibility requirements under one or more of 13 disability categories. Although some of the categories of disability clearly identify children with severe disabilities, even the disability categories that typically suggest mild impairment have students with disabilities that range from relatively mild to very severe.
- Students must meet 2 general criteria to be eligible for special education services: 1) meet the state disability eligibility requirements through a multi-disciplinary assessment; and 2) be in need of specially designed instruction and services. The disability eligibility criteria are defined in the State Board of Education Rules. Those disability areas that are eligible for services are autistic, blind-visually impaired, deaf-hard of hearing, deaf-blind, mildly to moderately mentally impaired, severe or profoundly mentally impaired, emotional/behavioral disorders, physical impairments, other health impairments, specific learning disabilities, speech/language impairments and traumatic brain injury.
- The table below shows the number of special education students by age and disability, as of 12-1-97:

Unduplicated Child Count by Disability and Age Group as of December 1, 1997

<u>Disability</u>	<u>Preschool Age 0 - 4</u>	<u>K - 12 Ages 5 - 18</u>	<u>Age 19-21</u>	<u>Total</u>
1. Special Language Impaired	2,142	17,510	23	19,675
2. Mild-Moderate Mentally Impaired	7	7,275	511	7,793
3. Moderate-Severe Mentally Impaired	17	2,299	412	2,728
4. Physically Impaired	42	1,451	37	1,530
5. Hearing Impaired	139	1,760	32	1,931
6. Visually Impaired	27	378	13	418
7. Specific Learning Disabilities	0	39,298	281	39,579
8. Emotional Behavior Disorder	0	17,422	211	17,633
9. Autistic	80	1,170	34	1,284
10. Deaf and Blind	1	23	1	25
11. Other Health Impaired	24	5,100	47	5,171
12. Brain Injured	3	241	11	255
13. Early Childhood Special Educ	6,865	2,011	-0-	8,876
TOTAL	9,347	95,938	1,613	106,898

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0201 SPECIAL EDUCATION - REGULAR
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

- The delivery of special education services is the responsibility of the district in which the parents reside. Districts determine the most appropriate means of delivering the necessary instruction and services to the students.
 - More than 200 smaller school districts have formed 43 special education cooperatives to deliver special education programs more cost effectively and efficiently.
 - In addition, all districts purchase/cooperate on the delivery of some of the services from service cooperatives, intermediate school districts, and formal collaborative organizations such as children's mental health collaboratives, family service collaboratives, interagency early intervention committees, and community interagency transition committees.
- The following table shows the number of special education students by education setting as of 12-1-97.

Unduplicated Child Count by Setting as of 12-1-97
(Birth -21)

<u>Setting</u>	<u>Total</u>
Regular Class	65,108
Resource Room ½ time or more	24,013
Separate Class	10,132
Public Separate Day School	4,967
Private Separate Day School	299
Public Residential School	651
Private Residential School	1,193
Hospital or Homebound	<u>535</u>
TOTAL	106,898

- More detailed information on the number of special education students by disability, age and educational setting is shown in the Appendix. Information on special education revenue and staff can also be found in the Appendix.

STRATEGIES AND PERFORMANCE:

- Parents are assured informed consent rights of approval (due process) in all decisions relating to individual assessments and the design and implementation of the IEPs.
- Less than 1% of individuals with disabilities receive the majority of their education services in separate school sites.
- More than 80% of students with disabilities receive the majority of their education program 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 post-secondary 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 creative programming.
- Emerging data suggests that graduation rates for students with emotional disturbance is very low.

FINANCING INFORMATION:

- Special education programs are funded with state special education aids and federal Individuals with Disabilities Education Act (IDEA) funds. All state and federal funds are used to accomplish the objectives for individuals with disabilities listed above.

State Special Education Aids:

- Special education revenue generated by school districts is based on expenditures in the second prior year (base year). State special education revenue for F.Y. 1999 is based on expenditures by the districts in F.Y. 1997. Beginning

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0201 SPECIAL EDUCATION - REGULAR
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

in F.Y. 1999 (F.Y. 1997 base year), special transportation revenue is rolled into the base revenue formula for special education.

- The special education base revenue equals the sum of the following amounts computed using base year data:
 - Salary: 68% of the salary of each essential staff providing direct instructional services to students;
 - Supplies and Equipment: 47% of the cost of supplies and equipment not to exceed an average of \$47 per student with a disability;
 - Contracted Services: 52% of the amount of a contract for instruction and services that are supplemental to a district's education program for students with disabilities. Fifty two percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the student receives services that are in place of a district's program.
 - Transportation: 100% of the cost of special transportation services (beginning with F.Y. 1997 base year for F.Y. 1999 revenue).
- The special education adjusted base revenue equals the base revenue times the ratio of the current year average daily membership (ADM) to the base year ADM. If the special education base revenue for a district equals zero, the special education revenue equals the amount computed above using current year data. A school district's special education aid equals the district's special education revenue times the aid percentage factor for that year.
- A school district's special education revenue equals the state total special education revenue, minus new district revenue, times the ratio of the district's adjusted special education base revenue to the state total adjusted special education base revenue.
- The state total special education revenue is set in statute at \$358,542,000 (excluding transportation) for F.Y. 1998 and at \$435,322,000 (including transportation) for F.Y. 1999.

- The state total special education revenue for fiscal year 2000 and beyond equals (1) the state total special education revenue for the preceding fiscal year times (2) the program growth factor times (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.
- For F.Y. 1986 - 1999, state special education revenue was funded with a combination of state aid and local levies. The state portion was set at 60% of the revenue for F.Y. 1996, 70% for F.Y. 1997, 80% for F.Y. 1998 and 90% for F.Y. 1999. Beginning in F.Y. 2000, this revenue will be funded entirely with state aid.

Federal IDEA Funds:

- IDEA, Part B funds are generated on a December 1 child count basis. School districts submit the number of individuals with disabilities, ages 3 to 22, who have an IEP and are receiving special education services on December 1 to the Department. Pre-school Incentive funds are generated on children ages 3-5 who have an IEP and are receiving services on December 1.
- The federal law requires that the state and local school districts maintain effort from one year to the next. Expenditures on a statewide basis or on a local district basis may not be decreased from the current year to the subsequent year, except under specific circumstances. Districts cannot supplant state and local expenditures for special education with federal funds. Federal funds are intended to expand and improve education services to individuals with disabilities.
- Because of the maintenance of effort requirements from the inception of IDEA, districts have generally paid for related services staff, supplies, equipment and tuition agreements with federal funds. Districts have somewhat more latitude to pay for non-reimbursed eligible costs than with state special education aids. The two aid packages are compatible and provide a complete package for local school districts.
- The Department of Education, Children & Families sends approximately 85% of the federal funds to local education agencies. The Department retains 5% of the funds for administration costs and approximately 10% for statewide discretionary programs.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0201 SPECIAL EDUCATION - REGULAR
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

BUDGET ISSUES:

- Under current law, total state special education - regular revenue will decrease slightly beginning in F.Y. 2001 due to declining enrollment. As special education costs continue to increase, a larger portion will be funded through excess cost revenue (see Budget Activity 0204) or general education revenue (see Budget Activity 0101).

GOVERNOR'S RECOMMENDATION:

- The Governor recommends the following modifications in the special education-regular program:

1. Increase the state total special education-regular revenue from the F.Y. 1999 level of \$435.322 million to \$463 million for F.Y. 2000 and to \$474 million for F.Y. 2001.

On an appropriation basis, this change costs \$23.550 million in F.Y. 2000 and \$36.066 million in F.Y. 2001.

2. For F.Y. 2002 and later years, increase the program growth factor used in computing special education-regular revenue from 1.00 to 1.02.

To implement these 2 changes, the Governor recommends an aid entitlement of \$463 million in F.Y. 2000 and \$474 million in F.Y. 2001.

- Based on these entitlements, the Governor recommends an appropriation for special education of \$456.030 million in F.Y. 2000 (\$39.315 million for F.Y. 1999 and \$416.715 million for F.Y. 2000) and \$472.9 million in F.Y. 2001 (\$46.3 million for F.Y. 2000 and \$426.6 million for F.Y. 2001).

- The Governor also recommends the following modifications in related programs:
 - beginning in F.Y. 2000, reduce the excess cost threshold to qualify for special education-excess cost revenue from 5.7% of general education revenue to 4.36% of general education revenue (see Budget Activity 0204).
 - beginning in F.Y. 2002, establish a statewide revenue target for the special education-excess cost program based on the state total special education-excess cost revenue in F.Y. 2001, adjust for program growth and change in statewide average daily membership. Set the program growth factor for special education-excess cost revenue at 1.044 for F.Y. 2002 and at 1.02 for F.Y. 2003 and later fiscal years (see Budget Activity 0204).
 - beginning in F.Y. 2000, increase the pupil weighting factor for pre-K special education students from 1.00 to 1.25 (see Budget Activity 0101).
- The Governor also recommends changes that affect special education in the Department of Human Services (DHS) budget. The proposal, "Refinance MA School Reimbursement," (page C-84 of the Health and Human Services budget) creates a simpler, cost-based process for schools to obtain Medical Assistance (MA) funding for health-related services. DHS will work with Education, Children & Families to develop a billing system that groups services for ease of use by school districts. Schools would receive additional federal matching funds for IEP costs but would retain responsibility for the non-federal share of costs. That share would be covered by existing (or proposed) state special education funds.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0201 - Special Education - Regular
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	286,841	391,795	436,834	436,834		
	2. Statutory Excess/(Shortfall)	2	1,355				
	3. Appropriated Entitlement	286,843	393,150				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(2)	(1,355)				
	5. State Aid Entitlement under Current Law	286,841	391,795	436,834	436,834	195,032	29%
	6. Governor's Recommended Aid Change(s)						
	a. Increase Funding			26,166	37,166		
	7. Governor's Aid Recommendation	286,841	391,795	463,000	474,000	258,364	38%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	71,701	43,527	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	358,542	435,322	436,834	436,834	79,804	10%
	a. Subtotal - Governor's Revenue Change	0	0	26,166	37,166		
	b. Governor's Revenue Recommendation	358,542	435,322	463,000	474,000	143,136	18%
<i>plus</i>							
FEDERAL FUNDS	12. IDEA Funds	53,649	66,733	66,733	66,733	13,084	11%
<i>equals</i>							
ALL FUNDS TOTAL	13. Total -- All Funds, Current Law	412,191	502,055	503,567	503,567	92,888	10%
	14. Total -- All Funds, Governor's Recommendation	412,191	502,055	529,733	540,733	156,220	17%
Appropriations Basis for State Aid							
	Prior Year (10%)	24,346	28,684	39,330	46,300		
	Current Year (90%)	258,159	353,835	416,700	426,600		
	Transfers per M.S. 127A.41, subdivision 8	(2)	(1,355)				
	Total State Aid - General Fund	282,503	381,164	456,030	472,900		

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BUDGET ACTIVITY: 0202 AID FOR CHILDREN WITH A DISABILITY
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.75, Subd. 3

ACTIVITY PROFILE:

Purpose:

- To assure that individuals with disabilities who are placed in a residential facility and for whom no district of residence can be determined receive a free and appropriate education. Pupils are eligible if no district of residence can be determined because their parental rights have been terminated by court order, their parents cannot be located, and/or no other district of residence can be determined.

Background:

- This program began in the 1970s.

Activity Description:

- This activity's objectives are the same as stated for regular special education (Budget Activity 0201). 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.

STRATEGIES AND PERFORMANCE:

- The number of students served has fluctuated between 100 and 120 over the past several years.
- Approximately 25 districts receive this aid each year.

FINANCING INFORMATION:

- This program is funded with state aid.
 - The aid equals 100% of the net costs of educating these individuals, including transportation, capital expenditures and debt service, after all other state aids have been deducted, including the general education 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 the services are provided.
- Prior to F.Y. 1998, the appropriation for regular special education was used to ensure that this program would be fully funded.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$644,000 for F.Y. 2000 and \$644,000 for F.Y. 2001. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: AID FOR CHILDREN W/DISABILITY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	456	443	423	443	443	464	464	41	4.7%
Total Expenditures	456	443	423	443	443	464	464	41	4.7%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	456	443	423	443	443	464	464		
Total Financing	456	443	423	443	443	464	464		

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BUDGET ACTIVITY: 0203 SPECIAL EDUCATION - HOME BASED TRAVEL
PROGRAM: Special Programs
AGENCY: Education, Children & Families
STATE CITATION: M.S. 125A.75, Subd. 1
FEDERAL CITATION: P.L. 95-17, 42 U.S.C. Part C

ACTIVITY PROFILE:

Purpose:

- To assure that all individuals from birth through 4 years of age with disabilities, and their families, have access to early childhood special education intervention services. Specifically, this program assists school districts with travel costs for early childhood special education staff delivering services to children and their families in the home and at early childhood education center -based sites.

Background:

- This program began in F.Y. 1987.

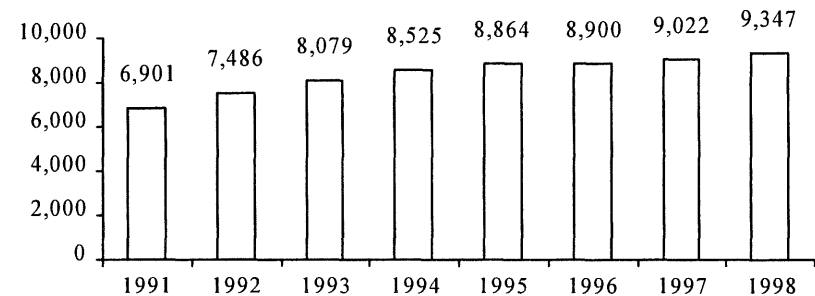
Activity Description:

- M.S. 125A.03 mandates special education services begin at birth, for children with disabilities.
 - For very young children, special education services consist of consultation with parents and parent training, as well as direct services to the child.
 - Home-based travel aid assures that services are available in a variety of settings and that training and services can be delivered in the home or in settings most appropriate for the child and family.

STRATEGIES AND PERFORMANCE:

- Research has demonstrated that services for very young children are most effective when delivered in the child's natural setting.
- As the table below indicates, the number of children receiving services has increased from 6,901 in F.Y. 1991 to 9,347 in F.Y. 1998. The majority of these services are provided in the child's home or in a center-based site in the community.

**Number of Preschool Children (Age 0-4)
Receiving Special Education Services**



- Expenditures for home-based travel have increased gradually over the last 5 years, from \$174,000 in F.Y. 1993 to \$238,000 in F.Y. 1998.

FINANCING INFORMATION:

- This program is funded with state and federal dollars.
- The state pays 50% of the cost for necessary travel of essential personnel providing home-based services to children under 5 years of age and their families.
- Federal funding under the Individuals with Disabilities Education Act (IDEA), (P.L. 95-17) (Budget Activity 0201), the Preschool Incentive program (P.L. 95-17, Sec. 619) (Budget Activity 0201), and the Infants and Toddlers program (Budget Activity 0915) (42 U.S.C. Part C) may also be used for this purpose.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$135,000 for F.Y. 2000 and \$139,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$133,000 in F.Y. 2000 (\$11,000 for F.Y. 1999 and \$122,000 for F.Y. 2000), and \$139,000 in F.Y. 2001 (\$13,000 for F.Y. 2000 and \$126,000 for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0203 - Travel for Home-Based Services
Program: Special Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	127	131	135	139		
	2. Statutory Excess/(Shortfall)	(18)	(19)				
	3. Appropriated Entitlement	109	112				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	18	19				
	5. State Aid Entitlement under Current Law	127	131	135	139	16	6.2%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	127	131	135	139	16	6.2%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	127	131	135	139	16	6.2%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	127	131	135	139	16	6.2%
Appropriations Basis for State Aid							
	Prior Year (10%)	8	10	11	13		
	Current Year (90%)	99	101	122	126		
	Transfers per M.S. 127A.41, subdivision 8	18	19				
	Total State Aid - General Fund	125	130	133	139		

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BUDGET ACTIVITY: 0204 SPECIAL EDUCATION - EXCESS COST
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.79

ACTIVITY PROFILE:

Purpose:

- To promote adequacy and equity in the general education program. Specifically, this activity helps students with a disability access free and appropriate public education without requiring school districts to subsidize special education costs excessively from general operating funds.

Background:

- This program was enacted in 1993, replacing the special education residential aid program. This change recognized an ongoing decrease in the number of students with disabilities attending residential facilities, and an offsetting increase in district costs for special education services because of the participation of these students in district-operated programs.
- In F.Y. 1995, the first year of the program, the revenue was equal to 70% of the difference between a district's unreimbursed special education cost and 6.0% of the district's general revenue.
- Beginning in F.Y. 1997, the deduction used in computing the revenue was decreased from 6.0% of general revenue to 5.7% of general revenue, excluding transportation sparsity revenue and operating capital revenue. This was intended to compensate for the roll-in of transportation and operating capital funding into the general education program.
- Beginning in F.Y. 1997, special education court placement revenue and tuition revenue was repealed, and an alternate formula was added for computing excess cost revenue. Under the revised formula, a district's excess cost revenue equals the greater of:
 - the old formula amount, or
 - 70% of the increase in the district's unreimbursed special education cost

between the second prior year (used as base year for special education revenue calculations) and the current year, and 1.6% of the district's general revenue, excluding transportation sparsity revenue and operating capital revenue.

- Beginning in F.Y. 1999, transportation funding for students with a disability is rolled into the special education formula, and the excess cost of transporting these students is included in the excess cost formula.

Activity Description:

- 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.
- The table below shows the state total amount of excess cost revenue for F.Y. 1995 through F.Y. 1999, and the numbers of districts participating in the program each year:

Special Education Excess Cost Revenue F.Y. 1995 - F.Y. 1999 (\$ in Millions)					
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998*	F.Y. 1999*
Total Revenue	\$5.9	\$10.7	\$9.8	\$18.9	\$33.0
Number of Districts	72	44	115	121	121

*Estimate

- Since F.Y. 1996, the total state special education revenue has been set in law (see Budget Activity 0201). The growth in special education excess cost revenue since F.Y. 1995 is largely attributable to faster growth in special education expenditures than in state total special education revenue during this period.

STRATEGIES AND PERFORMANCE:

- By capping the growth in regular special education revenue while excess cost revenue grows at a faster rate, the state has targeted special education funding increases to districts with the greatest excess cost as a percentage of total general revenue.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0204 SPECIAL EDUCATION - EXCESS COST
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

- By considering the overall impact of unreimbursed special education costs on a district's General Fund budget, this program is more effective in addressing excess costs than narrower programs such as the residential aid, court placement, and tuition revenue programs.

FINANCING INFORMATION:

- Beginning in F.Y. 2000, this program is funded entirely with state aid.
- From F.Y. 1996 through F.Y. 1999, this program was funded with state aid and local levies. The aid portion was set at 60% of the revenue for F.Y. 1996, 70% for F.Y. 1997, 80% for F.Y. 1998, and 90% of the revenue for F.Y. 1999.

BUDGET ISSUES:

- The need for excess cost revenue will continue to increase if the growth in special education expenditures continues to exceed the growth in state total special education revenue.
- No adjustment has been made to the excess cost formula for:
 - 1) the roll-in of limited English proficiency revenue and assurance of mastery revenue into the general education program in F.Y. 1999;
 - 2) the addition of graduation standards implementation revenue in F.Y. 1999;
 - 3) the roll-in of district cooperation revenue in F.Y. 2001.

To avoid an inadvertent loss of excess cost funding, the percentage of general revenue used as a deduction in computing excess cost revenue should be reduced. This was done in F.Y. 1997 when transportation revenue was rolled into the basic general education formula.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends the following modifications in the special education-excess cost program:
 1. Beginning in F.Y. 2000, reduce the excess cost threshold to qualify for special education-excess cost revenue from 5.7% of general education revenue to 4.36% of general education revenue.

On an appropriations basis, this change costs \$6.903 million for F.Y. 2000 and \$25.658 million for F.Y. 2001.
 2. Beginning in F.Y. 2002, establish a statewide revenue target for the special education-excess cost program based on the state total special education-excess cost revenue in F.Y. 2001, adjusted for program growth and change in statewide average daily membership. Set the program growth factor for special education-excess cost revenue at 1.044 for F.Y. 2002 and at 1.02 for F.Y. 2003 and later fiscal years.
- To implement these changes, the Governor recommends an aid entitlement of \$57.883 million for F.Y. 2000 and \$77.608 million for F.Y. 2001.
 - Based on this entitlement, the Governor recommends an appropriation of \$58.525 million in F.Y. 2000 (\$4.693 million for F.Y. 1999 and \$53.832 million for F.Y. 2000) and \$77.802 million in F.Y. 2001 (\$5.981 million for F.Y. 2000 and \$71.821 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0204 - Special Education Excess Costs
Program: Special Education

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	11,243	23,923	52,144	52,144		
	2. Statutory Excess/(Shortfall)	16,237	23,005				
	3. Appropriated Entitlement	27,480	46,928				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(16,237)	(23,005)				
	5. State Aid Entitlement under Current Law	11,243	23,923	52,144	52,144	69,122	196.56%
	6. Governor's Recommended Aid Change(s)						
	a. Increase Excess Cost Aid			7,669	27,657		
	7. Governor's Aid Recommendation	11,243	23,923	59,813	79,801	104,448	297.01%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	2,811	2,658	0	0	(5,469)	-100.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	2,811	2,658	0	0	(5,469)	-100.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	14,054	26,581	52,144	52,144	63,653	156.65%
	a. Subtotal - Governor's Revenue Change			7,669	27,657		
	b. Governor's Revenue Recommendation	14,054	26,581	59,813	79,801	98,979	243.58%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,242	2,748	4,693	5,981		
	Current Year (90%)	24,732	42,236	53,832	71,821		
	Transfers per M.S. 127A.41, subdivision 8	(16,237)	(23,005)				
	Total State Aid - General Fund	9,737	21,979	58,525	77,802		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0205 SPECIAL PROGRAMS EQUALIZATION AID
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.77

ACTIVITY PROFILE:

Purpose:

- To promote taxpayer equity and help assure that students with a disability or limited English proficiency had access to a free and appropriate public education. This was done by equalizing the local portion of the special education, special education excess cost, school to work for students with a disability, and limited English proficiency revenues for districts with low tax capacity per pupil unit.

Background:

- Special programs equalization aid was enacted by the 1991 legislature, effective for F.Y. 1993.
- Previously, the special programs levy, which was initiated in F.Y. 1986, was not equalized by the state.
- Between F.Y. 1996 and F.Y. 1999, the levy was phased out and replaced with state aid, declining from 40% of the revenue in F.Y. 1996 to 30% in F.Y. 1997, 20% in F.Y. 1998, and 10% in F.Y. 1999. The equalization aid has decreased as the levy portion of total revenue has decreased.
- Beginning in F.Y. 2000, the local levy and state aid for these programs is eliminated.

Activity Description:

- While nearly all districts participated in the program, many districts did not qualify for state aid because the equalizing factor for the program was set just slightly above the state average tax capacity per pupil unit.¹

¹ The equalizing factor for this program, \$3,540, was about 35% of the equalizing factor for fully equalized levies.

- For F.Y. 1999, the last year of the program, 207 of the 348 districts levying under the program received state aid. Total special programs equalization revenue equaled \$43.7 million; 9% was state aid and 91% was local levy.

FINANCING INFORMATION:

- This program provided state aid to replace a portion of the special programs levy, with no net impact on total revenue.
- For F.Y. 1999 and earlier years, a district's special programs equalization revenue equaled the product of:
 1. The sum of the district's special education, special education excess cost school to work programs for students with a disability, and limited English proficiency revenue times
 2. The statutory levy percentage (40% for F.Y. 1996, 30% for F.Y. 1997, 20% for F.Y. 1998 and 10% for F.Y. 1999.)
- The levy authority for staff employed by intermediate districts and cooperatives was allocated among the participating school districts and added to the school district's levy authority.
- To receive special programs equalization revenue, a district levied an amount equal to the revenue as defined above times the lesser of one or the ratio of the district's adjusted net tax capacity (ANTC) per pupil unit to \$3,540.
- A district's special programs equalization aid equaled the difference between its special programs equalization revenue and its special education levy. If a district did not levy the entire amount permitted, special programs equalization aid was reduced in proportion to the actual amount levied.
- If the special programs equalization aid for any year was prorated, a district having its aid prorated could levy an additional amount equal to the amount not paid by the state due to proration.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$526,000 in F.Y. 2000 for the final payment for the F.Y. 1999 entitlement.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0205 - Special Programs Equalization Aid
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	9,641	4,635	0	0		
	2. Statutory Excess/(Shortfall)	816	626				
	3. Appropriated Entitlement	10,457	5,261				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(816)	(626)				
	5. State Aid Entitlement under Current Law	9,641	4,635	0	0	(14,276)	-100.00%
	6. Governor's Recommended Aid Change(s)	0	0	0	0		
	7. Governor's Aid Recommendation	9,641	4,635	0	0	(14,276)	-100.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	69,534	42,448	0	0	(111,982)	-100.00%
	9. Governor's Recommended Levy Change(s)	0	0	0	0		
	10. Governor's Levy Recommendation	69,534	42,448	0	0	(111,982)	-100.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	79,175	47,083	0	0	(126,258)	-100.00%
	a. Subtotal - Governor's Revenue Change	0	0	0	0		
	b. Governor's Revenue Recommendation	79,175	47,083	0	0	(126,258)	-100.00%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,783	1,045	526			
	Current Year (90%)	9,412	4,735				
	Transfers per M.S. 127A.41, subdivision 8	(816)	(626)				
	Total State Aid - General Fund	10,379	5,154	526	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0206 LITIGATION COSTS FOR SPECIAL
EDUCATION
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.75

ACTIVITY PROFILE:

Purpose:

- To increase the efficiency of special education programs by encouraging districts to make program decisions based on student educational needs, and not based on fear of high litigation costs.

Background:

- This program was enacted by 1998 legislature, and is effective July 1, 1998.
- Some school districts felt pressure to provide more special education services than necessary to avoid significant litigation costs. By assisting districts with litigation costs, this program is intended to reduce the impact of potential litigation as a factor driving program decisions, and to allow decisions to focus more directly on student educational needs.

Activity Description:

- Districts are eligible for reimbursement of administrative hearing costs and a portion of attorney fees for services rendered on or after July 1, 1998 if certain conditions are met.
- The administrative costs of special education hearings, including the following items, are eligible for 100% reimbursement:
 - Hearing officer fees
 - Court reporter fees
 - Mileage costs
 - Independent evaluations ordered by the hearing officer
 - Rental of hearing rooms

- Attorney fees are eligible for 50% reimbursement if the following conditions are met:
 - the school district is the prevailing party in the dispute;
 - the district made a good faith effort to resolve the dispute through mediation; and
 - the district made an offer of settlement under Rule 68 of the Federal Rules of Civil Procedure.
- Attorney fees incurred in appealing the findings, conclusions, and orders of a due process hearing are eligible for 50% reimbursement if the commissioner authorizes the reimbursement after evaluating the merits of the case.

STRATEGIES AND PERFORMANCE:

- No performance information is yet available for this program.

FINANCING INFORMATION:

- This program is funded with state aid.

BUDGET ISSUES:

- If the amount appropriated is insufficient to fully fund the aid for hearing and litigation costs and attorney fees, the aid will be prorated.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$500,000 for F.Y. 2000 and \$500,000 for F.Y. 2001, with carryforward authority from the first year to the second year of the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: LITIGATION COSTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	500	500	500	500	500	500	100.0%
Total Expenditures	0	0	500	500	500	500	500	500	100.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	500	500	500	500	500		
Total Financing	0	0	500	500	500	500	500		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0207 SCHOOL TO WORK PROGRAM FOR STUDENTS WITH DISABILITIES
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.454

ACTIVITY PROFILE:

Purpose:

- To provide additional funding for school-to-work experiences/programs that provide career exploration, healthy work attitudes, specific knowledge and job skills for students with disabilities.

Background:

- Beginning for F.Y. 1993, the levy authority for this program was equalized.

Activity Description:

- This program serves students who meet state disability eligibility criteria according to M.S. 125A.02. Examples of special services offered to aid in vocational student success are assessment of aptitude, abilities, and support needs, interpreters, career assessment, community based work experience and technical tutors.
- Information on students with disabilities by age and disability can be found in the Appendix.

STRATEGIES AND PERFORMANCE:

- A student with disabilities may be served in his/her district of residence, by cooperative efforts with other districts, or through formally organized intermediate districts or cooperatives.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Program Enrollment	1,809	2,296	1,939	2,233

FINANCING INFORMATION:

- This is a state aid and local levy program. In F.Y. 1996 state aid equaled 60% of revenue; in F.Y. 1997, 70% of revenue; in F.Y. 1998, 80% of revenue; in F.Y. 1999, 90% of revenue. In F.Y. 2000, all funding is state aid.

- State school to work aid for students with disabilities is based on expenditures in the second prior year (base year). The base revenue equals the sum of:
 - 68% of salaries of personnel providing direct instructional services;
 - 47% of necessary equipment;
 - 47% of teacher travel between instruction sites;
 - 47% of supplies not to exceed \$47 per disabled student;
 - 52% of the difference between an approved contract and basic revenue for that student for the fraction of the school day the student receives services;
 - 52% of the contract amount for services by an organization, other than a Minnesota school district or cooperative, that are supplemental to the district education program;
 - 52% of the contract for vocational evaluation of students not yet enrolled in 12th grade.
- The adjusted base year revenue equals the base revenue times the ratio of the district's average daily membership (ADM) for the current year to the district's ADM in the base year.
- If the district base year revenue is zero, the current year revenue calculation is based on formula amounts applied to current year expenditures.
- For later years, the state total school-to-work revenue will equal the state total school-to-work revenue for the previous year, times a growth factor, times the ratio of state total ADM for the current year to the state total ADM for the previous year.
- A school district's school-to-work revenue equals the state total school-to-work revenue, less new district revenue, times the ratio of the school district's adjusted base school-to-work revenue to the state total adjusted base school-to-work revenue.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$8.892 million for F.Y. 2000 and \$8.968 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$7.223 million in F.Y. 2000 (\$808,000 for F.Y. 1999 and \$8.084 million for F.Y. 2001), and \$8.968 million in F.Y. 2001 (\$898,000 for F.Y. 2000 and \$8.070 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0207 - School to Work for Students with Disabilities
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	7,139	8,078	8,914	8,898		
	2. Statutory Excess/(Shortfall)		2				
	3. Appropriated Entitlement	7,139	8,080				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		(2)				
	5. State Aid Entitlement under Current Law	7,139	8,078	8,914	8,898	2,595	17.05%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			68	68		
	7. Governor's Aid Recommendation	7,139	8,078	8,982	8,966	2,731	17.95%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	1,785	898	0	0	(2,683)	-100.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	1,785	898	0	0	(2,683)	-100.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	8,924	8,976	8,914	8,898	(88)	-0.49%
	a. Subtotal - Governor's Revenue Change			68	68		
	b. Governor's Revenue Recommendation	8,924	8,976	8,982	8,966	48	0.27%
Appropriations Basis for State Aid							
	Prior Year (10%)	618	713	808	898		
	Current Year (90%)	6,426	7,272	8,084	8,070		
	Transfers per M.S. 127A.41, subdivision 8		(2)				
	Total State Aid - General Fund	7,044	7,983	8,892	8,968		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0208 INTERVENTION DEMONSTRATION
PROJECTS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: Laws 1998, Ch. 398, Art. 2, Sec. 57

ACTIVITY PROFILE:

Purpose:

- To seek discipline models and effective alternative education settings as solutions to behavior problems that are disruptive to the learning environment.

Background:

- This program began in 1998.

Activity Description:

- A school site, school district, charter school or alternative education program may apply for a grant to develop, adapt, implement, or evaluate discipline programs that either prevent behavior that leads to suspension or expulsion, or that provide students with an alternative education setting.
- After evaluating the results of the recipient programs, information will be shared with other school districts.

STRATEGIES AND PERFORMANCE:

- The goal of the program is to develop, implement, and measure effectiveness of strategies designed to prevent negative behavior or to find alternative education settings within the school or site.
- A total of \$13,500 is allocated for evaluation of the program. Evaluation of the results will include measures of achievement, attendance, suspensions, expulsions, and the impact on the site, student body, classroom, and school faculty.

FINANCING INFORMATION:

- This program is funded with state aid.
- The law specifies that grants may be spent over a three-year period.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends elimination of this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: INTERVENTION DEMONSTRATION PRO

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	250	250	0	250	0	(250)	-100.0%
Total Expenditures	0	0	250	250	0	250	0	(250)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE INTERVENTION DEMOS. PROJECTS	GEN				(250)		(250)		
Total Change Items					(250)		(250)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	250	250	0	250	0		
Total Financing	0	0	250	250	0	250	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0209 AMERICAN SIGN LANGUAGE -
TEACHER EDUCATION
PROGRAM: Special Program
AGENCY: Education, Children & Families
CITATION: M.S. 122A.31

ACTIVITY PROFILE:

Purpose:

- To increase the proficiency of teachers of deaf/hard of hearing students in American Sign Language (ASL), linguistics and deaf culture. This is intended to provide the students the option of being educated in the communities where they live.

Background:

- This program began in F.Y. 1994 because of a need to upgrade the training and expertise of teachers or interpreters working with deaf/hard of hearing students who communicate in ASL.
- Traditionally, students who were deaf/hard of hearing attended the Academy for the Deaf in Faribault, or their parents moved to large metropolitan areas where services were available for their children. Increasingly, parents want to have their children educated in the communities where they live, leading to an increase in the need for teachers proficient in ASL, cued speech and deaf culture.

Activity Description:

- More than 300 teachers of the deaf and hard of hearing are employed by Minnesota schools.

STRATEGIES AND PERFORMANCE:

- State agencies and others conducted a summer institute in June 1998 to improve the ASL skills of teachers and interpreters. The evaluations by the participants

in the summer institute were overwhelmingly favorable, with most requesting continued support in this area.

FINANCING INFORMATION:

- This program is funded with state aid.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: AMER SIGN LANGUAGE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	12	11	14	13	0	12	0	(25)	-100.0%
Total Expenditures	12	11	14	13	0	12	0	(25)	-100.0%
<u>CHANGE ITEMS:</u>									
(B) ELIMINATE ASL TEACHER EDUC.	<u>FUND</u> GEN				(13)		(12)		
Total Change Items					(13)		(12)		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	12	11	14	13	0	12	0		
Total Financing	12	11	14	13	0	12	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0210 LAY ADVOCATES
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.09

ACTIVITY PROFILE:

Purpose:

- To provide advocacy services for children with disabilities and their parents who are in dispute with a school district over programmatic issues and are seeking a dispute resolution.

Background:

- This program began in F.Y. 1996.

Activity Description:

- If the parents perceive they are in a dispute or reach an impasse with a school district, they may invite a lay advocate to the meeting with the school district to help them reach a settlement. If a settlement can be reached in this manner, a more complex and expensive due process hearing may be avoided.
- The lay advocate may be paid through this program by submitting an application to the Department of Education, Children & Families.
- Lay advocates may be paid up to \$150 per dispute for their services

STRATEGIES AND PERFORMANCE:

- In F.Y. 1997, 15 lay advocates applied for funds. In F.Y. 1998, 8 lay advocates applied for funds.
- The Department of Education, Children & Families has notified school districts, advocacy groups and, more recently, the state ombudsman about the program and has distributed applications materials to school districts and

advocacy groups in an attempt to build awareness of the program. The lay advocate program has been underutilized since its inception.

FINANCING INFORMATION:

- This program is funded with state aid.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends eliminating this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: LAY ADVOCATES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
PAYMENTS TO INDIVIDUALS	0	1	0	0	(10)	0	0	(11)	-1,100.0%
LOCAL ASSISTANCE	1	0	9	10	10	0	0	1	11.1%
Total Expenditures	1	1	9	10	0	0	0	(10)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE LAY ADVOCATE PROGRAM	GEN				(10)				
Total Change Items					(10)				
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	1	1	9	10	0	0	0		
Total Financing	1	1	9	10	0	0	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0211 OPTIONS PLUS PILOT PROGRAM
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: Laws 1995, 1 Sp., Ch. 3, Art. 3, Sec. 11

PROGRAM PROFILE:

Purpose:

- To support general education teachers who teach children with specific learning disabilities. The purpose is to work with general education teachers in an effort to accommodate students in the regular classroom who have been identified as having a learning disability.

Background:

- This program was established in 1995.

Activity Description:

- The children with learning disabilities served in this program have a learning plan, receive accommodations and special instruction in the regular classroom and their progress and satisfaction is evaluated regularly.
- The program was designed to accomplish the following:
 - increase participation of these children in non-categorical programming designed to encourage their potential and maintain their self-esteem;
 - demonstrate measurable education outcomes;
 - provide alternatives to special education that focus on children's educational progress and results;
 - increase general education's ability to educate in a manner that decreases the need for pull-out programs for students with disabilities; and
 - implement alternative approaches to conflict resolution.
- Districts wishing to participate in this program submit a grant application to the Department of Education, Children & Families on an annual basis. Grants are awarded to districts based on the quality and content of the district's application in addressing the stated goals and evaluation requirements of the program.

STRATEGIES AND PERFORMANCE:

- Students participating in this program are not identified or counted as having a disability.
- The overall results of this program are disappointing. The number of students participating at any one school site ranged from 3-5 students. Although regular education teachers found the training to be valuable, they were reluctant to perform education accommodations viewed as a "special education" responsibility.

FINANCING INFORMATION:

- This program is funded with state aid.
- Children participating in the options plus program are not included in special education child counts for the purpose of special education funding.
- Grants were awarded as follows:

F.Y. 1996-1997

Osseo- \$29,000
Elk River - \$39,283
Moundsview - \$47,000
Atwater-Grove City - \$31,000

F.Y. 1998-1999

Osseo - \$50,000
Elk River - \$50,000
Moundsview - \$50,000

GOVERNOR'S RECOMMENDATION:

- The Governor recommends eliminating this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: OPTIONS PLUS PILOT GRANTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	150	0	150	0	0	0	(150)	-100.0%
Total Expenditures	0	150	0	150	0	0	0	(150)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE OPTIONS PLUS PROGRAM	GEN				(150)				
Total Change Items					(150)				
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	150	0	150	0	0	0		
Total Financing	0	150	0	150	0	0	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0212 COURT-PLACED SPECIAL EDUCATION
REVENUE
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 125A.79

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$350,000 for F.Y. 2000 and \$350,000 for F.Y. 2001. This aid is paid on a 100% current basis.

PROGRAM PROFILE:

Purpose:

- To pay the costs of providing special education programs to non-Minnesota students with disabilities when the providing school district is unable to collect tuition from the responsible state or agency.

Background:

- This provision was enacted in 1998.

Activity Description:

- Minnesota school districts providing special education services to court-placed students with disabilities are assured that they will receive revenue for services provided if out-of-state agencies fail to pay tuition bills.

STRATEGIES AND PERFORMANCE:

- The first year of operation for this program is F.Y. 1999; no program information is available.
- To be eligible for this revenue, districts must demonstrate that they have admittance procedures designed to identify the agency responsible for the education costs, and get commitment for payment of tuition from the agency prior to admitting the student into the program.

FINANCING INFORMATION:

- This program is funded with state aid.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: COURT PLACED SPEC EDUC REVENUE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	350	350	350	350	350	350	100.0%
Total Expenditures	0	0	350	350	350	350	350	350	100.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	350	350	350	350	350		
Total Financing	0	0	350	350	350	350	350		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0213 HOMELESS CHILDREN AND YOUTH
HOMELESS STUDENT AID
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 126.225
FEDERAL CITATION: P.L. 101-645

PROGRAM PROFILE:

Purpose:

- State
 - to provide additional revenue for homeless pupils who are eligible to participate in the graduation program.
- Federal
 - to ensure each homeless child or youth will have access to the same free, appropriate public education provided to children of Minnesota residents.
 - to provide activities for and services to ensure that these children enroll in, attend and achieve success in school.
 - to develop and implement programs for school personnel to heighten awareness of specific programs of homeless children and youth.

Background:

- The state program started in 1998; the federal program started in 1987.

Activity Description:

- The Department of Education, Children & Families has developed guidelines for the distribution of P.L. 101-645 Federal McKinney homeless children education funds to local school districts; the target population must be preschool or school aged homeless pupils; local districts are funded one year at a time.

STRATEGIES AND PERFORMANCE:

- The federal award was \$270,000 for F.Y. 1997, \$293,000 for F.Y. 1998 and is projected to hold constant at \$334,000 for F.Y. 1999, F.Y. 2000 and F.Y. 2001.

Federal Grant Awards (\$ in thousands)

	<u>Award</u>	<u>Number of Homeless</u>
Minneapolis	\$60	3,371
St. Paul	\$40	3,024
Bemidji	\$33	443
Duluth	\$28	262
Cloquet	\$9	175
Moorhead	\$23	149
Freshwater	\$23	96
Owatonna	\$3	27

- MN Homeless Student Aid must be used to expand education services to include preschool, after-school or summer school programs to provide transition and follow-up services to homeless pupils who are mainstreamed in a district school, or to provide parent education and support services; the additional revenue shall be paid to the public or nonprofit school program providing services to homeless pupils.
- Eligible McKinney applicants are local school districts with strong relationships with shelters, advocates and community agencies; key program requirements include enrollment, attendance and academic success; funds can be used to support primary and related activities.

FINANCING INFORMATION:

- This program is funded with state and federal dollars.
- State funding provides additional revenue for homeless pupils who are eligible to participate in the graduation incentives program equal to \$100 per pupil unit.

BUDGET ISSUES:

- Federal Education for Homeless Children & Youth Grants to Minnesota have marginally increased since F.Y. 1997. Future federal trends are unpredictable therefore, they are projected to remain constant.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends elimination of state funding beginning in F.Y. 2000.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0213 - Homeless Student Revenue
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	54	58	60	60		
	2. Statutory Excess/(Shortfall)	146	142				
	3. Appropriated Entitlement	200	200				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(146)	(142)				
	5. State Aid Entitlement under Current Law	54	58	60	60	8	7%
	6. Governor's Recommended Aid Change(s)						
	a. Eliminate program			(60)	(60)		
	7. Governor's Aid Recommendation	54	58	0	0	(112)	-100%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	54	58	60	60	8	7%
	a. Subtotal - Governor's Revenue Change	0	0	(60)	(60)		
	b. Governor's Revenue Recommendation	54	58	0	0	(112)	-100%
<i>plus</i>							
FEDERAL FUNDS	12. Homeless Children	243	243	243	243	0	0%
<i>equals</i>							
ALL FUNDS TOTAL	13. Total -- All Funds, Current Law	297	303	243	243	(114)	-19%
	14. Total -- All Funds, Governor's Recommendation	297	303	243	243	(114)	-19%
Appropriations Basis for State Aid							
	Prior Year (10%)	0	20	20	0		
	Current Year (90%)	180	194				
	Transfers per M.S. 127A.41, subdivision 8	(134)	(154)				
	Total State Aid - General Fund	46	60	20	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0214 INTEGRATION AID
PROGRAM: SPECIAL PROGRAMS
AGENCY: Education, Children & Families
CITATION: M.S. 124D.86

ACTIVITY PROFILE:

Purpose:

- To promote racial integration, increase learning opportunities, and reduce the learning gap between learners living in high concentrations of poverty and their peers through programs established under a desegregation plan.

Background:

- Integration revenue began in F.Y. 1999, replacing targeted needs-integration revenue and targeted needs transportation-integration revenue.
 - Targeted needs-integration revenue was in effect from F.Y. 1996-1998. Before F.Y. 1996, integration programs were funded with integration grants and the desegregation/rule compliance levy.
 - Targeted needs transportation-integration revenue was in effect for F.Y. 1997 and 1998 only. Before F.Y. 1997, desegregation transportation was funded through the transportation formula.

Activity Description:

- Under State Board of Education Rule 3535, a desegregation plan is required when the percentage of students of color in a building exceeds by more than 15% the percentage of students of color in the district. The desegregation plan must specify how the district will manage the racial balance 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.

■ Uses of integration revenue include:

- operating costs for magnet/specialty schools or other methods used to achieve school district desegregation;
- desegregation transportation costs;
- staff development costs for preparing teachers to work with diverse populations in an integrated setting;
- development and implementation of strategies to meet the unique needs of specific cultural groups of students; and
- supplemental support services for unique students' needs in integrated schools.

- Legislation enacted in 1998 requires the commissioner to make new rules relating to desegregation/integration by January 10, 1999. Under the proposed rules, several additional districts would be required to implement desegregation plans, and would qualify for integration revenue.

STRATEGIES AND PERFORMANCE:

- As shown in the table below, total enrollment in the Minneapolis and St. Paul school districts has increased significantly since F.Y. 1995, and the concentration of students of color has increased significantly in all districts operating under a desegregation plan:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Student Enrolled (ADM):				
Duluth	13,837	13,872	13,751	13,690
Minneapolis	44,525	46,236	47,068	49,920
St. Paul	40,751	42,719	43,604	45,360
Percent Students of Color				
Duluth	8.5%	9.5%	10.0%	10.6%
Minneapolis	61.0%	63.4%	65.5%	67.8%
St. Paul	51.9%	52.9%	57.4%	60.5%

FINANCING INFORMATION:

- This program is funded with state aid and a local property tax levy.
 - For F.Y. 1999, 54% of the revenue for each district is funded with state aid and 46% of the revenue is funded with the local levy.
 - The state share will increase to 67% of the revenue for F.Y. 2000, and to 78% for F.Y. 2001 and later.
 - Unlike most levies, the entire amount levied is recognized as revenue in the fiscal year in which the levy is certified.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0214 INTEGRATION AID
PROGRAM: SPECIAL PROGRAMS
AGENCY: Education, Children & Families
 (Continued)

- The following table summarizes trends in integration revenue.

Integration Revenue, F.Y. 1995-1999 (Dollars in Thousands)

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Est. F.Y. 1998</u>	<u>Est. F.Y. 1999</u>
<u>Duluth:</u>					
Integration Aid*	\$1,385	\$1,385	\$1,385	\$1,385	\$1,619
Integration Levy	1,343	1,184	1,461	1,461	1,379
Deseg. Transp. Revenue**	151	126	63	60	-0-
TOTAL REVENUE	\$2,879	\$2,695	\$2,909	\$2,906	\$2,998
<u>Minneapolis:</u>					
Integration Aid*	9,368	9,368	9,368	9,368	15,802
Integration Levy	9,425	9,793	9,997	10,420	13,461
Deseg. Transp. Revenue**	5,777	7,406	8,191	8,455	-0-
TOTAL REVENUE	\$24,570	\$26,567	\$27,556	\$28,243	\$29,263
<u>St. Paul:</u>					
Integration Aid*	8,091	8,091	8,091	8,091	12,121
Integration Levy	8,423	9,392	9,770	9,918	10,325
Deseg. Transp. Revenue**	3,550	3,591	3,563	4,480	-0-
TOTAL REVENUE	\$20,064	\$21,074	\$21,424	\$22,489	\$22,446
<u>State Totals</u>					
Integration Aid*	18,844	18,844	18,844	18,844	29,542
Integration Levy	19,191	20,369	21,228	21,799	25,165
Deseg. Transp. Revenue**	9,478	11,123	11,817	12,995	-0-
TOTAL REVENUE	\$47,516	\$50,336	\$51,889	\$53,638	\$54,707

* F.Y. 1995 amounts are integration grants; F.Y. 1996-1998 amounts are targeted needs-integration aid.

** F.Y. 1995 and F.Y. 1996 amounts are desegregation transportation revenue included in nonregular transportation formula; regular transportation funding for desegregation excluded. F.Y. 1997 and F.Y. 1998 amounts are targeted needs transportation-integration revenues; general education funding attributable to desegregation transportation excluded.

- For F.Y. 1999 and later years, the integration revenue for Duluth, Minneapolis and St. Paul is set at a fixed amount per pupil unit as follows: Duluth: \$193; Minneapolis: \$523; and St. Paul: \$427.
 - The per pupil allowances are based on each district's F.Y. 1998 revenue per pupil unit from the previous formulas, as estimated during the 1997 legislative session.
- While no other districts currently qualify for integration revenue, additional districts required to implement a desegregation plan in the future will qualify for revenue equal to the lesser of \$93 per pupil unit or the actual cost of implementing the plan.
- For F.Y. 1996-1998, targeted needs integration revenue was the sum of the targeted needs-integration aid and the desegregation/rule compliance levy.
 - Targeted needs integration aid was set at a fixed dollar amount for each eligible district as follows: Duluth \$1,385,000; Minneapolis \$9,368,300; and St. Paul \$8,090,700.
 - The desegregation/rule compliance levy was set at \$197 per pupil unit for Minneapolis and St. Paul, and at \$660,000 plus an amount equal to 2% of Adjusted Net Tax Capacity for Duluth.
- For F.Y. 1997 and F.Y. 1998, the targeted needs transportation-integration revenue was set at \$4 per pupil unit for Duluth, \$73 per pupil unit for St. Paul, and at \$158 per pupil unit for Minneapolis

BUDGET ISSUES:

- The need for this revenue will continue to rise due to growing enrollments and concentrations of poverty, and requirements under the proposed desegregation rule for participation and collaboration by more districts.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends aid entitlements of \$38.089 million for F.Y. 2000 and \$44.420 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$37.182 million in F.Y. 2000 (\$2.902 million for F.Y. 1999 and \$34.280 million for F.Y. 2000) and \$43.787 million in F.Y. 2001 (\$3.809 million for F.Y. 2000 and \$39.978 million for F.Y. 2001).
- The Governor also recommends that integration revenue follow students to charter schools beginning in F.Y. 2001.

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0214 - Integration Aid
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	18,844	29,560	36,738	42,847		
	2. Statutory Excess/(Shortfall)		(534)				
	3. Appropriated Entitlement	18,844	29,026				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		534				
	5. State Aid Entitlement under Current Law	18,844	29,560	36,738	42,847	31,181	64.42%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			1,351	1,573		
	7. Governor's Aid Recommendation	18,844	29,560	38,089	44,420	34,105	70.46%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	22,597	25,180	17,659	11,912		
	9. Governor's Recommended Levy Change(s)						
	a. Reinstate learning year			666	443		
	10. Governor's Levy Recommendation	22,597	25,180	18,325	12,355		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	41,441	54,740	54,397	54,759	12,975	13.49%
	a. Subtotal - Governor's Revenue Change			2,017	2,016		
	b. Governor's Revenue Recommendation	41,441	54,740	56,414	56,775	17,008	17.68%
Appropriations Basis for State Aid							
	Prior Year (10%)			2,902	3,809		
	Current Year (90%)	18,844	26,124	34,280	39,978		
	Transfers per M.S. 127A.41, subdivision 8		534				
	Total State Aid - General Fund	18,844	26,658	37,182	43,787		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0215 INTEGRATION PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 122A.24; Laws 1994, Ch. 647, Art. 8, Sec. 29; M.S. 122A.64; M.S. 122A.65; M.S. 124D.89

ACTIVITY PROFILE:

Purpose:

- This program includes funding for four integration programs:

Alternative Preparation Licensing, Minority Fellowship Grants:

- To recruit minorities into teaching by providing fellowship grants to qualified minorities seeking alternative preparation for teacher licensure and site grants for program development and management.

Teachers of Color Program:

- To increase the numbers of teachers of color in school districts with growing student-of-color populations.

Minority Teacher Incentives:

- To share fiscal responsibility with eligible school districts to employ additional teachers and aides or educational assistants of color.

Cultural Exchange Program:

- To develop and create opportunities for children and staff of different ethnic, racial and cultural backgrounds to experience educational and societal change.

Background:

- These 4 programs, initiated between F.Y. 1993 and F.Y. 1995 to encourage minority presence and diversity in district staff, were previously funded separately. The goals of these programs were similar, and the state funding was consolidated in one appropriation for F.Y. 1996.

Activity Description:

- These programs serve not only the minorities receiving the benefits of funding assistance in attaining a teaching license or employment, but also district students and staff who benefit from the diversity created.

STRATEGIES AND PERFORMANCE:

- These programs exist so that 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.
- The Desegregation/Integration Advisory Board uses the flexibility of the block allocation to funds programs where the greatest needs exist and where the opportunities for success are greatest. For example, when the Board allocated a reduced level of funding to the Minority Teacher Incentives Program, it specified that the grants would go first, and then exclusively to schools in Greater Minnesota.
- The number of eligible metro and non-metro districts has increased every year: 42 districts were eligible in F.Y. 1997; 60 districts are projected to be eligible in F.Y. 1999. Each year applications for participation exceed funding allocations.
- As far as possible, 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 percentage of students of color within the student body.

FINANCING INFORMATION:

- This activity is funded with state aid.

Alternative Preparation Licensing, Minority Fellowship Grants:

- 50% of the fellowship grant is paid each year for two years. Participants who receive fellowship grants must agree to remain teachers in the school district for

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0215 INTEGRATION PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

- The Minnesota Board of Teaching approves alternative preparation to teacher licensure programs. Each approved program must be a collaborative effort between a school district, groups of schools and a post-secondary institution that has a teacher preparation program. The program provides each candidate with a resident mentorship team responsible for the instructional phase before the candidate assumes responsibility for a classroom, formal instruction and peer coaching during the school year, assessment, supervision and revaluation of a candidate.
- Beginning in F.Y. 1998, allocated funds have been used to support planning grants to post-secondary institutions interest in exploring existing and new models for the development and retention of teachers of color.

Teachers of Color Program:

- This program provides funding to school districts that in turn recruit persons of color who are interested in pursuing a teaching degree. Funding is used to support these candidates as they attend college to attain their teaching certification. In return, the candidate must teach in a Minnesota district for at least two years. All school districts with growing populations of color are eligible to apply for the grant.

Minority Teacher Incentives:

- This program provides funding to districts that have a student of color enrollment of more than 10% or to districts that have approved comprehensive desegregation plan.
- Districts receive one-half of an educator's salary and benefits, not to exceed

\$20,000 per year, if they employ a person of color who has not taught in a Minnesota school district during the preceding year.

- Districts retaining the educator a second year are guaranteed a second year of funding. Reimbursements are made for each year of the biennium and according to current law, reimbursements cannot be prorated.

Cultural Exchange Program:

- These exchanges may only occur between a district with an approved desegregation plan and a district with no desegregation plan. The grants may be used for staff time including salary and benefit expenses, costs for substitute staff, travel expenses, curriculum materials. In addition, the grant may also be used for transportation, board, and lodging expenses for students.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$1 million in F.Y. 2000 and \$1 million in F.Y. 2001, with carryover authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: INTEGRATION PROGRAMS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
PAYMENTS TO INDIVIDUALS	130	0	188	0	0	0	0	(188)	-100.0%
LOCAL ASSISTANCE	858	820	992	1,000	1,000	1,000	1,000	188	10.4%
Total Expenditures	988	820	1,180	1,000	1,000	1,000	1,000	0	.0%
FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	988	820	1,180	1,000	1,000	1,000	1,000		
Total Financing	988	820	1,180	1,000	1,000	1,000	1,000		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0216 MAGNET SCHOOL GRANTS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: Laws 1994, Ch. 647, Art. 8, Sec. 38, M.S. 124D.88, Laws 1997 1 Sp., Ch. 4, Art. 2, Subd. 13

ACTIVITY PROFILE:

Purpose:

- This program provides for integrated K-12 education that encourages mutual understanding and provides programs, services and facilities essential to meeting student needs and abilities.

Background:

- The 1994 Legislature required the commissioner, in consultation with the desegregation/integration advisory board, to award grants for planning, developing and operating magnet schools. In the same year, \$22.2 million was made available in the bonding bill for capital costs of building and equipping magnet schools. Both of these programs were designed to encourage metropolitan area districts to work together toward desegregation/integration through magnet schools.
- The 1998 legislation appropriated general fund amounts that can be awarded either for planning, development and operations, or for capital projects.

STRATEGIES AND PERFORMANCE:

- Grant recipients are:
 - public schools in the 7-county metropolitan area;
 - joint powers boards that are the recipient 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;
 - chartered schools in the 7-county metropolitan area; and
 - Willmar area project.

- Grants can be used for the following agencies:

- teachers who provide instruction or services to students in a magnet school or magnet program;
- education paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;
- equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;
- minor remodeling needed to operate a magnet school or magnet program;
- transportation for all field trips that are part of a magnet school or magnet program curriculum;
- program planning and staff and curriculum development for a magnet school or magnet program;
- disseminating information on magnet schools and magnet programs; and
- indirect costs calculated according to the state's statutory formula governing indirect costs.

	Dollars in Thousands		
	F.Y. 1997	F.Y. 1998	F.Y. 1999
Metro Professional Development Center	\$250	\$125	\$99
Tri-District School	450	450	525
WMEP Interdistrict Downtown School	450	450	525
WMEP Coordination	-0-	-0-	44
WMEP FAIR School (NW Suburban Magnet)	-0-	170	88
WMEP SW School	-0-	-0-	-0-
Project Common Ground	135	220	220
Five District Integration Partnership	-0-	-0-	-0-
East Metro Middle School	-0-	-0-	-0-
Willmar Area Project	-0-	-0-	-0-
Interdistrict Collaboration	130	-0-	-0-
Metro Learning Alliance (Mall of America School)	85	85	-0-
Inspecting Engineer Fees (WMEP Downtown School)	-0-	-0-	-0-
TOTAL	\$1,500	\$1,500	\$1,500

- The Metro Learning Alliance (50-6065) received funding for 2 years to implement a multi-district magnet school at the Mall of America in Bloomington. Other districts joining fiscal host Bloomington (ISD 271) are Minneapolis (SSD 001), Richfield (ISD 280), St. Louis Park (ISD 283), and Saint Paul (ISD 625). In 1995-1996, the school served 199 high school

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0216 MAGNET SCHOOL GRANTS
PROGRAM: Special Programs
AGENCY: Children, Families & Learning
(Continued)

- The Metro Learning Alliance (50-6065) received funding for 2 years to implement a multi-district magnet school at the Mall of America in Bloomington. Other districts joining fiscal host Bloomington (ISD 271) are Minneapolis (SSD 001), Richfield (ISD 280), St. Louis Park (ISD 283), and Saint Paul (ISD 625). In 1995-1996, the school served 199 high school students from the 5 districts and 4 students from Rosemount and Cannon Falls. Courses, including English, social studies, and math, are geared to business and entrepreneurship, environmental issues, graphic arts, and computer technology.
- The Metro Professional Development Center for Leadership assists staff and board members in activities related to desegregation/integration and diversity. All Twin City metro districts are invited to participate in workshops, conferences, teacher exchanges, leadership shadowing, and mini-grant program.
- The West Metro Education Program (WMEP) is a Joint Powers (agreement among a consortium of 9 school districts including Minneapolis (SSD 001) and 8 of its neighboring suburbs: Brooklyn Center (ISD 286), Columbia Heights (ISD 013), Edina (ISD 273), Hopkins (ISD 270), Richfield (ISD 280), Robbinsdale (ISD 281), St. Anthony/New Brighton (ISD 282), and St. Louis Park (ISD 283)). During 1994-1995, WMEP began planning for an interdistrict magnet school in downtown Minneapolis; the school will open in 1997-1998. Beginning in 1996-1997, WMEP will use grant funds for WMEP coordination of several projects, including the Metro Professional Development Center, and look at new initiatives, which may include a southwest suburban magnet school.
- The Northwest Suburban magnet school will be a collaborative effort of several districts within WMEP under the leadership of ISD 281. The interdistrict magnet will open in 1998-1999. The current planning committee includes 22 active members from 7 of the 9 WMEP districts.

FINANCING INFORMATION:

- This is a state funded activity.

BUDGET ISSUES:

- As the number of minority students in Minneapolis and St. Paul continues to increase, desegregation efforts become complex and more intense.
- 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.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$1.75 million for F.Y. 2000 and \$1.75 million for F.Y. 2001.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: MAGNET SCHOOL GRANTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	1,494	5,750	1,750	1,750	1,750	1,750	1,750	(4,000)	-53.3%
Total Expenditures	1,494	5,750	1,750	1,750	1,750	1,750	1,750	(4,000)	-53.3%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	1,494	5,750	1,750	1,750	1,750	1,750	1,750		
Total Financing	1,494	5,750	1,750	1,750	1,750	1,750	1,750		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0217 INTERDISTRICT DESEGREGATION
TRANSPORTATION
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.87

ACTIVITY PROFILE:

Purpose:

- To promote interdistrict desegregation and integration programs among school districts, by offering grants to cover student transportation costs not covered by transportation funding.

Background:

- This program was initiated in F.Y. 1996 to cover district costs when transporting students between resident and nonresident districts for desegregation purposes.
- Appropriations have more than tripled from F.Y. 1996 to F.Y. 1999 in anticipation of districts' increased use of interdistrict programs and open enrollment that contribute to integration.

Activity Description:

- Grants are first awarded to districts participating in interdistrict programs. If funding remains after these grants are awarded, grants may be made to cover transportation costs of open-enrolled students whose enrollment contributes to integration.

STRATEGIES AND PERFORMANCE:

- School districts in the metropolitan area have entered into joint powers agreements to develop desegregation/integration programs and/or schools. Transportation is provided between the student's home or school and the interdistrict program or school.

- Existing programs include:
 - In 1995, the Metropolitan Learning Alliance School opened at the Mall of America under a joint powers agreement among the Minneapolis, St. Paul, Bloomington, Richfield and St. Louis Park school districts.
 - The Tri-District School opened in 1996 with St. Paul, Roseville and North St. Paul as members.
 - A new interdistrict desegregation/integration school is opening in the fall of 1998 in downtown Minneapolis.
- Three districts were awarded \$16,115 in transportation grants in F.Y. 1996. For F.Y. 1997, 5 districts received \$164,676. Grants are awarded after the close of a fiscal year when unfunded transportation costs can be determined. Therefore, grant amounts for F.Y. 1998-1999 are not available.

FINANCING INFORMATION:

- This is a state funded program.

BUDGET ISSUES:

- Transportation needs will continue to grow as additional interdistrict desegregation/integration programs are developed and new interdistrict schools are constructed.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$970,000 for F.Y. 2000 and \$970,000 for F.Y. 2001. This aid is paid on a 100% current basis.
- The Governor also recommends carryover authority.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: INTERDISTRICT DESEGREGATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	165	800	970	970	970	970	970	170	9.6%
Total Expenditures	165	800	970	970	970	970	970	170	9.6%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	165	800	970	970	970	970	970		
Total Financing	165	800	970	970	970	970	970		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0218 AMERICAN INDIAN LANGUAGE AND CULTURE
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.71-124D.82

ACTIVITY PROFILE:

Purpose:

- To develop and provide school curriculum that is relevant to the needs, interests and cultural heritage of American Indian students, to provide positive reinforcement of the self-image of American Indian students and to develop intercultural awareness among students, parents and staff.
- The program improves the education for all students by improving the educational potential of American Indian students and enhancing the academic potential of at-risk students.

Background:

- The program began in 1979, as a result of a collaborative effort between the state and tribal governments.
- In the past 10 years, curriculum development was addressed by a large number of the grants. The resulting curriculum is geographically and tribe-specific and has been minimally implemented. The curriculum that has been implemented in schools/districts produced courses which are part of the general curriculum, are open to all students and given credit towards graduation.
- In the past 3 years, technology use has increased. Projects include use of computers, CD-ROM and ITV technology and the Internet.
- In the past year, there is a collaborative of districts who designed and implemented a program with high use of technology, community involvement and summer programming. This program relies on shared use of resources from all districts participating.

Activity Description:

- The program provides services to students in grades pre-kindergarten through grade 12 in the schools receiving the grants.
- Projects must include one of the following:
 - 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 American Indian students; and
 - development of existing American Indian oriented curriculum and modification of instructional methods and administrative procedures to better serve all students.
- The maximum award is \$50,000; amounts awarded range from \$20,000 to \$50,000.

STRATEGIES AND PERFORMANCE:

- The key objective of the program is to facilitate a positive school climate in schools by offering courses in Native American language and culture. These courses are accessible to all students.
- The department will be conducting site visits to the F.Y. 1999 grantees and will be working with the American Indian Education Committee to review the program to revise policy and set priorities.

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of grants funded	14	12	16	15	16
Number of applicants	31	30	33	32	32
Percent of applicants funded	45	40	48	47	50
Number of participating Indian students	20,219	9,930	14,536	15,134	12,217
Number of eligible Indian students in schools/districts applying	55,100	50,000	37,737	31,961	31,486
Percent served	37	19	39	47	40

FINANCING INFORMATION:

- This program is funded with state dollars.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0218 AMERICAN INDIAN LANGUAGE AND
CULTURE
PROGRAM: Special Programs
AGENCY: Education, Children & Families
(Continued)

BUDGET ISSUES:

- The number of schools applying for funding has increased significantly since the program's inception. Less than 50% of the schools that apply are funded.
- The American Indian Language and Culture Education (AILCE) program, through serving a percentage of American Indian students, still does not reach a majority of the American Indian students in the state. Out of 64 districts with significant American Indian populations, only 32 applied and 16 were granted awards due to current funding level.
- The department will continue the pursuit of long range planning of Indian Education within the schools and districts to reduce the dependency on state-funding and increase collaboration of resources within the school or district.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$730,000 for F.Y. 2000 and \$730,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$730,000 in F.Y. 2000 (\$73,000 for F.Y. 1999 and \$657,000 for F.Y. 2000) and \$730,000 in F.Y. 2001 (\$73,000 for F.Y. 2000 and \$657,000 for F.Y. 2001).
- The Governor also recommends continued carryover authority.

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0218 - Indian Language and Culture
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	591	730	730	730		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	591	730				
	4. Adjustment(s)						
	5. State Aid Entitlement under Current Law	591	730	730	730	139	10.52%
	6. Governor's Recommended Aid Change(s)						
	7. Governor's Aid Recommendation	591	730	730	730	139	10.52%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0	0	0.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0	0	0.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	591	730	730	730	139	0.00%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	591	730	730	730	139	10.52%
Appropriations Basis for State Aid							
	Prior Year (10%)	59	59	73	73		
	Current Year (90%)	532	657	657	657		
	Transfers per M.S. 127A.41, subdivision 8	0	0				
	Total State Aid - General Fund	591	716	730	730		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0219 AMERICAN INDIAN EDUCATION
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: Laws 97, Art. 2, Sec. 51, Subd. 3

ACTIVITY PROFILE:

Purpose:

- To provide general operating funds to school districts that maintain American Indian village schools.

Background:

- The program began in 1973 to replace federal funds pursuant to the Johnson O'Malley Act P.L. 73-167 or Code of Federal Regulations, Title 25, Sec. 273.31.

Activity Description:

- These funds allow eligible small schools to remain open in the Indian community and allow for greater community, parent and student interaction in the educational process. The village schools take an active role in the education of the students and increase the self-esteem of the students attending local schools. The opportunity to participate in both community and education processes enhances all these goals.
- The law specifies grant amounts for 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.
- Eligible districts are Cook County/Grand Portage, Nett Lake, Mahnomen, Pine Point, Red Lake and Waubun.

STRATEGIES AND PERFORMANCE:

- The students who attend the schools will increase their self-esteem and achieve success academically due in part to increase in community involvement.

Grant Summary:

(\$ in 000's)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
# of Grants	6	6	6	6	6
Cook County/ Grand Portage	\$10	\$10	\$10	\$10	\$10
Nett Lake	\$42	\$42	\$42	\$42	\$42
Mahnomen	\$15	\$15	\$15	\$15	\$15
Pine Point	\$55	\$55	\$55	\$55	\$55
Red Lake	\$39	\$39	\$39	\$39	\$39
Waubun	\$14	\$14	\$14	\$14	\$14
TOTAL	\$175	\$175	\$175	\$175	\$175

FINANCING INFORMATION:

- This program is funded with state dollars.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$175,000 for F.Y. 2000 and \$175,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$175,000 in F.Y. 2000 (\$17,000 for F.Y. 1999 and \$158,000 for F.Y. 2000) and \$175,000 in F.Y. 2001 (\$17,000 for F.Y. 2000 and \$158,000 for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0219 - American Indian Education
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	175	175	175	175		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	175	175				
	4. Adjustment(s)						
	5. State Aid Entitlement under Current Law	175	175	175	175	0	0.00%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	175	175	175	175	0	0.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	175	175	175	175	0	0.00%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	175	175	175	175	0	0.00%
Appropriations Basis for State Aid							
	Prior Year (10%)	17	17	17	17		
	Current Year (90%)	158	158	158	158		
	Transfers per M.S. 127A.41, subdivision 8	0	0				
	Total State Aid - General Fund	175	175	175	175		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0220 INDIAN POST-SECONDARY
PREPARATION
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.85

ACTIVITY PROFILE:

Purpose:

- To facilitate enrollment of American Indian students in post-secondary institutions and to improve their academic performance and attendance once enrolled.

Background:

- The program began in 1984, as a result of a collaborative effort between the state and tribal governments.
- In F.Y. 1999, the program received an increase in funding from \$857,000 to \$982,000. This additional funding will increase the number of fully funded programs, which in the past were given percentage cuts so that more programs could be funded. There are currently 24 fully-funded programs.

Activity Description:

- The program serves students in grades 7-12 who are 1/4 or more American Indian ancestry.
- Grant projects must address 2 or more of the following:
 - improved retention;
 - remedial or tutorial services, emphasizing college preparation subjects;
 - attendance, academic or graduation incentives;
 - high potential/low achievement programs;
 - advocacy and liaison service;
 - plans or innovative procedures to reduce alienation or conflicts that may inhibit Indian students from reaching their potential; and
 - academic counseling services.
- The maximum award is \$50,000, with awarded grants beginning at \$11,700.

STRATEGIES AND PERFORMANCE:

- On the average, students who have participated in the program show a 98% graduation rate (compared to a 40% dropout rate), with approximately 75% going on to post-secondary education. Attendance rates have also improved significantly, with an average daily attendance rate of 86%.
- 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 proposal submission. The department is committed to increase program accountability by developing useful outcomes.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grants	24	25	25	24	24
Number of Applicants	34	36	36	37	33
Percent Funded	71	69	69	65	73
Number of Participating Indian Students	2,450	3,732	3,424	3,286	2,637
Number of Eligible Indian Students in Schools/Districts Applying	4,252	4,286	4,276	4,288	3,952
Percent Served	58	87	80	87	67

FINANCING INFORMATION:

- This program is funded with state dollars.

BUDGET ISSUES:

- The post-secondary preparation program (PSPP), though serving a large number of American Indian students, does not reach a majority of American Indian students in the state.
- Out of 64 districts with significant American Indian student populations, only 33 applied and 24 received funding due to the level of current funding.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$982,000 in F.Y. 2000 and \$982,000 in F.Y. 2001. This aid is paid on a 100% current basis.
- The Governor also recommends continued carryover authority.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: AM INDIAN POST-SECONDARY PREP

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	844	857	982	982	982	982	982	125	6.8%
Total Expenditures	844	857	982	982	982	982	982	125	6.8%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	844	857	982	982	982	982	982		
Total Financing	844	857	982	982	982	982	982		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0221 INDIAN SCHOLARSHIPS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
STATE CITATION: M.S. 124D.84

ACTIVITY PROFILE:

Purpose:

- To provide need-based financial assistance to American Indian students who would otherwise not have the opportunity to attend post secondary education. The Minnesota Indian Scholarship Program (MISP) promotes partnerships between state government, tribal government and private industry.

Background:

- This program was enacted in 1955 to encourage American Indians to attend post-secondary institutions. At that time, less than 10 American Indian students attended post-secondary institutions. In 1997-1998, 920 American Indians in Minnesota were enrolled in post-secondary institutions funded by the MISP.
- In 1995, \$1 million was bequeathed by the estate of Ethel Curry to establish a scholarship for American Indian students. While guidelines and eligibility for the Ethel Curry Scholarship were established using MISP guidelines, it is a separate scholarship.
- In F.Y. 1999, the program received an increase in funding from \$1,600,000 to \$1,875,000. This additional funding has increased the number of participants funded by the program.
- The MISP has taken the lead role for Indian scholarships in Minnesota and the Minnesota Association of Financial Aid Administrators (MAFAA). The MISP is the "hub" for financial aid packaging of Indian scholarships in Minnesota.

Activity Description

- The MISP awards grants based on criteria established by the State Board of Education, and recommended by the Minnesota Indian Scholarship Committee.
- Eligibility is restricted to American Indian students of 1/4 or more American Indian ancestry, residing in Minnesota and enrolled in an accredited Minnesota

post-secondary institution. Each student's needs are reviewed individually and grants are awarded based on financial need remaining after all other sources of financial assistance have been exhausted.

- Over 60% of the applicants funded by the MISP are single, American Indian female heads of household.
- The average award in the 1996 - 1997 school year was \$1,858.

STRATEGIES AND PERFORMANCE:

- Since 1990, the MISP has graduated at least 100 four- year students every year.
- The MISP will continue to provide assistance to students to facilitate early application for all sources of financial aid.

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Students Funded	859	883	880	920	950
# of Students Denied	800	700	650	300	300
# of Graduates from 4 & 2 Year Institutions Funded by MISP	250	225	225	220	250
# of Students in Teacher Preparation Programs Funded by MISP	135	155	175	140	150
# of Graduate Students Funded by MISP	30	19	40	27	40

FINANCING INFORMATION:

- This program is funded by a combination of state dollars and the Ethel Curry Scholarship fund.

BUDGET ISSUES:

- The Department of Education, Children & Families and the Minnesota Indian Scholarship Committee will work collaboratively to review policies and procedures of the MISP. The use of new technology will result in concise, uniform funding procedures and program accountability.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$1.875 million in F.Y. 2000 and \$1.875 million in F.Y. 2001 with carryforward authority.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: AMERICAN INDIAN SCHOLARSHIPS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
PAYMENTS TO INDIVIDUALS	1,612	1,586	1,889	1,875	1,875	1,875	1,875	275	7.9%
Total Expenditures	1,612	1,586	1,889	1,875	1,875	1,875	1,875	275	7.9%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	1,612	1,586	1,889	1,875	1,875	1,875	1,875		
Total Financing	1,612	1,586	1,889	1,875	1,875	1,875	1,875		
<u>REVENUE COLLECTED:</u>									
<u>DEDICATED</u>									
GIFT	59	63	50	50	50	50	50		
Total Revenues Collected	59	63	50	50	50	50	50		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0222 INDIAN TEACHER PREPARATION GRANTS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 122A.63

ACTIVITY PROFILE:

Purpose:

- To assist American Indian people to become teachers and provide additional education for American Indian teachers. This program also provides a source of certified American Indian teachers to specific school districts with significant concentrations of American Indian students.

Background:

- This program began in 1979, as a result of a collaborative effort between the state, tribal governments, public school districts and post secondary institutions.

Activity Description:

- This program provides grants and loans to American Indian students who have the potential to complete a teacher training program and have demonstrated a financial need. The student receives funding in the form of grants and loans. Loan are forgiven through service at the participating school district.
- An American Indian person who meets one of the following criteria is eligible to participate in the program:
 - a student who intends to become a teacher and is enrolled in one of the post-secondary institutions receiving grants;
 - a teacher aide who intends to become a teacher and who is employed by a district receiving a joint grant; or
 - a licensed employee of a district receiving a joint grant who is enrolled in a master of education degree program.

Summary of Grants (\$ in 000s)

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Bemidji State and ISD #38 Red Lake	40	40	40	40	40
Moorhead State University and Mahnomen/White Earth Nation	40	40	40	40	40
University of Minnesota, Duluth and ISD #709, Duluth	77	70	70	70	70
Augsburg College and SSD #1, Mpls and ISD #625 St. Paul	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>
Totals	197	190	190	190	190

STRATEGIES AND PERFORMANCE:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grants	4	4	4	4	4
Number of Participants*	19	20	18	21	21
Number of Graduates	8	6	6	5	6

* Adds up to more than 69 due to student participation in multiple years.

- There have been 42 graduates of the program since its inception. A total of 69 American Indians have participated or are participating in the program to date.
- 75% of the program's first graduates have repaid the loans through service in a sponsoring school. Other graduates have repaid by service in other Minnesota districts.

FINANCING INFORMATION:

- This program is funded with state dollars.
- Grant awards are made by the department based on applications from project. The sites are specified in the legislation. Payments are made either to the school district or the post-secondary institution, as determined by agreement.

BUDGET ISSUES:

- The number of students who could benefit from this program is increasing.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$190,000 in F.Y. 2000 and \$190,000 in F.Y. 2001, with carryforward authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: INDIAN TEACHER PREPARATION GRT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
LOCAL ASSISTANCE	151	190	190	190	190	190	190	0	.0%
Total Expenditures	151	190	190	190	190	190	190	0	.0%
FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	151	190	190	190	190	190	190		
Total Financing	151	190	190	190	190	190	190		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0223 TRIBAL CONTRACT SCHOOLS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124.86

ACTIVITY PROFILE:

Purpose:

- To promote equal education opportunity for students enrolled in tribal contract schools (as compared to public schools), by promoting 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.

Background:

- The program began in 1989 to compensate for the loss of revenue from federal trust lands.
- A new funding formula began in F.Y. 1998.

Activity Description:

- Annually each American Indian-controlled tribal contract or grant 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 or grant school aid provided that:
 - the school plans, conducts and administers an education program that complies with the requirements of either chapter 124 and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129 and 268A or Code of Federal Regulations title 25, sections 31.0 to 45.80, and
 - the school complies with all state statutes governing independent school districts or their equivalent in the Code of Federal Regulations, title 25.
- Eligibility is limited to the 4 tribal schools in the state, which include:
 - Bug-O-Nay-Ge-Shig School, Leech Lake
 - Circle of Life School, White Earth
 - Nay Ah Shing School, Mille Lacs
 - Ojibwe School, Fond du Lac

STRATEGIES AND PERFORMANCE:

- The funds are placed in the schools operating budget and are not specifically set aside to meet any legislated goals.

- The Department will work with tribal schools to develop reporting procedures for monitoring academic and retention results.

FINANCING INFORMATION:

- This program is funded with state dollars.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Bug-O-Nay-Ge-Shig	\$0	\$0	\$375.8	\$507.9	\$489.0
Circle of Life	0	0	66.7	93.8	85.0
Nay Ah Shing	0	0	59.3	155.4	186.0
Fond Du Lac	0	0	179.9	210.9	208.0

State aid is calculated by:

- multiplying the formula allowance under M.S. 126C.10, subd. 2 minus \$170 times the actual pupil units in average daily membership and the number of pupils for the current school year;
 - adding compensatory revenue based on compensation revenue pupil units times the formula allowance minus \$300;
 - subtracting the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs;
 - dividing the result in clause (3) by the sum of the actual pupil units in average daily membership plus the tribal contract compensation revenue pupil units; then,
 - multiplying the sum of the actual pupil units in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of \$1500 or the result in clause (4).

BUDGET ISSUES:

- The Department will work with the tribal schools to develop equitable funding resources for the program, to account for the effect of mid-year student transfers from public schools, and to develop an equitable formula.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$2.692 million for F.Y. 2000 and \$2.801 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$2.706 million in F.Y. 2000 (\$283,000 for F.Y. 1999 and \$2.423 million for F.Y. 2000) and \$2.790 million in F.Y. 2001 (\$269,000 for F.Y. 2000 and \$2.521 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0223 - Tribal Contract Schools
Program: Special Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	2,401	2,597	2,692	2,801		
	2. Statutory Excess/(Shortfall)	39	240				
	3. Appropriated Entitlement	2,440	2,837				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(39)	(240)				
	5. State Aid Entitlement under Current Law	2,401	2,597	2,692	2,801	495	9.90%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	2,401	2,597	2,692	2,801	495	9.90%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	2,401	2,597	2,692	2,801		
	a. Subtotal - Governor's Revenue Change	0	0	0	0		
	b. Governor's Revenue Recommendation	2,401	2,597	2,692	2,801	495	9.90%
Appropriations Basis for State Aid							
	Prior Year (10%)	91	244	283	269		
	Current Year (90%)	2,196	2,554	2,423	2,521		
	Transfers per M.S. 127A.41, subdivision 8	(39)	(240)				
	Total State Aid - General Fund	2,248	2,558	2,706	2,790		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0224 TRIBAL CONTRACT SCHOOLS - ECFE
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.83, Subd. 4

ACTIVITY PROFILE:

Purpose:

- To enhance the ability of American Indian parents to provide for their children's optimal learning and development through education and support from birth to kindergarten age.

Background:

- This tribal program was established in 1991.

Activity Description:

- Eligible schools are Bug-O-Nay-Ge-Shig School in Leech Lake, Circle of Life in White Earth, Fond du Lac Ojibwa in Cloquet and Nay Ah Shing in Mille Lacs. The programs use culturally appropriate materials and strategies to deliver the basic early childhood family education program, with an added emphasis on preserving their culture.
- The 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 and mental development of the children;
 - programs to enhance parents' skill 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;
 - other programs or activities to improve the health, development and learning readiness of children.

STRATEGIES AND PERFORMANCE:

- The program provides an opportunity for tribal contract schools to establish and maintain Early Childhood Family Development programming that emphasizes cultural values and learning.

	Participants				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Fond du Lac	55	60	60	65	65
Circle of Life	120	140	145	150	155
Bug-O-Nay-Ge-Shig	160	180	185	190	195
Nay Ah Shing	100	105	105	110	110

FINANCING INFORMATION:

- This program is funded with state dollars.

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Fond du Lac	9,656	9,656	9,656	21,760	21,760
Circle of Life	19,924	19,924	19,924	15,640	15,640
Bug-O-Nay-Ge-Shig	32,164	32,164	32,164	25,840	25,840
Nay Ah Shing	6,256	6,256	6,256	4,760	4,760
TOTAL	68,000	68,000	68,000	68,000	68,000

BUDGET ISSUES:

- Efforts will be needed to maintain the momentum of program development and to share effective strategies and resources with tribal schools and other ECFE programs serving American Indian families.
- Connections of tribal school programs with other ECFE programs need to be enhanced in order to benefit American Indian families who move to and from the reservations served by the tribal schools.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$68,000 in F.Y. 2000 and \$68,000 in F.Y. 2001. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: ECFE AT TRIBAL SCHOOLS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	68	68	68	68	68	68	68	0	.0%
Total Expenditures	68	68	68	68	68	68	68	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	68	68	68	68	68	68	68		
Total Financing	68	68	68	68	68	68	68		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0225 MEXICAN ORIGIN EDUCATION GRANTS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
CITATION: Laws 1997, 1Sp, Ch. 4, Art. 2, Sec. 51, Subd. 10

ACTIVITY PROFILE:

Purpose:

- To assist school districts and communities in meeting the educational and cultural needs of students of Mexican origin.

Background:

- F.Y. 1996 was the first year for this program. Due to program start-up, grants were not awarded for F.Y. 1996. Instead, the funds were carried forward to F.Y. 1997, and awarded in that year.

Activity Description:

- Grant proceeds may be used for curriculum and staff development, tutoring, mentoring, parent involvement, and other programs.
- The department works closely with grant recipients to identify eligible students. State and federal reporting do not have a single category for "Mexican." Data is collected for persons who would qualify for this program under the category of "Hispanic." Hispanic includes a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin. Therefore, it is difficult to identify only those students of Mexican origin.

STRATEGIES AND PERFORMANCE:

- The goal of the program is to:
 - improve student achievement and reduce dropout rates;
 - increase student knowledge and understanding of Mexican history;

- improve instruction by developing the cultural competence skills of teachers and other staff; and
- increase parent involvement in education and the school community.

FINANCING INFORMATION:

- This is a state funded activity.
- In F.Y. 1997, grants were awarded to 6 school districts and 3 community organizations. In both F.Y. 1998 and F.Y. 1999, grants were awarded to 7 school districts and 1 community organizations.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends eliminating specific categorical funding for this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: MEXICAN ORIGIN EDUCATION GRANT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	75	0	75	75	0	0	0	(75)	-100.0%
Total Expenditures	75	0	75	75	0	0	0	(75)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE MEXICAN ORIGIN EDUC. PROGRAM	GEN				(75)				
Total Change Items					(75)				
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	75	0	75	75	0	0	0		
Total Financing	75	0	75	75	0	0	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0226 OTHER FEDERAL SPECIAL PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
FEDERAL CITATION: Improving America's Schools Act (PL 103-382); Goals 2000: Educate America Act (PL 103-227); Education Appropriations Act (PL 105-78); 34CFR654 Higher Education Act (1965), title IV, Part A, Subpart 6 (CFDA 84.185A)

ACTIVITY PROFILE:

The following federally funded programs are included in this budget activity: Title I, Even Start, Migrant Education, Neglected and Delinquent Children and Youth, Title II, Title VI, Emergency Immigrant, Title III, Minnesota Deaf & Blind Project, CSPD Personnel Preparation and Behavioral Training, Modifying Graduation Standards, Capital Expense for Private Schools and Byrd Scholarships.

Title I Grants to LEAS (Title I, Part A)

- Specific objectives of the Title I Basic Grants to LEAS are:
 - To align Title I evaluation measures with the state student achievement and system performance measures.
 - To identify and serve students who are most at risk of not meeting our state content and performance standards.
 - To increase success in the regular classroom through coordination of supplemental services with classroom instruction and curriculum.
 - To provide for the involvement of parents in the education of their children.
 - To provide intensive and sustained staff development.
 - To coordinate with state and federal programs designed to meet the needs of the target population to maximize the services available for these at-risk students and to increase the number of students receiving services.

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Title I Grants to LEAS	\$81,130	\$86,178	\$86,890	\$86,890	\$86,890

* Funding for Title I will likely remain flat in the coming biennium. The estimates projected are purposefully conservative.

Even Start Family Literacy Programs (Title I, Part B)

- Specific objectives of the Even Start Family Literacy programs are:
 - 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
 - To create a new range of services through cooperative projects that build on existing community resources
 - To assist children and adults from low-income families in achieving challenging state content and student performance standards

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Even Start	\$1,125	\$1,117	\$1,299	\$1,236	\$1,236

* Projections based on US Department of Education estimate for FY 2000

Migrant Education (Title I, Part C)

- The specific purposes of the Migrant Education program under Title I, Part C are:
 - 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 standards that all children are expected to meet.
 - To prepare migratory children to make a successfully transition to post-secondary education or employment by providing and/or supporting high-quality and comprehensive educational programs to help them 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
 - To ensure that migratory children benefit from state and local systemic reform

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0226 OTHER FEDERAL SPECIAL PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
 (Continued)

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Migrant Education	\$2,326	\$2,562	\$3,012	\$3,012 *(Est.)	\$3,012 *(Est.)

* Funding for the Migrant Education program will likely remain flat for the next biennium, but could receive increases in funding if the President's budget request prevails.

Prevention and Intervention Programs for Children and Youth Who Are Neglected, Delinquent, or At-Risk of Dropping Out (Title I, Part D)

- The specific purposes of the Neglected and Delinquent Programs under Title I, Part D, are:
 - 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.
 - To improve educational services to neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging state content and performance standards that all children will be expected to meet.
 - To provide the targeted population the services needed to make a successful transition from institutionalization to further schooling and employment.
 - To prevent at risk youth from dropping out and to provide dropouts and youth returning from institutions with a support system to ensure continued education.

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Neglected and Delinquent	\$235	\$197	\$197	\$202 *(Est.)	\$202 *(Est.)

* Estimates are based upon the Presidents's budget request for federal FY 1999

Dwight D. Eisenhower Professional Development Program (Title II)

- The specific purposes of the Eisenhower Professional Development Program under Title II are:
 - To improve the skills of teachers and quality of instruction in mathematics and science in public and private elementary and secondary schools.
 - To support federal, state and local efforts to stimulate and provide the sustained, intensive, high quality professional development, primarily in math and science, that is needed to help students meet challenging state content and student performance standards in the core academic subjects which are aligned with Goals 2000.
 - to ensure that teachers and, where appropriate, administrators, other staff, pupil services personnel, and parents, have access to professional development that:
 - Is tied to challenging state content and student performance standards
 - Reflects recent research on teaching and learning
 - Includes strong academic content and pedagogical components
 - Incorporates effective strategies, techniques, methods, and practices for meeting the needs of diverse student populations, including females, minorities, individuals with disabilities, limited English proficient individuals, and economically disadvantaged individuals, in order to ensure that all students have the opportunity to achieve challenging state student performance standards
 - Is of sufficient intensity and duration to have a positive and lasting impact on the teacher's performance in the classroom
 - Is part of the everyday life of the school and creates orientation toward continuous improvement throughout the school

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Eisenhower Professional Development Program	\$3,414	\$3,833	\$4,111	\$4,084 *(Est.)	\$4,084 *(Est.)

* It is difficult to predict the level of funding for the Eisenhower Professional Development Program. It is likely the program will maintain its current level of funding through the next biennium. These estimates are based upon the President's budget request for fiscal year 1999.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0226 OTHER FEDERAL SPECIAL PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
 (Continued)

Innovative Education Program Strategies (Title VI)

- The specific purposes of Title VI are:
 - To support local education reform efforts which are consistent with and support statewide reform efforts.
 - To support state and local efforts to accomplish the Profile of Learning and high student performance standards.
 - To provide funding to enable state and local education agencies to implement promising educational reform programs.
 - To provide a continuing source of innovation and educational improvement, including support for library services and instructional and media materials.
 - To meet the special educational needs of at risk and high cost students.

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Innovative Education Program Strategies	\$4,957	\$5,557	\$6,231	\$6,231	\$6,231
				*(Est)	*(Est)

- * It is likely that title VI funding will level out in the next biennium unless the program gets cut. The President has suggested cutting funding to this program for the last couple of years, but Congress has restored funding each year.

Emergency Immigrant Education Program (Title VII, Part C)

- The specific purpose of the Emergency Immigrant Education Program is:
 - To provide support for school districts for supplementary educational services to immigrant children so that the state and district may:
 - Provide high quality instruction to immigrant children and youth; and
 - Help such children and youth meet the same challenging state student performance expected of all children and with their transition to American society

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Emergency Immigrant Programs	\$240	\$507	\$761	\$761	\$761
				*(Est)	*(Est)

- * Estimates are based upon the President's federal FY 1999 budget request

Goals 2000: Educate America Act

- The specific purposes of the funds made available under goals 2000 are:
 - To implement Minnesota's content and performance standards and assessment system
 - To align curriculum and instruction with the standards
 - To coordinate state and federal programs at the state and local levels so all students attain the State's high standards and performance

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Goals 2000	\$5,062	\$7,095	\$6,896	\$3,450	\$3,450
				*(Est)	*(Est)

- * The conservative estimates presented are a worst-case projection based upon a House Appropriations committee report cutting Goals 2000 by approximately 50% of 1998 levels. It is possible that the funding will be restored in conference committee to levels commensurate with the most recent fiscal year.

Special Education - Deaf/Blind

- To initiate and improve statewide educational services for children with deaf-blindness from birth to age twenty-two;
- To provide transition services for Minnesota youth and young adults with deaf-blindness as they progress from secondary special education programs to post-secondary education, employment and community living.
- The Minnesota Department of Education, Children & Families receives a grant through the Federal Office of Special Education for implementing the Deaf-Blind Project.
- The specific program objectives are the same as stated under 0201 Special Education Regular. Special Education programs are designed to prepare individuals with disabilities whose education needs are basic, ranging from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community. Some will be prepared for and benefit from the full array of post-secondary education programs available.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0226 OTHER FEDERAL SPECIAL PROGRAMS
PROGRAM: Special Programs
AGENCY: Education, Children & Families
 (Continued)

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Special Education	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
Deaf/Blind					

CSPD Personnel Preparation

- The comprehensive system of personnel development (CSPD) program flows money to 11 Governor's planning regions for the purpose of delivering staff development for those who serve students with disabilities. Each region annually conducts a staff development needs assessment and performs training based on identified needs from the assessment. Potential recipients of the training include parents, regular and special education teachers, administrators and para-professionals.

Modifying graduation Standards

- The Minnesota Assessment Project (MAP) is a 4 year federally funded project which promotes and evaluates the participation of students with limited english proficiency and students with disabilities in Minnesota's graduation standards.

Capital Expenses for Private Schools (Title I)

- The specific purpose of the capital expenses program is:
 - To encourage the participation of nonpublic students in Title I by reimbursing school districts for non-instructional expenses incurred in delivering Title I services to non-public students
 - This program will likely be phased out in the next biennium because the US Supreme Court overturned the Aguilar v. Felton case making this program necessary. The 1997 decision, Agostini v. Felton, allows districts to provide title I services within the confines of private school buildings.

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Capital Expenses	\$742	\$888	\$888	\$216	\$-0-

Byrd Honors Scholarship Program

- The purpose of the Byrd Honors Scholarship Program is to provide scholarships for study at institutions of high education to outstanding high school graduates who show promise of continued excellence, in an effort to recognize and promote student excellence and achievement

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Byrd Honors Scholarships	\$529	\$527	\$714	\$714	\$714
				*(Est)	*(Est)

* Estimate reflects President's budget request.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SPECIAL PROGRAMS

Activity: OTHER FEDERAL SPECIAL PROGRAMS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	116,843	99,327	99,225	99,227	99,227	99,227	99,227	(98)	.0%
Total Expenditures	116,843	99,327	99,225	99,227	99,227	99,227	99,227	(98)	.0%
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	116,843	99,327	99,225	99,227	99,227	99,227	99,227		
Total Financing	116,843	99,327	99,225	99,227	99,227	99,227	99,227		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0301 SECONDARY VOCATIONAL - STATE
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
CITATION: M.S. 124D.453, subd. 1

PROGRAM PROFILE:

Purpose:

- To meet the following goals:
 - improve economic competitiveness of the United States.
 - improve the development of academic skills.
 - improve the development of occupational skills.
 - promote equitable participation by all segments of the population.
 - develop academic and occupational skills that match workplace needs.
 - development of skills necessary for a technologically-advanced society.

Background:

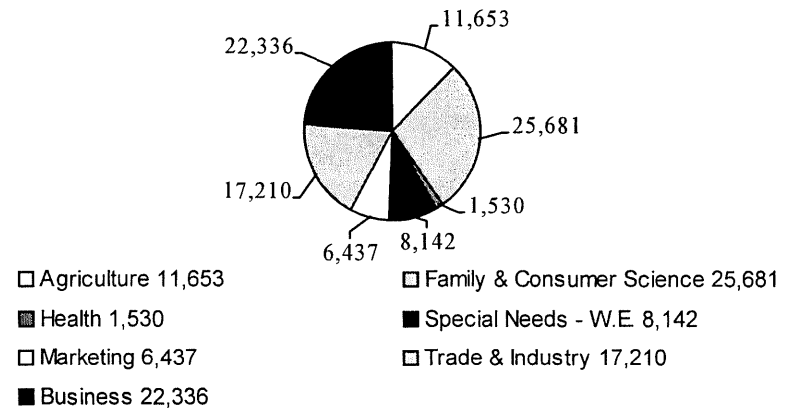
- The state vocational education aid program started in the mid 1960s. The federal vocational program has been in existence since the early 1900s.

STRATEGIES AND PERFORMANCE:

- Schools provide direct instructional services to students via school and community based programs that provide:
 - motivation for students to engage in the learning process by involving them in instructional experiences they recognize as being relevant to their needs, the community and life after school.
 - opportunities for students to explore a variety of potential careers in order to make wise career plans and educational choices.
 - instruction in the commonly acknowledged "work readiness" skills and higher order thinking skills.
 - rigorous, outcome driven, instruction in a variety of occupational fields which are relevant to student, community and business and industry needs.
 - curriculum which integrates industry skill standards and graduation standards content into hands-on learning.
- Districts must identify their needs and submit a plan showing how they will use their money to improve vocational programs. 328 districts applied for Perkins grants through 32 different Perkins consortia and 18 of the larger districts who applied on their own. Schools used the money in the areas of clerical support,

professional development, curriculum development and contracted services primarily and addressed the purpose of the Act as follows.

Enrollment of 10-12 by Curriculum Areas



FINANCING INFORMATION:

- This program is funded by state and federal aid.
- Funding is distributed by a formula, which includes a cap, an aid guarantee and a limitation on equipment. In 1998 the funding due to schools was prorated to 89.5% because the schools spent more than was appropriated.
- MnSCU has been designated the sole state agency with ultimate responsibility for all federal vocational dollars in Minnesota. [A formula based on service to students determines the amount of dollars for secondary and post secondary education in F.Y. 1999. The formula determined that 34.08% (\$5,629,395) of the money would go to secondary education.]

BUDGET ISSUES:

- As resources have diminished, schools have shifted toward the lower cost programs and away from the higher cost technical programs.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends phase-out of this program beginning in F.Y. 2000, and elimination of the activity in F.Y. 2001 as part of the redesign of school-to-work education activities.
- The Governor recommends an aid entitlement of \$7.015 million in F.Y. 2000.
 - Based on this entitlement, the Governor recommends an appropriation of \$7.473 million in F.Y. 2000 (\$1.16 million for F.Y. 1999 and \$6.314 million for F.Y. 2000) and \$702,000 in F.Y. 2001, for the final F.Y. 2000 payment.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0301 - Secondary Vocational
Program: Lifework Development

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	12,801	12,546	12,562	12,749		
	2. Statutory Excess/(Shortfall)	(1,205)	(950)				
	3. Appropriated Entitlement	11,596	11,596				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	1,205	950				
	5. State Aid Entitlement under Current Law	12,801	12,546	12,562	12,749	(36)	-0.14%
	6. Governor's Recommended Aid Change(s)						
	a. Phase out in FY 2000, Eliminate in FY 2001			(5,547)	(12,749)		
	7. Governor's Aid Recommendation	12,801	12,546	7,015	0	(18,332)	-72.32%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)	0	0	0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	12,801	12,546	12,562	12,749	(36)	-0.14%
	a. Subtotal - Governor's Revenue Change	0	0	(5,547)	(12,749)		
	b. Governor's Revenue Recommendation	12,801	12,546	7,015	0	(18,332)	-72.32%
<i>plus</i>							
FEDERAL FUNDS	12.a. Vocational Education Act 2B	4,791	4,944	4,944	4,944	153	1.57%
<i>equals</i>							
ALL FUNDS TOTAL	13. Total -- All Funds, Current Law	17,592	17,490	17,506	17,693	117	0.33%
	14. Total -- All Funds, Governor's Recommendation	17,592	17,490	11,959	4,944	(18,179)	-51.82%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,180	1,159	1,159	702		
	Current Year (90%)	10,437	10,437	6,314	0		
	Transfers per M.S. 127A.41, subdivision 8	1,205	950				
	Total State Aid - General Fund	12,822	12,546	7,473	702		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0302 EDUCATION AND EMPLOYMENT
TRANSITIONS SYSTEMS/
SCHOOL-TO-WORK
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
CITATION: M.S. 124D.34

ACTIVITY PROFILE:

Purpose:

- To ensure that all Minnesotans make successful education and employment transitions.

Background:

- This program began in F.Y. 1995. In that year, the legislature emphasized the development of youth entrepreneur, youth apprenticeship, and partnership development programs.
- In F.Y. 1998-99, legislation focused on:
 - Internet System for Education and Employment Knowledge (ISEEK). Created an interagency virtual career office that provides students, counselors, employers, parents and career planners with current data on wages, occupational projections, academic programs, institutional services and job information.
 - Work-based Learning Grants. Provided grants to local/regional partnerships, counties, schools, employers, community-based organizations to create work-based learning experiences such as youth apprenticeships, youth entrepreneurship, internships for teacher and students and employer rebates.
 - Parents and Community Awareness. Increase parent and community awareness of the opportunities and importance of lifework development through award-winning videos, state fair exhibit, publications, web site and media.

- State-Level Activities. Supported projects such as the development of industry skill standards, elementary and middle school career programs, training and curriculum for the inclusion of all learners in school-to-work activities, statewide training on work-based learning, study of education industry workforce issues, implementation of revamped high school follow-up study and career counseling study.
- Development of Occupational Information. Developed occupational information on emerging careers, job benefits, skill sets and distributed related publications to high school students, counselors, parents and the general public.
- Agriculture STW Improvement Grants. Curriculum and technology development supporting natural resources, biotechnology, water quality, horticulture and food sciences; expanded career awareness and exploration in ag and agribusiness.
- There are 45 local/regional partnerships composed of employers, K-12, higher education, workforce centers, community-based organizations, parents and learners.
- These partnerships have completed implementation plans that address Minnesota's school-to-work performance indicators, and are currently starting implementation.

Activity Description:

- Improve academic and career information and services for elementary through post-secondary learners.
- Expand the integration of work-based learning, service learning and other applied learning methods in curriculum design and the delivers of the graduation standards.
- Increase the participation of employers, organized labor workers, parents and community-based organization in partnering with education to create expanded educational options.
- To increase opportunities for women, minorities, individuals with disability and at-risk learners to participate in work-based and service learning.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0302 EDUCATION AND EMPLOYMENT
TRANSITIONS SYSTEMS/
SCHOOL-TO-WORK
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
(Continued)

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$5.9 million in F.Y. 2000 and \$8.6 million in F.Y. 2001, and redesign of the secondary vocational/school-to-work programs to allow greater discretion in program planning and aid distribution.

- To advance and increase articulation of learning between elementary, secondary and post-secondary education.
- To increase the alignment and integration of industry and occupation skill standards with graduation standards.
- To promote alignment of public and private resources.
- To provide expanded support systems at state and local levels including
 - a unified labor market information system (e.g. ISEEK);
 - a quality assurance system of information on learner achievement, employer satisfaction and system outcomes;
 - a marketing system to promote the importance of lifework development and lifelong learning;
 - a comprehensive system of technical support for local partnerships;
 - a comprehensive system for professional development of public and private sector partners.

FINANCING INFORMATION:

- This program is entirely state funded.

BUDGET ISSUES:

Forty-five local/regional partnerships are implementing and expanding the number of programs.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LEFWORK DEVELOPMENT

Activity: EDUC & EMPLOYMENT TRANSITIONS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	98	53	107	0	0	0	0	(160)	-100.0%
OPERATING EXPENSES	452	580	2,012	905	905	905	905	(782)	-30.2%
SUBTOTAL STATE OPERATIONS	550	633	2,119	905	905	905	905	(942)	-34.2%
LOCAL ASSISTANCE	3,092	7,386	8,208	6,315	8,315	6,315	11,015	3,736	24.0%
Total Expenditures	3,642	8,019	10,327	7,220	9,220	7,220	11,920	2,794	15.2%
<u>CHANGE ITEMS:</u>									
(B) SCHOOL TO WORK/VOCATIONAL REDESIGN	<u>FUND</u> GEN				2,000		4,700		
Total Change Items					2,000		4,700		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	3,524	1,793	7,007	3,900	5,900	3,900	8,600		
STATUTORY APPROPRIATIONS:									
FEDERAL	118	6,226	3,320	3,320	3,320	3,320	3,320		
Total Financing	3,642	8,019	10,327	7,220	9,220	7,220	11,920		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	2.5	2.7	2.5	0.0	0.0	0.0	0.0		
PART-TIME, SEASONAL, LABOR SER	0.0	1.1	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	2.5	3.8	2.5	0.0	0.0	0.0	0.0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0302F SCHOOL-TO-WORK OPPORTUNITIES
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
FEDERAL CITATION: Public Law 103-329 (H.R. 2884); May 4, 1994

ACTIVITY PROFILE:

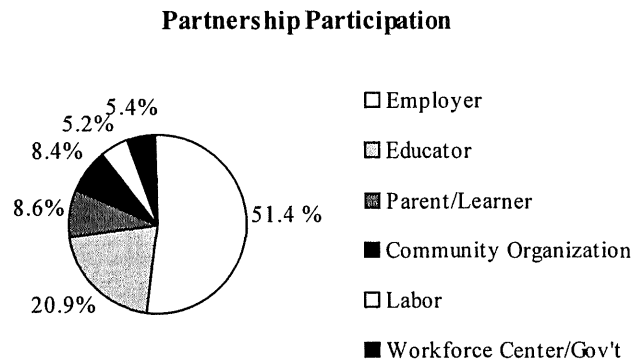
Purpose:

- To enhance the opportunities for all Minnesota learners to develop the skills necessary to make successful transitions among education and employment throughout their lives, and assist employers to remain competitive in the world market by providing employees prepared for the changing workplace.

Activity Description:

- In 1996, Minnesota was awarded a 5-year federal school-to-work opportunities grant totaling \$22.8 million. The initiative started on February 1, 1997.
- The grant provides opportunities for local/regional partnerships to create and facilitate a seamless system of education and better workforce preparation for all learners by building capacity in local communities. The regional partnerships are composed of educators, business, labor, parents, learners and community organizations.

STRATEGIES AND PERFORMANCE:



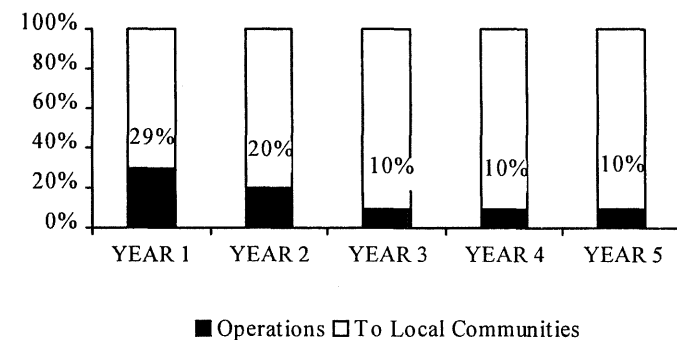
- During the first year of the grant, partnerships between employers, educators, parents, community organizations, labor and workforce centers were developed and recognized statewide. Partnership, planning and initial implementation is taking place during the 2nd year.
- A total of 43 new regional partnerships have had their implementation plans approved.
- All Minnesota school districts have voluntarily participated in school-to work partnerships.

FINANCING INFORMATION:

- This program is funded entirely through federal aid. Federal grant funding year runs from April 1 through March 31.
- Funds to local/regional partnerships are made on a formula basis. All learners* age 5-21 are claimed by different school-to-work partnerships. The number of learners in Minnesota age 5-21 divided by available funding determines the funding formula.

* Learners are all the youth in Minnesota ages 5-21, whether they are in school or not.

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Operations	\$1,103	\$1,493	\$570	\$380	\$181
To Local Communities	2,697	6,107	5,130	3,420	1,719
TOTAL	\$3,800	\$7,600	\$5,700	\$3,800	\$1,900



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0303 YOUTH WORKS, GRANTS, MATCH
AMERICORPS CORPORATION FOR
NATIONAL SERVICE

PROGRAM: Lifework Development

AGENCY: Education, Children & Families

STATE CITATION: M.S. 124D.36-124D.45; Laws 96x, Ch. 3, Art.
4, Sec. 29, Subd. 20

FEDERAL CITATION: Federal National Service Trust Act, 1993
(AmeriCorps)

ACTIVITY PROFILE:

Purpose:

- To empower youth to improve their life opportunities through service, literacy, job placement, and other essential skills; to renew the ethic of civic responsibility; to help meet human, educational, environmental, and public safety needs, and to demonstrate the connection between opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth.

Background:

- The program began in 1995.
- Youth Works/AmeriCorps operates jointly and is funded by state and federal grants made to public and non-profit agencies.

Activity Description:

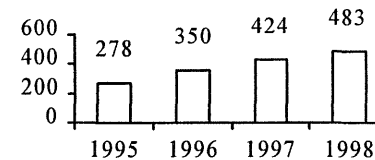
- This activity includes federal and state activities related to the implementation of a 3-year strategic plan to support community service, K-12 through senior citizen programs.
- Guidance and oversight is provided by an 18-member Minnesota Commission on National and Community Service. The commission uses a competitive request for proposal process to select program sponsors. The Corporation for National Service partially funds the Minnesota Commission on National and Community Service Operations.

- For full-time service (1,700 hours per year), program participants receive:
 - a living allowance of \$8,730;
 - major medical insurance;
 - child care if qualified; and
 - a post-service education award of \$4,725 which may be used toward higher education costs or for college loan payments.

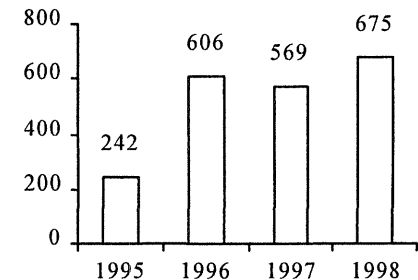
STRATEGIES AND PERFORMANCE:

- In 1997-98, 11 programs hosted 483 full-time equivalent program members.

**Youthworks
AmeriCorp
Members (FTE)**



**Youthworks/AmeriCorps
Hours Served (in 000s)**



Youth Works/AmeriCorps members provide direct service. Examples include:

- recruitment of 24,497 volunteers, contributing 152,656 hours of service;
- tutoring of 31,550 K-12 youth;
- presentation of health, education and support services to 10,000 persons;
- organization of enrichment and leadership activities for 20,000 youth;
- job skill development for 5,629 adults;
- GED instruction, parenting and citizenship classes for 1,384 adults;
- housing projects for 7,000 persons;
- planting of 214,538 wildland trees; and
- completion of a GED or high school diploma by 46 members.

2000-2001 Biennial Budget

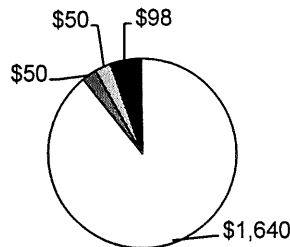
BUDGET ACTIVITY: 0303 YOUTH WORKS, GRANTS, MATCH
AMERICORPS CORPORATION FOR
NATIONAL SERVICE
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
(Continued)

- The University of Minnesota cost-benefit analysis found the following outcomes:
 - the average cost-benefit ratio of Youth Works/AmeriCorps programs studied over a 3 year period was \$2.30 in benefits for every \$1.00 invested;
 - criminal activity by youth in communities served was reduced by 15% over 3 years;
 - employability of young people who achieved their high school diplomas improved; and
 - community property values were enhanced at an average of \$10,000 per house for the neighborhood served.

FINANCING INFORMATION:

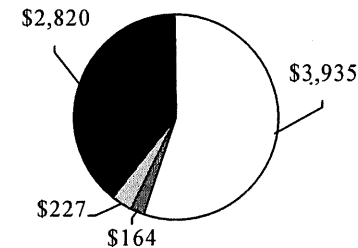
This program is funded with both state and federal aid.

State Funds 1998
(\$ in 000s)



□ Member Support ■ Training □ Administration ■ Evaluation

Federal Funds 1998
(\$ in 000s)



□ Member Support ■ Training □ Administration ■ Ed. Awards

- Member Support Costs: living allowance, worker compensation, major medical health care.
- Training: Youth Works/AmeriCorps member training in service specific matters as well as personal development, i.e. high school or GED diploma, resume writing, career exploration, etc.
- Administrative: federal match funds of \$227,000 are provided to MN Commission on National and Community Service for program administration. The amount of funds is determined using a state population formula.
- Education Awards: the federal Corporation for National Service holds awards in trust for up to 7 years for Youth Works/AmeriCorps members who successfully complete their term of service.

BUDGET ISSUES:

- Federal funding is decreasing for fixed member support costs.
- The state is required to match federal administrative funds 50/50. Ratio of commission staff to number of programs and participants is low compared to other states.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$1.788 million for F.Y. 2000 and \$1.788 million for F.Y. 2001, with carryover authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIFEWORK DEVELOPMENT

Activity: YOUTH WORKS PROGRAM

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	68	49	22	0	0	0	0	(71)	-100.0%
SUBTOTAL STATE OPERATIONS	68	49	22	0	0	0	0	(71)	-100.0%
LOCAL ASSISTANCE	5,462	5,859	5,299	5,251	5,251	5,251	5,251	(656)	-5.9%
Total Expenditures	5,530	5,908	5,321	5,251	5,251	5,251	5,251	(727)	-6.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	1,799	1,762	1,815	1,788	1,788	1,788	1,788		
STATUTORY APPROPRIATIONS:									
FEDERAL	3,700	4,146	3,468	3,463	3,463	3,463	3,463		
GIFT	31	0	38	0	0	0	0		
Total Financing	5,530	5,908	5,321	5,251	5,251	5,251	5,251		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0304 WORK STUDY STUDENT COMPENSA-
TION
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
CITATION: M.S. 136A.233

ACTIVITY PROFILE:

Purpose:

To encourage public school districts to employ post-secondary work study students in educational programs which support literacy or other basic skills tutoring.

Background:

- This program began in 1998.

Activity Description:

- The Minnesota legislature provides grants to public school districts to pay for the employer's share of the wages of a student on the Minnesota work study program. This program provides need-based financial assistance to post-secondary education students through on- and off-campus employment.
- **School Sub-grants:** School districts are reimbursed by sending quarterly statements to ECF, noting the student's hours and the amount of reimbursement. Work study students must be eligible according to the federal work study program and must be enrolled in a participating Minnesota post-secondary institution.

STRATEGIES AND PERFORMANCE:

- Letters of intent to participate in this program for F.Y. 1999 have been received. Program brochures are being developed to send to all superintendents and the participating post-secondary institutions work study coordinators. The Higher Education Services Office (HESO) is working closely with ECF to publicize this program.

FINANCING INFORMATION:

- This program is funded entirely with state aid.

BUDGET ISSUES:

- Adequacy of state funds is depends on support from numerous post-secondary institutions and contributions from private sector participating employers.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing this activity.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIFEWORK DEVELOPMENT

Activity: WORK STUDY STUDENT COMPENSATIO

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	0	0	0	0	(50)	0	(50)	(100)	
SUBTOTAL STATE OPERATIONS	0	0	0	0	(50)	0	(50)	(100)	
LOCAL ASSISTANCE	0	10	90	50	50	50	50	0	.0%
Total Expenditures	0	10	90	50	0	50	0	(100)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE WORK STUDY COMPENSATION AID	GEN				(50)		(50)		
Total Change Items					(50)		(50)		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	10	90	50	0	50	0		
Total Financing	0	10	90	50	0	50	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0305 LEARN AND EARN GRADUATION
ACHIEVEMENT
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
CITATION: M.S. 124D.32

ACTIVITY PROFILE:

Purpose:

- To decrease crime, increase secondary educational success, and increase post secondary educational enrollments by the year 2002.

Background:

- This program began in 1998. The request for proposal (RFP) process was completed in May 1998, with program start-up the summer of that year.
- Changes were needed in the original legislation before it could be implemented. This was corrected in the 1998 legislative session.

Activity Description:

- This activity provides grants to educational institutions or community-based organizations who partner with educational institutions to serve students who enroll in the 9th grade where household income is at or below the federal poverty level. The grants are awarded through a competitive grant process.
- Grants are used to encourage at-risk youth to stay in school by supporting them with educational tutorial help, financial incentives, and post-secondary funds.
- Stipends are awarded as an incentive for students to participate in the program as well as a post-secondary educational award. Along with full-time secondary enrollment, students are expected to fulfill 250 hours in community service basic skills and personal and cultural development programs.

STRATEGIES AND PERFORMANCE:

- The following grants were awarded in F.Y. 1998:

- African American Mentor Program - Central High School, St. Paul
- Blackduck Schools, Blackduck
- Carver-Scott Educational Cooperative, Chaska
- Cloquet Indian Education Program, Cloquet
- Guadalupe Alternative Programs, St. Paul Schools
- Minneapolis Urban League, Minneapolis Schools
- Red Lake Schools, Red Lake
- YMCA of Metropolitan Minneapolis, Minneapolis Schools

- A total of 270 youth participants are expected to take part in this program from 1998 to 2000.
- These 8 pilot sites will be carefully monitored with site visit evaluations conducted at 6-month and 12-month intervals. Grantees are measuring the changes that occur in the youth that are engaged in community service activities as well as basic skills, and personal and cultural development.
- Statute requires that a control group be established to evaluate this program. There are some issues still to be resolved. "Control group" denotes that all educational services will be withheld from students for evaluation purposes.

FINANCING INFORMATION:

- This program is funded entirely with state aid.

BUDGET ISSUES:

- Funding requests exceed the amount of funds available. While 13 programs applied for funding, funds were only available for 8 grants.
- Current funding will not support the existing cohort of students in year 2.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$950,000 for F.Y. 2000 and \$950,000 for F.Y. 2001, with carryover authority. These funds are paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIFEWORK DEVELOPMENT

Activity: LEARN AND EARN

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	769	1,181	950	950	950	950	(50)	-2.6%
Total Expenditures	0	769	1,181	950	950	950	950	(50)	-2.6%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	769	1,181	950	950	950	950		
Total Financing	0	769	1,181	950	950	950	950		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0306 MISCELLANEOUS FEDERAL LEADWORK
DEVELOPMENT PROGRAMS
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
FEDERAL CITATION: P.L. 100-610, 103-329 (H.R. 2884); May 4,
1994

I. LEARN AND SERVE AMERICA (YOUTH SERVICE)

ACTIVITY PROFILE:

Purpose:

- To integrate service learning as a teaching methodology with the Minnesota graduation standards and performance assessment.

Background:

- The program began in 1993 under the National Service Trust Act from the Corporation for National Service (CNS).

Activity Description:

This activity consists of 3 separate grants for 3 separate programs.

1. K-12 Learn and Serve America:

- The Learn and Serve America program consists of grants to local schools, education cooperatives, and area learning centers which engage young people in service to their community. In Minnesota, the grants are awarded through a competitive request for proposal (RFP) process.
- Grantees provide opportunities for youth, especially at-risk youth, to contribute needed services in the community, such as assistance to the elderly, tutoring for children, projects, to improve the environment, and assistance for food shelves and shelters. Grants are also used to engage youth in community activities that show them how academic skills can be used in real life settings, and to demonstrate good citizenship.
- Grantees are measuring the changes that occur in the youth that are engaged in

community service activities as well as changes in the community.

2. Assessing Learning Through Service:

- This grant is for the development and dissemination of training programs to help students effectively demonstrate learning through service.

3. Evaluating Service Learning Programs:

- A grant was given to Minnesota from the Corporation for National and Community Service for developing a self-assessment evaluation tool.
- The national evaluation tool which is being developed was originally piloted throughout Minnesota.

STRATEGIES AND PERFORMANCE:

1. K-12 Learn and Serve America:

- A total of 22 school-based sites were funded for 1997-98. Up to 3 new programs will be funded in F.Y. 1999.

	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000
Number of Youth Participants	11,243	10,000	13,000	13,000
Total Number of Grants	28	22	25	25

2. Assessing Learning Through Service:

- The first year of the initiative was used for developing assessment tools and the development of packages, piloting the initiative, and revision.
- Year 2 is supporting training of teachers throughout the state in schools that offer service learning for credit. 25 mini-grants have been awarded to teams of school personnel and community partners developing packages.
- Year 3 training will include a train-the-trainer workshop for those interested in supporting teachers and districts interested in service learning as a teaching tool.
- Four districts participated in F.Y. 1997 and 23 in F.Y. 1998.

3. Evaluating Service Learning Programs:

- The second Initiative of Evaluating Service Learning Programs utilizes the expertise of researchers at 3 major universities: the University of Minnesota, Clemson University and UC Berkeley.
- The field testing of a self-study evaluation instrument is being accomplished in

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0306 MISCELLANEOUS FEDERAL
LIFEWORk DEVELOPMENT
PROGRAMS
PROGRAM: Lifework Development
AGENCY: Education, Children & Families
(Continued)

5 states: Minnesota, Wisconsin, Georgia, California and South Carolina.

FINANCING INFORMATION:

1. K-12 Learn and Serve America:

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>
Total Grant Amount (\$ in 000's)	\$324.3	\$308.4	\$313.7	\$313.7

2. Assessing Learning Through Service

(\$ in 000's)	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
CNS* (Federal Funds)	\$99.8	\$77.7	\$137.6
Local Match	<u>12.0</u>	<u>40.0</u>	<u>155.0</u>
Total Federal and Local Match	\$111.8	\$117.7	\$292.6

* CNS = Corporation for National Service

3. Evaluating Service Learning Programs:

(\$ in 000's)	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>
CNS (Federal Funds)	\$193.9	\$193.0	\$193.0
Local Match (Research Universities and States)	450.2	450.2	450.2
Total Federal and Local Match	\$644.1	\$643.2	\$643.2

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 state wide accounting period closing requirements.

BUDGET ISSUES:

1. K-12 Learn and Serve America:

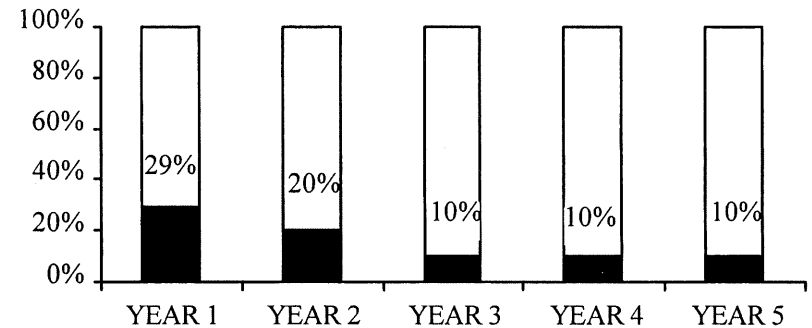
- Congress will be determining the amount of funding for this program for F.Y. 2000 and beyond during the reauthorization in 1999. Until then, there is uncertainty about the levels and amounts of funding. Therefore, it is difficult to plan ahead.

FINANCING INFORMATION:

- This program is funded entirely through federal aid. The federal grant funding year runs from April 1 through March 31.
- Funds to local/regional partnerships are made on a formula basis. All learners* age 5-21 are claimed by different school-to-work partnerships. The funding formula is determined by the number of learners in Minnesota age 5-21, divided by available funding.

* Learners are all the youth in Minnesota ages 5-21, whether they are in school or not.

	<u>Dollars in Thousands</u>				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Operations	\$1,103	\$1,493	\$570	\$380	\$181
Grants To Local Communities	<u>2,697</u>	<u>6,107</u>	<u>5,130</u>	<u>3,420</u>	<u>1,719</u>
TOTAL	\$3,800	\$7,600	\$5,700	\$3,800	\$1,900



■ Operations □ To Local Communities

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIFEWORK DEVELOPMENT

Activity: OTHER FEDL LIFE WORK DEV PROG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	205	517	415	410	410	410	410	(112)	-12.0%
Total Expenditures	205	517	415	410	410	410	410	(112)	-12.0%
<u>FINANCING BY FUND:</u>									
STATUTORY APPROPRIATIONS:									
FEDERAL	205	517	415	410	410	410	410		
Total Financing	205	517	415	410	410	410	410		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0401 CAPITAL EXPENDITURE - HEALTH AND SAFETY
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: M.S. 123B.57

ACTIVITY PROFILE:

Purpose:

- To ensure an educational environment that is free of health and safety hazards.

Background:

- Prior to this program, from F.Y. 1985 through F.Y. 1988, hazardous substance revenue provided school districts with up to \$25 per pupil unit for removal, encapsulation, or cleanup of hazardous substances, including asbestos, PCBs, and transportation fuels. Beginning in F.Y. 1989, hazardous substance funding was based on the cost of approved projects, minus any unexpended portion of revenue received in prior years.
- The current program first began in F.Y. 1990, replacing hazardous substance revenue, and including fire safety and life safety.
- In F.Y. 1994, the health and safety program was again expanded to include health, safety and environmental management and physical hazards.
- In F.Y. 1998, health and safety was again expanded to cover costs related to the requirements of the Indoor Air Quality in Schools Act.
- Additional information on health and safety aid can be found in the Appendix.

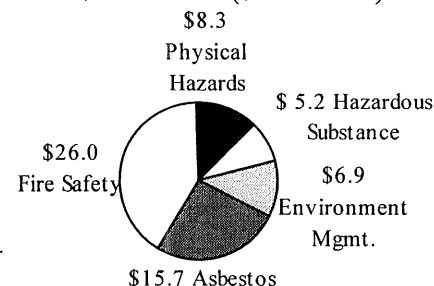
Activity Description:

- To receive health and safety revenue, a district must apply to the Department of Education, Children & Families. The application must include a cost estimate of the health and safety program adopted by the district school board. The program must address one or more of the following areas:
 - asbestos, removal or encapsulation of asbestos;
 - hazardous substance, including provisions for fuel storage repairs, cleanup,

- or storage tank removal and lead removal;
- fire safety, including compliance with State Fire Marshal orders;
- environmental health and safety management; or
- physical hazard control, including indoor air quality.

Health & Safety Expenditure Categories F.Y.1998

Total=\$62.1 million (\$ in millions)



- Health and safety revenue may not be used for the construction of new facilities or the purchase of portable classrooms, and must be used for facilities devoted to K-12 education.

Additional information on health and safety aid revenue can be found in the Appendix on page A-535.

FINANCING INFORMATION:

- Health and safety revenue is funded through a combination of state aid and local property tax levies. For F.Y. 2000 and later years, the state and local shares of health and safety revenue are determined using an equalizing factor of \$3,956. The local share equals the product of the revenue times the lesser of one or the ratio of the district's adjusted net tax capacity (ANTC) per WADM to \$3,956.
- A district's health and safety revenue authority in a given year equals the difference between:
 - the cumulative total approved cost for the district's health and safety program from F.Y. 1985 through the current fiscal year, and
 - the cumulative amount received by the district from F.Y. 1985 through the prior fiscal year for health and safety from the health and safety aid and levy and other federal, state, or local funds.

2000-2001 Biennial Budget

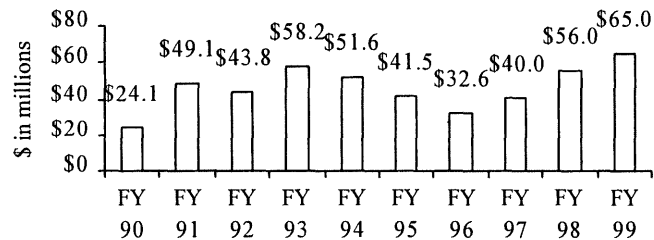
BUDGET ACTIVITY: 0401 CAPITAL EXPENDITURE - HEALTH AND SAFETY

PROGRAM: Facilities and Technology

AGENCY: Education, Children & Families
(Continued)

- 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.

F.Y. 1990 - 1999 Health & Safety Revenue



Health & Safety Revenue State-Local Share

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Total Revenue					
Amount	\$40,034.3	\$56,000.0	\$65,000.0	\$75,000.0	\$83,000.0
# of Districts	316	312	312	322	325
Levy					
Amount	\$28,157.8	\$40,500.0	\$48,000.0	\$57,000.0	\$65,000.0
# of Districts	315	311	311	322	324
State Aid					
Proration	.9618	1.0000	1.0000	1.0000	1.0000
Amount	\$11,876.5	\$15,500.0	\$17,000.0	\$18,000.0	\$18,000.0
# of Districts	275	266	254	246	236

BUDGET ISSUES:

- Public awareness of health and safety issues continues to increase. We anticipate new air quality requirements as well as continuing attention to current state and federal requirements. Estimated expenditures for indoor air quality (included in physical hazards category) are \$4.1 million for F.Y. 1998, \$7.1 million for F.Y. 1999 and \$10 - 12 million for F.Y. 2000. Financial demands on school districts will continue.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$14.569 million for F.Y. 2000 and \$15.0 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$14.528 million in F.Y. 2000 (\$1.415 million for F.Y. 1999 and \$13.113 for F.Y. 2000) and \$14.957 million in F.Y. 2001 (\$1.456 million for F.Y. 2000 and \$13.501 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0401 - Health and Safety Aid
Program: Facilities and Technology

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	13,973	14,133	14,449	14,879		
	2. Statutory Excess/(Shortfall)	414	23				
	3. Appropriated Entitlement	14,387	14,156				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(414)	(23)				
	5. State Aid Entitlement under Current Law	13,973	14,133	14,449	14,879	1,222	4.35%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			120	121		
	7. Governor's Aid Recommendation	13,973	14,133	14,569	15,000	1,463	5.21%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	39,870	50,833	64,315	70,121	43,733	48.22%
	9. Governor's Recommended Levy Change(s)						
	a. Reinstate learning year			(121)	(121)		
	10. Governor's Levy Recommendation	39,870	50,833	64,194	70,000	43,491	47.95%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	53,843	64,966	78,764	85,000	44,955	37.84%
	a. Subtotal - Governor's Revenue Change			(1)	0		
	b. Governor's Revenue Recommendation	53,843	64,966	78,763	85,000	44,954	37.84%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,132	1,438	1,415	1,456		
	Current Year (90%)	12,949	12,741	13,113	13,501		
	Transfers per M.S. 127A.41, subdivision 8	(414)	(23)				
	Total State Aid - General Fund	13,667	14,156	14,528	14,957		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0402 DEBT SERVICE EQUALIZATION
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: M.S. 123A.443, subd. 1; M.S. 123B.53, subd. 1; M.S. 123B.55; M.S. 123B.61; M.S. 126C.10, subd. 13

ACTIVITY PROFILE:

Purpose:

- To ensure that: a) all students have access to adequate educational facilities and b) the local tax effort required for debt service is spread equitably across the state by:
 - authorizing school districts to issue bonds for the acquisition or betterment of school facilities, and
 - providing property tax relief to districts with a high debt burden relative to the district tax base and a low tax base per pupil unit.

Background:

- In general, school districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to acquire or better school facilities. Exceptions include the alternative facilities bonding and levy (see Budget Activity 0404), and special legislation for Minneapolis and St. Paul.
- Historically, facilities acquisition and betterment was considered a local responsibility, and no state aid was provided to equalize debt service levies.
- The 1991 Legislature approved a debt service equalization program that would have fully equalized the portion of a district's debt service levy exceeding 12% of the district's adjusted net tax capacity (ANTC), supported by an open and standing state appropriation. However, funding for this legislation was vetoed by the Governor.
- In 1992, a modified debt service equalization program was enacted and signed into law:

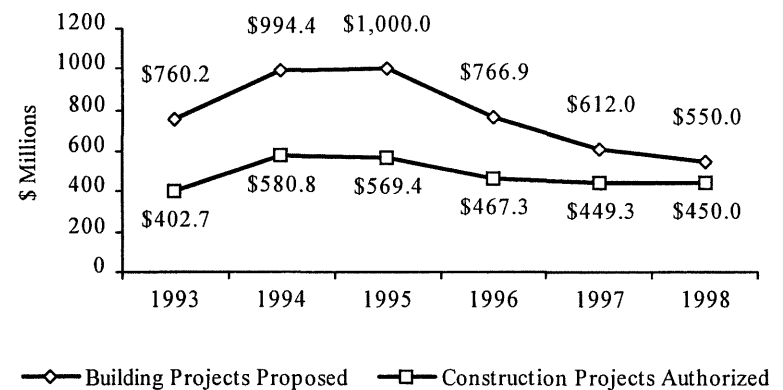
- the portion of a district's debt service levy exceeding 10% of the district's ANTC was equalized at 50% of the equalizing factor;
- a fixed standing appropriation was established to fund the program;
- for bonds issued after 7-1-92, no equalization was provided for districts not eligible for sparsity revenue that served fewer than 66 students per grade in the grades served by the facility;
- funding was phased-in over 3 years, beginning in F.Y. 1993.

- The 1997 legislature eliminated the minimum enrollment requirement for districts to qualify for equalization for grades K-8, and excluded bonds issued by school districts after 7-1-97 from equalization if the primary purpose of the facility was not to serve K-12 students.

Activity Description:

- New construction is concentrated in growing school districts in the state. Most of those are in the metropolitan region.
- The graph below shows construction trends over the last 5 calendar years. 1998 data is incomplete. The top line on the graph is the total dollars proposed in that calendar year that received a positive review and comment. The bottom line is the dollar amount approved.

Minnesota School Construction Trends



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0402 DEBT SERVICE EQUALIZATION
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
(Continued)

- For taxes payable in 1999, 260 of the state's 353 school districts certified a debt service levy.
- The following portions of a district's required debt service levy qualify for debt service equalization:
 - debt service for repayment of principal and interest on bonds issued before 7-2-92;
 - 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
 - debt service for bonds issued after 7-2-92 for construction projects that have received a positive review and comment according to M.S. 123B.71, subd.1, if the commissioner has determined that the district has met the criteria for a positive review and comment on a capital loan project under M.S. 126C.69, subd. 3, and the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

However, the criterion under M.S. 126C.69, subd. 3, that a district serve at least 80 students per grade level or be eligible for sparsity revenue, shall be considered to have been met if:

- the facility serves students in K-8, regardless of enrollment size (this applies only to the K-8 portion of the facility), or
- the facility serves students in grades 9-12, and at least 66 pupils are served per grade level.

STRATEGIES AND PERFORMANCE:

- In 1997, ECF submitted to the legislature a study entitled "Status of School Facilities in Minnesota." The study projected revenue needs 10 years into the future for new construction, rehabilitation, on-going maintenance, accessibility

and technology. The report showed that older buildings are more costly to maintain. The average age of school buildings in the state was 32 years old. Investment in maintenance is required to prevent a need for major expenditures for replacement.

- The 1997 study also showed that 36% of our school buildings are inaccessible to disabled students. Capital expenditures necessary to reach compliance are estimated at \$200 million.
- Many school districts in rural Minnesota have excess space that they must heat and maintain. Cooperative use of those facilities with other entities and additional school district reorganization is needed.
- This program provides greater financial equity among districts than the various capital grant and loan programs and is therefore a preferable model.

FINANCING INFORMATION:

The debt service program includes several components, and is financed through a combination of state aid and local property tax levies (see detail in Appendix, page A-536):

A. Revenue Components

1. Required Debt Service Levy (M.S. 123B.55; 475.61).

A school district must levy an amount at least 5% more than that needed for the principal and interest payments for the following fiscal year 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. 126C.63, subd. 8).

- Districts with an outstanding state capital loan must levy for debt service a minimum of:
 - 20%² 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, or
 - 20%² of the latest ANTC for districts without a capital loan but with an outstanding debt service loan, or
 - 18.42%² of the latest ANTC for other districts having an outstanding capital loan.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0402 DEBT SERVICE EQUALIZATION
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
(Continued)

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.

- Debt service equalization aid is computed using the greater of the eligible required debt service levy or maximum effort debt service levy. If the required debt service levy less the debt service equalization aid is less than the maximum effort debt service levy, then the district is required to make an additional maximum effort debt service levy equal to the difference. The additional maximum effort debt service levy is not equalized.

3. Required Debt Service Levy for Cooperative Secondary Facilities (M.S. 123A.443, subd. 1; 475.61).

- Joint powers districts that have issued bonds for cooperative secondary facilities must make a debt service levy for retirement of these bonds.
- This levy is not included for computing debt service equalization aid.

4. Required Debt Service Levy for Equipment (M.S. 123B.61).

- A school district, with the approval of the Commissioner and without voter approval, may issue certificates of indebtedness or capital notes to purchase vehicles, 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.
- A school district must levy the amount needed to retire the certificates of indebtedness or capital notes.
- The district's general education levy must be reduced by the amount of the debt service levy for this purpose.
- The sum of the required debt service levy for equipment and the required debt service levy for facilities for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified.

- This levy is not included for computing debt service equalization aid.

5. Required Debt Service Levy for Facilities (M.S. 123B.62).

- A school district, with the approval of the Commissioner and without voter approval, may issue bonds to provide funds for capital improvements to facilities. This bond issue is subject to a reverse referendum. The bonds shall be redeemed within 10 years of issuance.
- The districts general education levy must be reduced by the amount of the debt service levy of this purpose.
- This levy is not included when computing debt service equalization aid.

6. Alternative Facilities Bonding and Levy (M.S. 123B.59, subd. 1).

- Large school districts with over 1,850,000 square feet of space, an average building age of 20 years or older, and a ten-year facility plan approved by the Commissioner, may issue bonds or annually levy for health and safety, disabled access, and deferred maintenance projects specified in the approved plan.
- Levies under this program are included in computing debt service equalization aid.
- See Activity 0404 for further information about this activity.

7. Energy Conservation (M.S. 126C.40, subd. 5).

- School districts must levy authority for the amount needed to repay the annual principal and interest on energy conservation loans and other loans received on or before March 1, 1998 under M.S. 216C.37 and M.S. 298.292 to 298.298.
- This levy is included in computing debt service equalization aid.
- There is no levy authority for energy conservation loans received after March 1, 1998. Districts receiving these loans must annually transfer from the general fund to the debt redemption fund the amount needed to pay the principal and interest on the loans.

8. Lease Purchase Eligible (M.S. 126C.40, subd. 1).

- School districts must levy the amount needed for payments on lease purchase agreements approved by the Commissioner prior to July 1, 1990. In addition, certain districts with a desegregation plan levy for lease purchase costs for more recent facility acquisitions.
- This levy is included in computing debt service equalization aid.

9. Lease Purchase Ineligible (Laws 1995, First Special Session, Ch.. 3, Art. 5, Sec. 9).

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0402 DEBT SERVICE EQUALIZATION
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
(Continued)

- Districts 622, 833 and 834 levy for the acquisition of the Valley Crossing Elementary School in Woodbury.
- This levy is not included in computing debt service equalization aid.

10. Debt Excess (M.S. 475.61, subd. 3).

- The net debt excess in the debt redemption fund, other than for capital loan districts, 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.
- With the approval of the Commissioner, some districts may be authorized to retain all or a portion of the debt excess in the debt redemption fund.
- The debt excess reduces the revenue eligible for debt service equalization aid.
- Districts with outstanding capital or debt service loans are required to remit the debt excess amount to the Commissioner as payment on their capital and/or debt service loans.

11. Transfer to Debt Redemption Fund (M.S. 126C.10, subd. 14; M.S. 475.65).

- Districts may transfer money from the total operating capital account in the general fund or the building construction fund when the building project is complete. The transfer will increase the debt excess in the debt redemption fund.

12. Debt Service Loan (M.S. 126C.68).

- 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.

13. Gross Equalization Revenue (M.S. 123B.53, subd. 1).

- This revenue equals the sum of the following:

- the greater of the eligible required debt service levy or the maximum effort debt service levy, plus
- the gross annual (pay as you go) alternative facilities levy, plus
- the energy conservation levy, plus
- the eligible lease purchase levy, minus
- the net debt excess for eligible components, minus
- the debt service loan.

B. Funding Source

1. Debt Service Equalization Revenue (M.S. 123B.53, subd. 1).

- A district's debt service equalization revenue equals the gross equalization revenue from #13 above, minus an amount equal to 10% of the district's ANTC¹.

2. Debt Service Equalization Aid (M.S. 123B.53, subd. 1).

- 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 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 \$4,707.50².
- A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. If prorated, the equalized debt service levy is increased for the aid proration.

¹ To adjust for changes enacted in 1997 and 1998 in the class rates used to compute net tax capacity, the 10% deduction was increased to 11% for FY 1999 and to 12% for FY 2000 and later years.

² This is before adjustments for class rate changes under Laws 1998, Chapter 398, Article 1, Section 41.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0402 DEBT SERVICE EQUALIZATION
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
 (Continued)

The table below shows the state total amounts and number of districts participating in each of these categories in F.Y. 1999 (taxes payable in 1998):

Debt Service Revenue by Funding Category, F.Y. 1999
 (\$ in Thousands)

Funding Category	<u>Total Amount</u>	<u>No. Of Districts</u>
A. Revenue Components:		
1a. Required Debt Service Levy-Eligible ³ 4	\$339,815	254
1b. Required Debt Service Levy-Ineligible	18,498	36
2. Maximum Effort Levy Above Required	680	9
3. Req. Levy for Coop Secondary Facilities	0	0
4. Req. Debt Service Levy for Equipment	2,180	27
5. Req. Debt Service for Facilities	3,210	32
6a. Req. Debt Service for Alt. Facilities ⁴ 5	0	0
6b. Alt. Facilities Annual Levy ⁴	18,018	5
7. Energy Conservation ⁴	3,793	129
8. Lease Purchase Eligible ⁴	21,453	5
9. Lease Purchase Ineligible	1,532	3
10a. Net Debt Excess - Eligible ⁴	(16,238)	99
10b. Net Debt Excess - Ineligible	(630)	19
11. Transfer to Debt Redemp. Fund	Incl in Excess	n/a
12. Debt Service Loan ⁴	0	0
13. Gross Equalization Revenue ⁶	367,521	276
B. Funding Sources:		
1. Debt Service Eq. Revenue	89,194	157
2. Debt Service Eq. Aid	33,881	151

³ Includes net taconite debt service levy. Excludes Alternative Facilities debt service levy (see line 6a).

⁴ Included in computation of Gross Equalization Revenue.

⁵ Net amount after alternative facilities aid - see Budget Activity 0404.

⁶ Sum of lines 1a, 2, 6a, 6b, 7, 8, 10a and 12.

BUDGET ISSUES:

- 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.
- Net debt service levy limitations are on the increase. State totals for the last three years are as follows: (\$ in millions):

<u>Pay 97</u>	<u>Pay 98</u>	<u>Pay 99</u>
341.560	344.022	381.939

- Debt service equalization aid paid in the same period has remained relatively stable due to growth in tax capacities and changes in the equalizing factor and the debt threshold increase due to the class rate changes made in the 1997 and 1998 tax bills. The introduction and expansion of alternative bonding aid (see Budget Activity 0404) has also reduced the amount of debt service equalization aid required.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$32.579 million for F.Y. 2000 and \$32.660 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$33.165 million in F.Y. 2000 (\$3.842 million for F.Y. 1999 and \$29.323 million for F.Y. 2000) and \$32.651 million in F.Y. 2001 (\$3.256 million for F.Y. 2000 and \$29.395 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0402 - Debt Service Equalization
Program: Facilities and Technology

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	35,737	33,801	32,579	32,000		
	2. Statutory Excess/(Shortfall)	4	4,627				
	3. Appropriated Entitlement	35,741	38,428				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(4)	(1,253)				
	b. Cancellation	0	(3,294)				
	5. State Aid Entitlement under Current Law	35,737	33,881	32,579	32,000	(5,039)	-7.24%
	6. Governor's Recommended Aid Change(s)				660		
	a. Increase debt equalization factor						
	7. Governor's Aid Recommendation	35,737	33,881	32,579	32,660	(4,379)	-6.29%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	317,251	333,641	369,094	398,000	116,202	17.85%
	9. Governor's Recommended Levy Change(s)				(660)		
	a. Increase debt equalization factor						
	10. Governor's Levy Recommendation	317,251	333,641	369,094	397,340	115,542	17.75%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	352,988	367,522	401,673	430,000	111,163	15.43%
	a. Subtotal - Governor's Revenue Change	0	0	0	660		
	b. Governor's Revenue Recommendation	352,988	367,522	401,673	430,660	111,823	15.52%
Appropriations Basis for State Aid							
	Prior Year (10%)	3,313	3,574	3,842	3,256		
	Current Year (90%)	32,167	31,291	29,323	29,395		
	Transfers per M.S. 127A.41, subdivision 8	(4)	(1,253)				
	Total State Aid - General Fund	35,476	33,612	33,165	32,651		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0403 INTERACTIVE TELEVISION (ITV) AID
AND LEVY
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: M.S. 126C.40, Subd. 4

ACTIVITY PROFILE:

Purpose:

- To expand course offerings for greater Minnesota students by providing funds for the construction, maintenance, and lease costs of interactive television.

Background:

- The interactive television levy was enacted in 1991 and began in F.Y. 1993. The program will be phased out 25% per year from F.Y. 2000 to F.Y. 2003.
- School districts in development regions 6 and 9, were initially excluded, as well as all districts within the 7-county metropolitan area. The following year, the program was expanded to include all school districts in greater Minnesota.
- State equalization aid was added in the third year of the program, 1993.
- A hold harmless provision for reorganizing school districts was added in 1994, to minimize the revenue loss experienced by districts that consolidate or combine.
- Use of the revenue was broadened in 1997 to allow for the purchase of network equipment in districts where ITV is fully implemented.

Activity Description:

- This program serves students outside the 7-county metropolitan area, and promotes sharing of courses among districts.

STRATEGIES AND PERFORMANCE:

- Approximately 4,000 courses are offered via interactive television; usually advanced courses.
- About 253 districts participated in F.Y. 1999.

FINANCING INFORMATION:

- A district's maximum levy equals the product of the maximum revenue times the lesser of one or the ratio of the district's 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.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Total Revenue					
Amount (Gross)	\$4,896.8	\$5,667.6	\$5,858.6	\$7,158.2	\$7,290.3
Amount (Net)	\$4,557.0	\$4,164.3	\$5,858.6	\$6,464.2	\$6,693.3
Districts	195	205	196	218	253
Levy					
Amount	\$1,494.5	\$1,713.9	\$2,098.1	\$2,537.5	\$2,950.6
Districts	195	205	196	218	253
State Aids					
Amount (Gross)	\$3,493.8	\$3,973.3	\$3,846.7	\$4,658.6	\$6,028.2
Amount (Net)	\$3,154.0	\$2,470.0	\$3,846.7	\$4,051.0	\$4,052.0
Districts	186	195	190	218	218

BUDGET ISSUES:

- The phase-out of this levy program is likely to limit advanced courses to only those subjects where there is a teacher onsite.
- Telecommunication access grants do not provide enough bandwidth to facilitate the current ITV course load.
- In 1997, legislation was changed to permit districts who participated in the ITV levy and had completed the ITV infrastructure to use funds for district network and computer needs. This was a recognition that many of the analog systems would be connected and expanded to digital networks compatible with district networking for data.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$4.213 million for F.Y. 2000 and \$2.699 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$4.197 million in F.Y. 2000 (\$405,000 for F.Y. 1999 and \$3.792 million for F.Y. 2000) and \$2.851 million in F.Y. 2001 (\$421,000 for F.Y. 2000 and \$2.430 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0403 - Interactive Television (ITV)
Program: Facilities and Technology

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	4,659	6,028	4,207	2,696		
	2. Statutory Excess/(Shortfall)	(608)	(1,976)				
	3. Appropriated Entitlement	4,051	4,052				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	608	1,976				
	5. State Aid Entitlement under Current Law	4,659	6,028	4,207	2,696	(3,784)	-35.41%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			6	3		
	7. Governor's Aid Recommendation	4,659	6,028	4,213	2,699	(3,775)	-35.32%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	2,476	2,944	2,598	1,854	(968)	-17.86%
	9. Governor's Recommended Levy Change(s)						
	a. Reinstate learning year			(6)	(4)		
	10. Governor's Levy Recommendation	2,476	2,944	2,592	1,850	(978)	-18.04%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	7,135	8,972	6,805	4,550	(4,752)	-29.50%
	a. Subtotal - Governor's Revenue Change	0	0	0	(1)		
	b. Governor's Revenue Recommendation	7,135	8,972	6,805	4,549	(4,753)	-29.51%
Appropriations Basis for State Aid							
	Prior Year (10%)	384	405	405	421		
	Current Year (90%)	3,646	3,647	3,792	2,430		
	Transfers per M.S. 127A.41, subdivision 8	608	1,976				
	Total State Aid - General Fund	4,638	6,028	4,197	2,851		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0404 CAPITAL EXPENDITURE -
ALTERNATIVE FACILITIES BONDING
AND LEVY PROGRAM
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: M.S. 123B.59, subd. 1

ACTIVITY PROFILE:

Purpose:

- To enable large school districts with older buildings to complete deferred maintenance, health & safety and disabled access facilities projects that cannot be completed with other available funds.

Background:

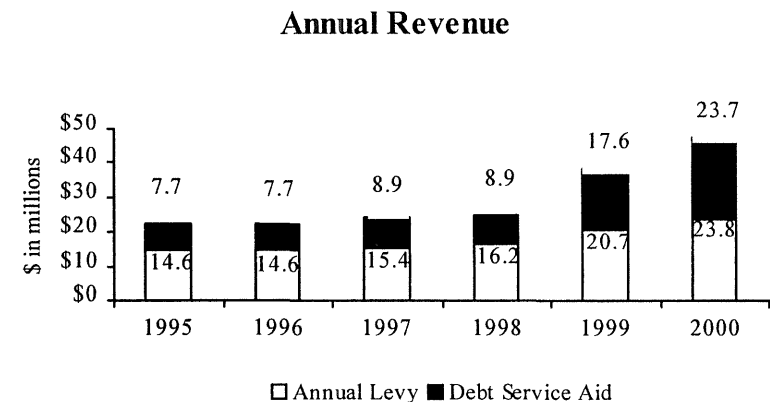
- This program was enacted by the 1993 legislature.
- Initially, districts were allowed to apply their health and safety revenue “alternatively” toward facilities maintenance, health & safety and disabled access projects. However, if they participated in this program, they were not allowed to receive funding for capital projects under the health & safety program (Budget Activity 0401) or the disabled access program (Budget Activity 0411).
- For F.Y. 1995, eligible districts were allowed to issue bonds and levy for debt service or make an annual “pay-as-you-go” levy up to the amount of their health & safety revenue for F.Y. 1993. Total revenue statewide for health & safety and this program was capped at \$64 million.
- The 1996 legislature allowed participating districts to receive funding for capital projects under the health & safety and disabled access programs.
- The 1997 legislature authorized state funding equal to 100% of the district’s annual alternative bonding debt service costs, not to exceed the amount of the debt service levy for taxes payable in 1997.

- The 1998 legislature authorized state funding for districts making an annual pay-as-you-go levy equal to one-sixth of the levy for taxes payable in 1998.

Activity Description:

- Only districts with more than 1,850,000 square feet of space and an average building age of 20 years or older are eligible to participate.
- For F.Y. 2000, Minneapolis, St. Paul, Duluth, Anoka-Hennepin, Bloomington, Osseo, Robbinsdale, South Washington, Burnsville, Rochester and St. Cloud are eligible.
- Levies under this program qualify for debt service equalization (Budget Activity 0402).
- To receive alternative bonding revenue for debt service or annual levy revenue, eligible districts must submit a 10-year facility plan to CFL for approval. This plan must describe projects that would be eligible for:
 - health & safety revenue,
 - disabled access levy, and
 - deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.
- The district must also indicate whether it will issue bonds, or make an annual levy, or some combination of these.

The graph below shows the breakdown of debt service aid and annual levy revenue for F.Y. 1995-2000.

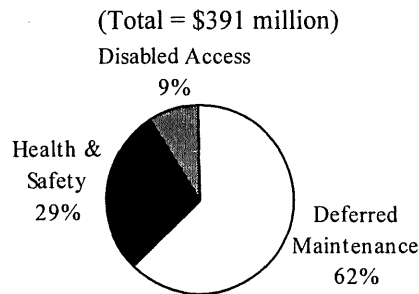


2000-2001 Biennial Budget

BUDGET ACTIVITY: 0404 CAPITAL EXPENDITURE -
ALTERNATIVE FACILITIES BONDING
AND LEVY PROGRAM
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
(Continued)

The graph below shows the breakdown of cumulative total project costs for F.Y. 1995-2000.

Total Project Costs 1995-2000



- Alternative bonding levy may not be used for the construction of new facilities or the purchase of portable classrooms, and must be used for facilities devoted to K-12 education.

FINANCING INFORMATION:

- This program is funded by a combination of state aid and property taxes.
- A district's alternative facilities bonding and levy revenue in any given year equals the difference between:
 - the cumulative total approved cost for a district's alternative facilities program from F.Y. 1994 through the current fiscal year, and
 - the cumulative amount received by the district from F.Y. 1994 through the prior fiscal year for deferred maintenance, disabled access and health and safety, from the alternative facilities bonding and levy revenue.

- A district's alternative facilities aid is the sum of: 1) 100% of the district's annual debt service costs, not to exceed the amount certified to be levied for those purposes for taxes payable in 1997, and 2) one-sixth of the annual pay-as-you-go levy certified for taxes payable in 1998, not to exceed 100% of the current annual levy.
- The district must establish a separate account under the uniform financial accounting and reporting standards (UFARS) for this program. If the district's levy exceeds the necessary principal and interest payments and noncapital health and safety costs, the district must reserve the revenue to replace future funding authority, prepay bonds authorized under this program, or make payments on principal and interest.

BUDGET ISSUES:

- A number of districts are challenging the current qualification standards of 1,850,000 square feet of space with an average age of 20 years or older. Many of these districts experienced significant growth in the 1950s and 1960s and have a large number of buildings of the same vintage and on the same maintenance schedule. Budgeting for major work such as roof replacement, window replacement and tuck-pointing is difficult unless the district passes a bond referendum to do this work. Until recently, school districts could not save facility revenue for large projects without risking having excess revenues recaptured. Other districts have experienced decline in enrollment and therefore have fewer pupil units generating general education capital facilities revenue for the square footage they own.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement \$19.286 million for F.Y. 2000 and \$19.286 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$19.058 million for F.Y. 2000 (\$1.7 million for F.Y. 1999 and \$17.358 million for F.Y. 2000 and \$19.286 million in F.Y. 2001 (\$1.928 million for F.Y. 2000 and \$17.358 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0404 - Alternative Facilities Bonding Aid
Program: Facilities and Technology

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid		16,352	19,286	19,286		
	2. Statutory Excess/(Shortfall)		648				
	3. Appropriated Entitlement		17,000				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		(648)				
	5. State Aid Entitlement under Current Law		16,352	19,286	19,286	22,220	135.89%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation		16,352	19,286	19,286	22,220	135.89%
<i>plus</i>							
LEVY	8. Local Levy under Current Law		0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation		0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)		16,352	19,286	19,286	22,220	135.89%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation		16,352	19,286	19,286	22,220	135.89%
Appropriations Basis for State Aid							
	Prior Year (10%)		0	1,700	1,928		
	Current Year (90%)		15,300	17,358	17,358		
	Transfers per M.S. 127A.41, subdivision 8		(648)				
	Total State Aid - General Fund		14,652	19,058	19,286		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0405 HISTORIC BUILDING REVENUE
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: M.S. 123B.64

ACTIVITY PROFILE:

Purpose:

- To ensure that school districts with buildings on the National Register of Historic Places are able to maintain these facilities without excessive cross-subsidies from the district's general funds.

Background:

- This program was enacted by the 1997 Legislature. F.Y. 1998 is the first year of funding.

Activity Description:

- The cost of maintenance for buildings on the National Register of Historic Places is higher than for other buildings because of the need to preserve the historic characteristics of these buildings.
- Five school districts are eligible for this program: Duluth, Hibbing, East Central, Eveleth-Gilbert, and Owatonna.

STRATEGIES AND PERFORMANCE:

- Because this program is new, no performance data is currently available.

FINANCING INFORMATION:

- This program is funded with state aid and a local property tax levy.
- Revenue is equal to \$100 times the number of pupil units served in the historic building.

- The historic building levy is "fully equalized," using an equalizing factor of \$10,000. This is before adjustments for class rate changes under the 1998 Omnibus Education bill, (Laws 1998, Chapter 398, Article 1, Section 41).
- The levies for both F.Y. 1998 and F.Y. 1999 are included in the total school levy certified in 1997, for taxes payable in 1998.
- In F.Y. 2000, 72 percent of total revenue for this program is funded with state aid and 28 percent is funded with the local property tax levy.

BUDGET ISSUES:

- The cost of the program will increase as more buildings are added to the National Register of Historic Places.
- The funding mechanism for this program is not linked to the costs incurred by districts.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends elimination of this program beginning in F.Y. 2000.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0405 - Historic Building Aid
Program: Facilities and Technology

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	173	210	201	200		
	2. Statutory Excess/(Shortfall)		(37)				
	3. Appropriated Entitlement	173	173				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	0	37				
	5. State Aid Entitlement under Current Law	173	210	201	200	18	4.70%
	6. Governor's Recommended Aid Change(s)						
	a. Eliminate Program			(201)	(200)		
	7. Governor's Aid Recommendation	173	210	0	0	(383)	-100.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	48	70	80	90	52	44.07%
	9. Governor's Recommended Levy Change(s)						
	a. Eliminate Program			(80)	(90)		
	10. Governor's Levy Recommendation	48	70	0	0	(118)	-100.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	221	280	281	290	70	13.97%
	a. Subtotal - Governor's Revenue Change			(281)	(290)		
	b. Governor's Revenue Recommendation	221	280	0	0	(501)	-100.00%
Appropriations Basis for State Aid							
	Current Year (100%)	173	173				
	Transfers per M.S. 127A.41, subdivision 8		37				
	Total State Aid - General Fund	173	210	0	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0406 MISCELLANEOUS CAPITAL
EXPENDITURE LEVIES
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
CITATION: See Individual Levies

ACTIVITY PROFILE:

Purpose:

- To enhance and maintain Minnesota school buildings and equipment by providing funds for various capital expenditures.

Background:

- Building and land lease levy dates back to the 1970s; most of the remaining levies were begun in the early 1990s.

Activity Description:

1. **Building and Land Lease** (M.S. 126C.40, subd.1). Districts may levy to rent or lease a building or land for instructional purposes, school storage or furniture repair if the total operating capital revenue authorized under section M.S. 126C.10, subd. 13 is insufficient. The levy authority and amount must be approved by the commissioner, cannot exceed \$100 per WADM, and may not be used for custodial or other maintenance services.
2. **Building Construction Down Payment** (M.S. 123B.63). A school district may levy the tax rate approved by a majority of the voters on the question of providing funds for a down payment for an approved building construction project. All proceeds from the levy must be transferred to the down payment account in the building construction fund.
3. **Cooperative Building Repair** (M.S. 126C.40, subd. 3). A school district that has a cooperative agreement according to M.S. 123A.30 or 123A.32, subd. 1 may levy for the repair costs, as approved by CFL, of a building located in another district that is a party to the agreement.
4. **Disabled Access Levy** (M.S. 123B.58). The 1990 Federal Americans with Disabilities Act (ADA) facilitates the removal of architectural barriers for persons with disabilities in public schools and enables districts to modify school buildings based on inspection by the State Fire Marshal. A district may levy up to \$300,000 to provide for all facilities. Some newly consolidated districts

have maximum levy authority of \$450,000 or \$600,000. The approved amount may be levied over 8 or fewer years.

5. **Technology Levy** (Laws 1996, Ch. 412, Art. 12, Sec. 12). Special District 1, Minneapolis, was selected to pilot a technology incentives program. Under this program, the district may purchase computers through a lease purchase agreement for exclusive use by ninth grade students in selected school sites. The district may levy up to 1/4 the cost of the lease purchase agreement each year for 4 years. Without reauthorization, this levy will expire in F.Y. 2001. By 1-1-99, the district must submit a report to the commissioner.

FINANCING INFORMATION:

- These activities are funded by local property tax levies.
- The following table shows certified levy amounts and number of school districts participating in each program:

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. <u>Building Lease</u>					
Amount	\$10,036.6	\$12,111.8	\$16,724.3	\$19,513.2	\$22,100.6
Districts	118	120	130	124	141
2. <u>Building Construction Down Payment</u>					
Amount	\$1,097.7	\$785.8	\$830.7	\$980.7	\$1,057.5
Districts	6	4	4	3	3
3. <u>Cooperative Building Repair</u>					
Amount	\$12.0	\$0.0	\$0.0	\$0.0	\$0.0
Districts	1	0	0	0	0
4. <u>Disabled Access</u>					
Amount	\$14,160.2	\$7,506.7	\$5,918.5	\$4,274.3	\$3,371.7
Districts	179	114	89	79	60
5. <u>Technology</u>					
Levy	\$0.0	\$0.0	\$0.0	\$0.0	\$681.8
Districts	0	0	0	0	1

BUDGET ISSUES:

- The Americans with Disabilities Act (ADA) guidelines have become a major concern for school districts in their financial management plans.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0407 TECHNOLOGY
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families
FEDERAL CITATION: P.L. 104-208

ACTIVITY PROFILE:

Purpose:

- To develop and implement statewide strategies to help all schools integrate technology into school curricula.

Background:

- This program began in 1997.
- The U.S. Department of Education originally proposed this as a 5-year program.

Activity Description:

- Projects must help accomplish the President's 4 goals for technology in education:
 1. All teachers will have the training and support they need to help all students learn through computers and through the information superhighway.
 2. All teachers and students will have modern computers in their classrooms.
 3. Every classroom will be connected to the information superhighway.
 4. Effective and engaging software and on-line resources will be an integral part of every school curriculum.

STRATEGIES AND PERFORMANCE:

- The first round of grants in Minnesota was awarded in January 1998. All 13 applicants received funding. A second round of grants occurred in November 1998.

- Final reports from the first-round grantees were due on November 15, 1998. These reports will be consolidated and included in a statewide report that will be submitted to the federal government by 12-1-98. Performance indicators will look at progress made toward the 4 national technology goals and other district goals as specified in the district technology plan. Outcomes from each of the sites will be slightly different as each works toward the technology goals most needed by its district.

FINANCING INFORMATION:

- This program is funded with federal dollars.
- It is anticipated that federal funding will remain at the F.Y. 1999 level.

BUDGET ISSUES:

- Funding for technology continues to be a concern for school districts. Further discussion is needed to determine the appropriate responsibilities for state and local governments.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: FACILITIES AND TECHNOLOGY

Activity: TECHNOLOGY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	2,849	4,015	4,015	4,015	4,015	4,015	1,166	17.0%
Total Expenditures	0	2,849	4,015	4,015	4,015	4,015	4,015	1,166	17.0%
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	0	2,849	4,015	4,015	4,015	4,015	4,015		
Total Financing	0	2,849	4,015	4,015	4,015	4,015	4,015		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0501 ST. PAUL COMMUNITY-BASED SCHOOL PROGRAM
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1997, First Special Session, Chapter 4, Article 5, Section 27

ACTIVITY PROFILE:

Purpose:

To help Saint Paul students improve their academic achievement, as measured by the following:

- test scores
- attendance
- participation
- behavior
- health
- family involvement

Background:

This program began in the 1996-97 school year. During that time:

- Monroe Community School and Dayton's Bluff Elementary School, with strong community backing, agreed to become Achievement Plus schools.
- The state of Minnesota granted \$3.3 million to Achievement Plus for operational and pre-design needs.
- Site teams at both schools were formed. The teams, which met monthly to steer the Achievement Plus project, include parents, school personnel, community leaders, and representatives of the 5 partner organizations.
- First programs were offered to students.
- Private foundations and collaboration partners funded operations.

In 1998:

- Partners and private foundations increased their financial and operational commitment to Achievement Plus.

- Achievement Plus received a state grant of just over \$14.3 million for construction of a new school on Saint Paul's East Side, and for expansion of the 2 existing Achievement Plus schools. Construction will start in the summer of 1999 and will be completed by the fall of 2000.
- Achievement Plus programs became fully operational.

Activity Description:

Achievement Plus is a public-private partnership of the Saint Paul Public Schools, City of Saint Paul, Ramsey County, the Wilder Foundation, and the state of Minnesota. Achievement Plus seeks to increase student achievement by developing full-service community schools, with support and participation from all levels of government and the community. The schools combine a strong education program with the health and social services necessary for children to learn at a high level, and also help families and communities to become more involved in their children's education.

A major task of the partnership is to identify and remove barriers to student achievement, through:

- extended-day and extended-year learning opportunities for the student and families;
 - engaging the full community in education;
 - increasing parental involvement; and
 - identifying and redirecting community resources, starting with those of the partners, in order to overcome barriers.
-
- The initiative is governed by:
 - a governance team consisting of a representative from each partner organization;
 - a steering team consisting of representatives from the partners;
 - partner action teams; and
 - site teams of parents, community partners, school staff and Achievement Plus staff.

STRATEGIES AND PERFORMANCE:

- The initiative is currently in place at 2 Saint Paul schools with a high percentage of students at risk of academic failure. A third site will open in September of 2000.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0501 ST. PAUL COMMUNITY-BASED
SCHOOL PROGRAM
PROGRAM: Education Excellence
AGENCY: Education, Children & Families Aids
CITATION: Laws 1997, First Special Session, Chapter 4,
Article 5, Section 27

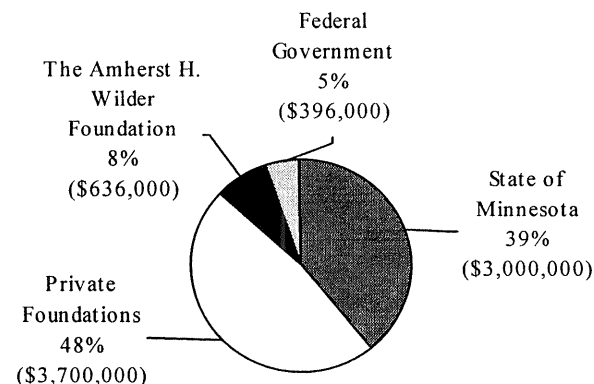
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- Nearly half of the student populations of both Achievement Plus schools participate in extended-day programming.
- Achievement Plus staff, working with school staff, have developed an extended-day curriculum that incorporates Minnesota's graduation standards. This means students will be working toward meeting the new standards not only during regular classes but also before and after school.
- Achievement Plus has greatly expanded family resource rooms at both schools. These rooms attract rising numbers of parents who take advantage of the family services and adult education opportunities offered there. The resource rooms also provide information to parents about their children's education.
- A rigorous evaluation system has been designed by an independent evaluator and the Wilder Foundation Research Center. Benchmarking completed in the spring of 1998 included:
 - 40 interviews with school and partner staff;
 - 15 focus groups with 86 students;
 - 4 focus groups with 15 parents;
 - 8 hours of teacher discussion;
 - observations and record review.
- Ongoing evaluation, conducted 3 times annually, looks at progress toward outcomes and the success or limitations of program strategies.
- Future objectives include:
 - development and implementation of a new community school at 740 York Avenue, to open in the Fall of 2000;
 - needs determination and development of a new community school in the Frogtown neighborhood of Saint Paul;

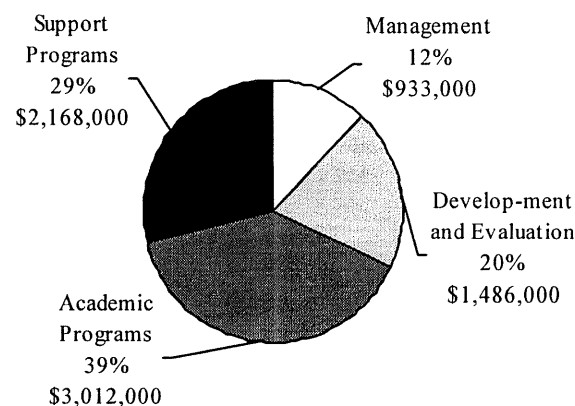
- the ability to replicate the initiative, designed specifically for other community needs and strengths; and
- seamless integration of the program activities into the school curriculum and community-based organizations' daily activities.

FINANCING INFORMATION:

The operations funding plan for F.Y. 2000-01 is:



Program expenditures in the next biennium are:



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0501 ST. PAUL COMMUNITY-BASED
SCHOOL PROGRAM
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1997, First Special Session, Chapter 4,
Article 5, Section 27

(Continued)

BUDGET ISSUES:

- State funding for this program expires at the end of the 2000-01 biennium.
- Existing federal and private funding is stable subject to progress toward Achievement Plus's goals. Additional private funding is reasonably expected to be received given the measured progress of the initiative. State funding will be the catalyst allowing the program to improve achievement of "at risk" children.

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$3 million for F.Y. 2000 with carryforward authority from one year of the biennium to the next.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: EDUCATION EXCELLENCE
Activity: ST PAUL COMMUNITY BASED SCHOOL

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	3,300	0	3,000	3,000	0	0	(300)	-9.1%
Total Expenditures	0	3,300	0	3,000	3,000	0	0	(300)	-9.1%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	3,300	0	3,000	3,000	0	0		
Total Financing	0	3,300	0	3,000	3,000	0	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0502 STATEWIDE TESTING/GRADUATION
STANDARDS SUPPORT
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 120B.30; Laws 1998, Chapter 398, Article 5, Section 42; Laws 1997, First Special Session, Chapter 4, Article 9, Section 5.

ACTIVITY PROFILE:

Purpose:

- To ensure that all public school students are making adequate progress toward the graduation standards, and that teachers, schools and districts have access to the information needed to successfully implement the graduation standards.
- This activity includes funding for three activities, Statewide Testing, Clearinghouse of Best Practices and the Curriculum Repository, previously funded through separate appropriations. Because these three programs share the same purpose, funds are combined in this recommendation in order to provide the Department with flexibility in distributing the funds between programs.

I. STATEWIDE TESTING

Background:

- Initial statewide testing began with the basic standards assessments in reading and mathematics in some school districts in the 1995-96 school year. Since 1996, all public school eighth grade students have been tested in mathematics and reading. All 10th grade students must take the Basic Standards Assessment in Written Composition beginning in the 1998-99 school year.
- In F.Y. 1997, the legislature enacted the Statewide Testing Law that required comprehensive assessments correlated with the Graduation Rule's High Standards in 3rd, 5th and 8th grades, and an unspecified high school grade. The 3rd and 5th grade tests were first given in all public schools in the spring of 1998. The law also requires that a high school test be developed.

Activity Description:

The statewide testing program includes the following tests:

Grade 3

Minnesota Comprehensive Assessments	reading, mathematics
Reading and Writing Test for LEP students	reading, writing

Grade 5

Minnesota Comprehensive Assessments	reading, mathematics
Reading and Writing Test for LEP students ¹	reading, writing

Grade 8

Minnesota Basic Standards Tests	reading, mathematics
Reading and Writing Test for LEP students	reading, writing

Grade 10

Minnesota Basic Standard Test	written composition
-------------------------------	---------------------

For students who have not yet met Basic Standards, retake opportunities must be offered at least annually to students in grades 9-12 for reading and mathematics, and to students in grades 11-12 for written composition.

STRATEGIES AND PERFORMANCE:

Test results can be used in the statewide accountability program to provide information about the progress of all students, including Limited English Proficiency (LEP) students.

BUDGET ISSUES:

- Since the statewide testing program was designed for native English, many LEP students with minimal English skills will score poorly even though they may be progressing in English acquisition. The assessment system must annually account for their progress in acquiring English skills.
- To fulfill the requirements of the Statewide Testing Law and the Graduation

¹ The Reading and Writing Tests for Limited English Proficiency Students are designed to measure emerging academic literacy skills for non-native speakers of English.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0502 STATEWIDE TESTING/GRADUATION STANDARDS SUPPORT
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 120B.30; Laws 1998, Chapter 398, Article 5, Section 42; Laws 1997, First Special Session, Chapter 4, Article 9, Section 5.

(Continued)

- To fulfill the requirements of the Statewide Testing Law and the Graduation Standards Rule Assessments, test forms need yearly maintenance in order to sustain their validity, reliability and security.
- Each test for statewide testing costs approximately \$500,000 to \$700,000 to develop and administer. Currently, there are 8 different tests, 3 of which (basic standards) are administered twice each year. This brings the total for statewide tests and graduation rule testing to 11 tests annually. The existing program will cost between \$5.5 and \$7.7 million to support annually.

II. CLEARINGHOUSE OF BEST PRACTICES

Background:

- The Clearinghouse was included in the 1998 Education Omnibus bill as a one-time appropriation of \$2 million. Of that, \$500,000 was for a contract with the University of Minnesota for the Office of Educational Accountability.
- With that first appropriation, 20 teachers were trained to work with educators statewide to use best practices in providing instruction and assessment. The communities of color were involved in research regarding curriculum and instruction designed to meet the needs of their constituency groups. This information was disseminated directly to schools.

Activity Description:

- Outstanding teachers will be selected to provide information, strategies, curriculum and decision-making strategies to schools. These teachers will rely

on their own expertise and experiences as well as examples of best practices collected by the Department and other organizations. These teachers will be available to assist individuals, grade level groups, content groups, departments, schools or district committees.

STRATEGIES AND PERFORMANCE:

- Districts will have access to more information on successful strategies and tools from other districts, and the Department's role in disseminating that information will be strengthened.

III. GRADUATION STANDARDS CURRICULUM REPOSITORY

ACTIVITY PROFILE:

Background:

- The Curriculum Repository was established in the 1997 Education Omnibus bill, with a one-time appropriation of \$2.7 million.

Activity Description:

- The Curriculum Repository is World Wide Web database which provides teachers with content standards, lesson plans, and assessment tools which support graduation standards implementation. Teachers access the repository via the Internet or CD Rom. Teachers will use the information to develop curriculum aligned to the content standards and to track student progress.

STRATEGIES AND PERFORMANCE:

- Teachers will have easy access to the tools they need to realize the success of the graduation standards in the classroom.

FINANCING:

- These activities are financed solely with state funds.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$10 million in F.Y. 2000 and \$10 million in F.Y. 2001 for these activities.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: STATE TESTING/GRAD. STANDARDS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	0	2,129	1,482	1,482	3,982	1,482	3,982	4,353	120.5%
SUBTOTAL STATE OPERATIONS	0	2,129	1,482	1,482	3,982	1,482	3,982	4,353	120.5%
LOCAL ASSISTANCE	0	363	1,026	1,018	6,018	1,018	6,018	10,647	766.5%
Total Expenditures	0	2,492	2,508	2,500	10,000	2,500	10,000	15,000	300.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) GRADUATION STANDARDS SUPPORT	GEN			7,500		7,500			
Total Change Items				7,500		7,500			
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	2,492	2,508	2,500	10,000	2,500	10,000		
Total Financing	0	2,492	2,508	2,500	10,000	2,500	10,000		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0503 ADVANCED PLACEMENT (AP) AND
INTERNATIONAL BACCALAUREATE (IB)
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 120B.13

ACTIVITY PROFILE:

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. These incentives increase the ability of some schools to offer an advanced placement or international baccalaureate program by providing funding for teacher training, exam fees, student scholarships and teacher stipend.

Background:

- State funding for the advanced placement (AP) and international baccalaureate (IB) was initiated in 1993.
- Initial funding supported subsidies for exam fees for public and non-public students, teacher support and teacher training. This was expanded in F.Y. 1998 to include student scholarships and teacher stipends for public and non-public schools. Teachers of non-public schools also received training scholarships for the first time.

Activity Description:

- The AP and IB program provides financial incentives to support the following 4 program components. Specific funding is allocated for each component.

Teacher Training (\$200,000 - 11% of total)

- Scholarships to train teachers to initiate or improve an AP and/or IB course are available for public and non-public school teachers.

- Priority is given to teachers new to the programs.

Student Examination Fees (\$1,000,000 - 53% of total)

- Exam fee subsidies are available to public and non-public students taking AP and/or IB exams.
- Approximately 75% of the exam costs for all exams are paid directly to the College Board for AP exams, or to the school district for IB exams. All exam fees are paid for students from low-income families.

Student Scholarships (\$300,000 - 16% of total)

- Student scholarships apply to public and non-public students earning scores of 3, 4, or 5 on an AP exam or 4, 5, or 6 on an IB exam.
- Scholarships are cumulative for qualifying scores earned in grades 9-12 for each course taken.
- Scholarships are available for Minnesota high school graduates attending an undergraduate program at a Minnesota public or private college. Scholarships are paid directly to the college/university if they have certified AP and IB credit and placement policies.

Teacher Stipends (\$375,000 - 20% of total)

- Stipends are available for public and non-public teachers of AP and IB courses.
- A teacher stipend is available for each student who receives a 3 or better on the AP or 4 or better on the IB exams.
- The amount of the stipend ranges between \$25-50 per qualifying score.
- The stipend is paid directly to the district or non-public school.

- Additional information can be found in the Appendix on pages A-539-540.

STRATEGIES AND PERFORMANCE:

Advanced Placement:

- In May 1998, 11,041 students took 16,151 exams. This was an 18% increase in the number of students testing and a 28% increase in the number of exams taken, and represents an average of 1.4 exams per student.
- A total of 222 teachers participated in a week-long summer training institute at Carleton College, an increase of 36% for 1998.
- Students of color represent 10% of all Minnesota students tested in Advanced Placement. These 895 students represent a 16% increase in participation from the previous year.
- In the 1997-98 school year, 177 public and 31 non-public schools (for a total 208) implemented AP Programs - a 1.46% increase in the number of schools.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0503 ADVANCED PLACEMENT (AP) AND INTERNATIONAL BACCALAUREATE (IB)

PROGRAM: Education Excellence

AGENCY: Education, Children & Families

CITATION: M.S. 120B.13

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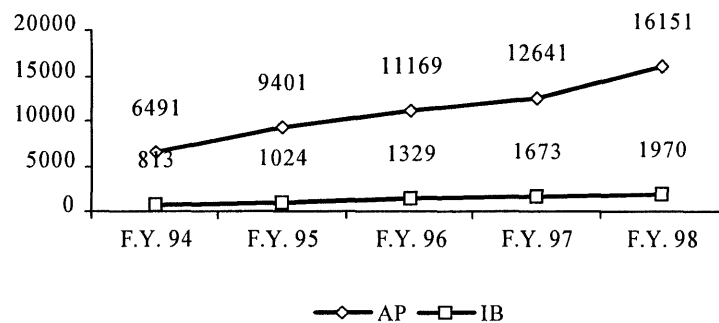
International Baccalaureate:

- In May of 1998, 924 students took 1,970 exams, an average of 2.13 exams per student. This results in a 13% increase in student participation and 18% increase in number of exams.
- A total of 23 teachers participated in 3-day training during the school year and 39 participated in one two-week of summer training.
- As of July 1998, there are 10 IB member schools, one school in the process of making an application and several more considering the IB program for their school/district.
- 71 students were awarded the IB diploma, an increase of 16%.

Schools Funded

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Public AP	163	169	169	180	177
Non-Public IB	4	24	32	25	31
IB	10	9	9	9	9

Exams Taken



BUDGET ISSUES:

- Funding requests for teacher training exceed the amount of funds available. Some AP and IB teachers did not receive scholarships when funding limits were reached. The greatest impact on student achievement on exams is accomplished through extensive teacher training.
- The program projects an increase of 20-25% in the number of students taking the exams. Current funding will not meet the demand for student exam fees, and students will receive a smaller percentage of the exam fee paid by the state.
- Current funding covers only a fraction of the student scholarship defined in law.
- Funding for teacher stipends and curriculum efforts is not sufficient to support the increased number of courses being offered and projected increase in the number of exams being taken.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$1.875 million for F.Y. 2000 and \$1.875 million for F.Y. 2001, with carryforward authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: AP & IB PROGRAMS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	591	4	1,651	875	875	875	875	95	5.7%
SUBTOTAL STATE OPERATIONS	591	4	1,651	875	875	875	875	95	5.7%
LOCAL ASSISTANCE	345	95	2,000	1,000	1,000	1,000	1,000	(95)	-4.5%
Total Expenditures	936	99	3,651	1,875	1,875	1,875	1,875	0	.0%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	936	99	3,651	1,875	1,875	1,875	1,875		
Total Financing	936	99	3,651	1,875	1,875	1,875	1,875		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0504 COLLABORATIVE URBAN EDUCATOR
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1997, Ch. 398, Art. 5, Sec. 38, Subd. 9

ACTIVITY PROFILE:

Purpose:

- To increase the number of teachers from underrepresented populations, by providing funds to teacher preparation programs that prepare persons of color to teach in urban schools.

Background:

- The original Collaborative Urban Educator (CUE) program began in 1991 as a result of a Board of Teaching grant to explore alternative routes to teaching licensure. This program was created collaboratively by the St. Paul and Minneapolis Public Schools and the University of St. Thomas to prepare persons of color with baccalaureate degrees to become urban teachers. The program did not receive any state categorical funding until 1997, when it received \$65,000.
- The original CUE program has achieved the following outcomes:
 - 138 persons of color have earned teaching licenses and been hired to teach in St. Paul or Minneapolis schools;
 - over 12,500 elementary school students have had a CUE teacher;
 - 43 CUE alumni have completed Master's degrees in education; 15 others are currently enrolled; and
 - 97.8% of CUE alumni have remained in education.

Activity Description:

- Funding passes through the Department to the University of St. Thomas and Concordia University.

STRATEGIES AND PERFORMANCE:

- The University of St. Thomas implemented the Collaborative Urban Educator Expansion Project by:
 - continuing the CUE program, in collaboration with the St. Paul and Minneapolis Public Schools, enrolling 53 persons of color;

- expanding the CUE program from a non-traditional elementary licensure program for full-time students to a pilot K-8 program model for part-time students, enrolling 20 persons of color;
- including Tri-District and Hopkins Schools as partner districts;
- reaching factors related to retention of CUE teachers;
- coordinating recruitment and retention efforts with other institutions;
- providing funding to Hamline University to begin offering collaborative urban educator activities in F.Y. 1998.

- Concordia University designed and implemented the Southeast Asian Teacher Licensure Program in F.Y. 1999 by:
 - preparing persons of color, especially those of Southeast Asian background, for elementary teacher licensure;
 - implementing a baccalaureate program designed to provide intensive instruction to teacher aides interested in becoming licensed teachers;
 - enrolling 22 individuals in the program
 - partnering with educators in schools where student populations continue to reflect growth in diversity

FINANCING INFORMATION:

- This activity is funded entirely with state funds.
- F.Y. 1998
 - \$895,000 to the University of St. Thomas to design, implement, and evaluate the Urban Educator Expansion Program. Of this amount, \$100,000 was provided to Hamline University for collaborative urban educator activities.
- F.Y. 1999
 - \$500,000 to Concordia University to design, implement and evaluate the Southeast Asian Teacher Licensure Program.

BUDGET ISSUES:

- There will continue to be an increased demand for teachers of color to teach students in urban schools, requiring funding to recruit and prepare persons of color for teacher licensure and to retain them in the education profession.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$500,000 for F.Y. 2000 and \$500,000 for F.Y. 2001, with carryforward authority.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: COLLAB URBAN EDUCATOR

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	895	500	500	500	500	500	(395)	-28.3%
Total Expenditures	0	895	500	500	500	500	500	(395)	-28.3%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	895	500	500	500	500	500		
Total Financing	0	895	500	500	500	500	500		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0505 CHARTER SCHOOL BUILDING LEASE AID
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 124D.11, subd. 4

ACTIVITY PROFILE:

Purpose:

- To provide funding for charter schools to rent or lease space for instructional purposes.

Background:

- This program began in 1997.

Activity Description:

- Charter schools may apply to the Commissioner of ECF to receive additional funding for lease costs, after having determined that the total operating capital revenue under M.S. 126C.10, subd. 13 is insufficient for their capital financial needs.
- Eligibility criteria is the same as for school districts under the building and land lease levy (M.S. 126C.40, subd. 1). Approval criteria includes:
 - the reasonableness of the price,
 - the appropriateness of the space to the proposed activity,
 - the feasibility of transporting pupils to the leased building or land,
 - conformity of the lease to the laws and rules of the state of Minnesota, and
 - the appropriateness of the proposed lease to the space needs, and
 - the financial condition of the charter school.

STRATEGIES AND PERFORMANCE:

- In F.Y. 1998, 24 charter schools applied for and received lease aid. In F.Y. 1999, 21 charter schools have applied for lease aid, with 10 to 15 additional schools expected to apply.

FINANCING INFORMATION:

- This program is funded by state aid.
- Aid is limited to the lesser of:
 - 80% of actual net lease costs, or
 - the product of the charter school's pupil units for the current fiscal year times the state average revenue per pupil unit in the current fiscal year for the debt redemption fund plus certain capital levies under M.S. 126C.40 (building lease, lease purchase, interactive TV, energy loan, and coop building repair).

BUDGET ISSUES:

- The difficulty of projecting charter school enrollments makes forecasting the need for this aid difficult.
- Some schools, such as Metro Deaf and Central Minnesota Deaf Charter Schools, are disadvantaged by the funding formula, due to lower enrollments and higher than average per pupil square footage needs.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$2.739 million for F.Y. 2000 and \$3.199 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$2.660 million in F.Y. 2000 (\$194,000 for F.Y. 1999 and \$2.466 million for F.Y. 2000) and \$3.154 million in F.Y. 2001 (\$273,000 for F.Y. 2000 and \$2.881 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0505 - Charter School Building Lease
Program: Education Excellence

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	1,186	2,110	2,486	2,898		
	2. Statutory Excess/(Shortfall)	251	(170)				
	3. Appropriated Entitlement	1,437	1,940				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(251)	170				
	5. State Aid Entitlement under Current Law	1,186	2,110	2,486	2,898	2,088	63.35%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate learning year			253	301		
	7. Governor's Aid Recommendation	1,186	2,110	2,739	3,199	2,642	80.16%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)						
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	1,186	2,110	2,486	2,898	2,088	63.35%
	a. Subtotal - Governor's Revenue Change	0	0	253	301		
	b. Governor's Revenue Recommendation	1,186	2,110	2,739	3,199	2,642	80.16%
Appropriations Basis for State Aid							
	Prior Year (10%)		143	194	273		
	Current Year (90%)	1,294	1,746	2,466	2,881		
	Transfers per M.S. 127A.41, subdivision 8	(251)	170				
	Total State Aid - General Fund	1,043	2,059	2,660	3,154		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0506 CHARTER SCHOOL START-UP GRANTS
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 124D.11, subd. 8

ACTIVITY PROFILE:

Purpose:

- To improve the viability of charter schools by providing start-up planning grants to charter schools which have been granted a charter but have not yet begun operations.

Background:

- State funding for charter school start-up began in F.Y. 1998.
- The first charter school in the U.S. opened in St. Paul in 1992. By F.Y. 1999, Minnesota had 37 charter schools. Five more are approved to open by the fall of 1999, with 15-25 more in various stages of development.

Activity Descriptions:

- During the first 2 years of a charter school's operation, the charter school is eligible for aid to pay for start-up costs and additional operating costs.
- The funds may be used for expenses related to:
 - curriculum planning;
 - budget planning;
 - development of information for students or parents;
 - staff recruitment;
 - classroom materials; and
 - other uses approved by ECF.
- The funds may not be used for expenses related to the acquisition, improvement, renting or leasing of facilities.

STRATEGIES AND PERFORMANCE:

- Eleven charter schools received start-up funding in F.Y. 1998, and 18 are receiving funding for F.Y. 1999.

FINANCING INFORMATION:

- This program is funded with state dollars.
- Start-up aid equals the greater of:
 - \$50,000 per charter school; or
 - \$500 times the charter school's pupil units for that year.

BUDGET ISSUES:

- As the number of charter schools grows the need for funding will increase.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$1.877 million for F.Y. 2000 and \$1.877 million for F.Y. 2001.
 - Based on these entitlements the Governor recommends an appropriation of \$1.789 million in F.Y. 2000 (\$100,000 for F.Y. 1999 and \$1.689 million for F.Y. 2000) and \$1.877 million for F.Y. 2001 (\$188,000 for F.Y. 2000 and \$1.689 million for F.Y. 2001).
- The Governor recommends this activity be exempted from the metered payment law and 90% of the entitlement be paid within 30 days of the department's receipt of fall enrollment data.

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0506 - Charter School Start-Up Grants
Program: Education Excellence

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	941	1,703	1,877	1,877		
	2. Statutory Excess/(Shortfall)	59	(703)				
	3. Appropriated Entitlement	1,000	1,000				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(59)	703				
	5. State Aid Entitlement under Current Law	941	1,703	1,877	1,877	1,110	41.98%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	941	1,703	1,877	1,877	1,110	41.98%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	941	1,703	1,877	1,877	1,110	41.98%
	a. Subtotal - Governor's Revenue Change	0	0	0	0		
	b. Governor's Revenue Recommendation	941	1,703	1,877	1,877	1,110	41.98%
Appropriations Basis for State Aid							
	Prior Year (10%)		100	100	188		
	Current Year (90%)	900	900	1,689	1,688		
	Transfers per M.S. 127A.41, subdivision 8	(59)	703				
	Total State Aid - General Fund	841	1,703	1,789	1,876		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0507 SCHOOL ENRICHMENT PARTNERSHIP
GRANTS PROGRAM
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 124D.90

ACTIVITY PROFILE:

Purpose:

- To advance student learning by involving the private sector and local community groups delivering academic programs.

Background:

- This program was established in 1996.

Activity Description:

The program is administered by the Minnesota Academic Excellence Foundation (MAEF). The program:

- Provides matching state funds to school districts that establish partnerships with the private sector that more directly focus on student academic achievement.
 - Under this program, a school district or group of districts is eligible to receive \$1 in state aid for every \$2 raised from the private sector. Districts may enter into joint agreements to provide programs or make expenditures as part of the program.
 - The private match must be in the form of cash, and may be from foundations, service organizations, booster clubs, private citizens and/or business. It cannot be from product sales or fees from events.
 - MAEF will need to continue to work closely with schools and districts where fundraising is not internally aligned with teaching and learning.
 - The funds can be used to:
 - add new donors and partners;
 - leverage new cash donations to school districts from existing sources; and
 - improve or extend the value of existing partnerships to deliver specific learning results.

STRATEGIES AND PERFORMANCE:

Grants Summary

	<u>F.Y. 1996</u>	<u>F.Y. 1998</u>	<u>F.Y. 2000</u>
No. of applicants in metro area	8	11	20
No. of grants made to metro area	6	8	8
No. of partnerships in metro area	115	358	n/a
No. of new partnerships in metro area	43	107	n/a
No. of applicants in greater MN	23	18	25
No. of grants made in greater MN	11	8	10
No. of partnerships cited in greater MN	55	50	n/a

*Incomplete data from Edina and Osseo School Districts.

- MAEF conducted workshops and consulted with districts on how to establish and measure results.
- In F.Y. 1998, applicant districts were asked to directly link their requests for matching funds to student achievement goals and to explain how these results would be assessed. Additionally, applicants were asked to describe how they planned to use the grant. Districts receiving the funds will provide this information in a final report.
- Some of the recent issues facing schools include diversity, technology and accountability. These issues create a dramatic need for schools to:
 - Increase educator capacity for acquiring and using technology to plan, teach and monitor student progress and to make mid-course corrections and communicate with students and their families.
 - Extend instructional strategies to align with the learning styles of a variety of different student groups.
 - Implement teaching and learning practices aligned with the graduation standards and which stay current with the needs of employer and higher education customers.
- School districts and the community share the responsibility for accountability for student achievement and school performance. While many school districts can list a variety of partnerships with the private sector and other representatives in their local communities, these partnerships did not always align with the district's agenda for student learning.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0507 SCHOOL ENRICHMENT PARTNERSHIP
GRANTS PROGRAM
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: M.S. 124D.90
(Continued)

FINANCING INFORMATION:

- State aid is limited to the lesser of \$75,000 or \$10 per pupil unit. A district must raise at least \$10,000 from private sources before state aid is available.
- The use of the state and private funds provided under this program is under the control of the local school board. The board may establish, a separate foundation to directly manage the private funds. The board may establish an academic booster club to manage the private funds, and may not use state funds or public employees.
- The private funds used to qualify for the public matching funds must be used to acquire instructional academic materials or new instructional academic materials of a capital nature. These materials may include textbooks, globes, maps, software or other academic materials. The funds may not be used for salaries or other employee benefits.

	<u>Dollars in Thousands</u>		
	<u>F.Y. 1996</u>	<u>F.Y. 1998</u>	<u>F.Y. 2000</u>
Private dollars leveraged in metro area	\$856	\$1,106	\$-0-
Private dollars leveraged in greater MN	460	1,016	-0-
Program Funding-State Aid	\$500	\$500	\$500

BUDGET ISSUES:

- The program appears to achieve the goal of increasing revenue to schools to advance student achievement. The administration and technical assistance requested of MAEF indicate a need to expand the program and to expand the technical assistance to both school districts and community partners.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing this activity.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: EDUCATION EXCELLENCE
Activity: SCHOOL ENRICHMENT PARTNERSHIP

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	500	0	500	0	0	0	(500)	-100.0%
Total Expenditures	0	500	0	500	0	0	0	(500)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE SCHOOL ENRICHMENT PARTNERSHIPS	GEN				(500)				
Total Change Items					(500)				
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	500	0	500	0	0	0		
Total Financing	0	500	0	500	0	0	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0508 CONNECTING K-12 & HIGHER
EDUCATION
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: None

ACTIVITY PROFILE:

Purpose:

- To establish a network of regional partnership centers that will connect K-12 schools with higher education research and resources.

Activity Description:

- A partnership center will be established at each of the campuses of the University of Minnesota. The regional centers will be forums where faculty researchers can interact with teachers, family and community service providers, and school administrators. These partnerships will build on and strengthen existing efforts such as the graduation standards, family service collaboratives and school-to-work partnerships. The centers will provide access to research-based knowledge, evaluation services, and state, national and international education resource networks. MnSCU state universities may also participate.

The initial emphasis of these centers will be in 3 areas:

- **Graduation Standards.** The centers will address needed reforms in curriculum, teaching practices and professional development that will aid in the implementation of the graduation standards and improve school performance.
- **Early Childhood Basic Literacy.** The centers will use volunteers to improve literacy among low-achieving students. There are several nationally-recognized, successful models for improving early language skills, including models developed and studied at the University of Minnesota. The University has initiated an intercollegiate Early Literacy Tutoring Project at the Twin Cities campus last year that involved 500 trained college tutors. The centers will work with the Campus Compact and the Minnesota Literacy Council to replicate this effort throughout the state.

- **School Retention and Transition** - Too many youth drop out of school or graduate without the skills they need to secure a challenging job or pursue post-secondary education. There are many models to improve retention and achievement, including school-to-work partnerships involving schools, employers and higher education. University of Minnesota extension service educators, together with other community partners, improve the success of these efforts to help youth see the link between their education and their employment.

STRATEGIES AND PERFORMANCE:

- This program will improve schools' ability to integrate existing community and higher education resources into the K-12 system.

FINANCING INFORMATION:

- The success of the efforts will be evaluated at the end of the biennium.

BUDGET ISSUES:

- If the initiative is successful, the department and the higher education community will need to develop ways to provide on-going funding for the program.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$900,000 in F.Y. 2000 for this initiative, with carryforward authority. Funds for this initiative are one-time.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: CONNECTING K-12 & HIGHER ED.

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	0	0	900	0	0	900	
Total Expenditures	0	0	0	0	900	0	0	900	
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) CONNECTING K-12 & HIGHER ED.	GEN				900				
Total Change Items					900				
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	0	0	900	0	0		
Total Financing	0	0	0	0	900	0	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0509 RESIDENTIAL ACADEMIES
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1998, Chapter 398, Article 5, sections 46 and 54, subdivision 3

ACTIVITY PROFILE:

Purpose:

- To provide at-risk students with solid academic opportunities, supportive learning environments, and stable residential experiences. The academies should maximize a student's potential for personal, academic, social and economic success.

Background:

- The program was established during the 1998 legislative session, with a \$12 million appropriation for capital and start-up costs for the academies.
- Many students do not have an opportunity to attend a residential school unless they can afford to pay tuition, receive a scholarship or are legally removed from their homes and placed in a residential program or sentenced to a juvenile program. The residential academies will offer one more option in the continuum of services for young people and another opportunity for students to be successful.

Activity Description:

- The academies will serve students in one or more grades between grades 4 through 12. Enrollment is voluntary. Three academies have been selected: Eveleth-Gilbert, Catholic Charities, and Synergy.
- The academies are targeted to serve students who demonstrate an interest in learning, have a potential for academic achievement and who may perform or are at risk of performing below the academic performance level for students of the same age or ability. Students who have experienced homelessness or an unstable home environment are also targeted.

- Qualifying organizations must be public organizations or a collaboration of public and private organizations, with a history of successfully serving at risk children.
- The academies must be located in a place that is accessible to parents, families, guardians and others as appropriate as well as to community services, health care, recreation programs, work and other opportunities.
- The academy must have a plan for management and operation including: staff hiring, compensation and retention as well as policies pertaining to student expectations.

STRATEGIES AND PERFORMANCE:

- The academies must determine how they will establish enrollment criteria. The academies must have a system for collecting and reporting student data.
- The education program must be designed to improve student achievement, increase student attendance, enable students to meet state graduation requirements and provide for the student's transition to post-secondary education or employment. Activities that supplement learning should be offered.
- The 1998 legislation requires that the commissioner report to the legislature in February 2001.
- The academies must be willing to participate in any evaluations required by the commissioner. Each academy shall have a plan to evaluate their program's effectiveness, particularly the impact on student achievement outcomes.

FINANCING INFORMATION:

- In 1998, the legislature appropriated \$12 million of start-up funding for grants for 3 residential academies. This funding was for capital and other costs associated with start-up of the academies.
- Ongoing state funding reflects the ongoing costs of operating the academies that are not covered by existing education or social service funding streams. The ongoing costs reflect in the following assumptions:
 - F.Y. 2000: \$900,000 - 3 academies will be in operation.
 - F.Y. 2001: \$2,000,000 - 3 academies will be in operation.*
 - F.Y. 2003: \$3,150,000 - 3 academies will be in operation.**
- * Student enrollment at the academies is expected to increase; therefore, operating costs are expected to increase.
- ** After F.Y. 2003, annualized costs for the 3 facilities will be \$3,500,000.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0509 RESIDENTIAL ACADEMIES
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1998, Chapter 398, Article 5, sections
46 and 54, subdivision 3

(Continued)

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- It is assumed that education and social services funding will follow each student from the student's school district or county of residency to an academy.

BUDGET ISSUES:

- Since residential academies are a new initiative in Minnesota, funding needs may change.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$900,000 for F.Y. 2000 and \$2 million for F.Y. 2001 with carryforward authority. These funds are paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: RESIDENTIAL ACADEMIES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	0	350	900	1,750	2,000	2,900	
Total Expenditures	0	0	0	350	900	1,750	2,000	2,900	
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) RESIDENTIAL ACADEMY OPERATING COSTS	GEN				550		250		
Total Change Items					550		250		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	0	350	900	1,750	2,000		
Total Financing	0	0	0	350	900	1,750	2,000		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0510 LEARNING ACADEMY
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: Laws 1997, 1st Special Session, Ch. 4, Art. 9, Sec. 6

ACTIVITY PROFILE:

Purpose:

- To determine standards of technology skills for teachers, librarians and administrators, and to provide a structure for training to those standards.

Background:

- This program was implemented in F.Y. 1998, with a one-time appropriation of \$2 million.

Activity Description:

- The learning academy activity has focused on:
 - determination of technology basic skill and integration standards for educators and librarians;
 - designation of sites responsible for training;
 - review and approval of training courses offered by sites;
 - library and librarian specific training administered by the state library system; and
 - cooperation with the North Central Regional Education Library to address technology skills in relation to graduation standards content areas.

STRATEGIES AND PERFORMANCE:

- The state library system is funded for administering the library training segment of this activity.
- Work is underway to address technology skill and integration into the classroom in support of the graduation standards.

- At this time, technology standards are in place and more than 8,000 teachers have participated in department approved courses and have received direct stipends for their participation.

FINANCING INFORMATION:

- This program is state funded.

OFFICE OF TECHNOLOGY ANALYSIS:

The department is currently beginning to develop its strategic plan for technology. The plan must address department-wide deficiencies, data redundancy issues and “silo” applications.

OT Master Plan: Goal 1-Technically literate and competent society, Goal 3-Easy and affordable access. This project would continue the process to assist teachers with integrating technology into teachers curriculum. The new money would provide support training for teachers. Recommendation: Continue to address all OT requirements and complete department-wide planning. OT supports funding if there is a commitment to address department-wide issues and the department continues planning for the Learning Academy. ECF is requested to present a report to the legislature by 1-1-2000 identifying how this effort is coordinated with the U of M and MnSCU efforts targeted at K-12 teacher training.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends continuation of this activity, with an appropriation of \$500,000 for F.Y. 2000 and \$500,000 for F.Y. 2001. In addition, the Governor recommends carryforward authority.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: LEARNING ACADEMY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	0	5	0	0	0	0	0	(5)	-100.0%
SUBTOTAL STATE OPERATIONS	0	5	0	0	0	0	0	(5)	-100.0%
LOCAL ASSISTANCE	0	50	1,945	0	500	0	500	(995)	-49.9%
Total Expenditures	0	55	1,945	0	500	0	500	(1,000)	-50.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) LEARNING ACADEMY	GEN				500		500		
Total Change Items					500		500		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	55	1,945	0	500	0	500		
Total Financing	0	55	1,945	0	500	0	500		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0511 EXTENDED INSTRUCTION
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
CITATION: None

ACTIVITY PROFILE:

Purpose:

- To improve student achievement and graduation rates by providing additional instruction to pupils who have not been successful or are likely to not be successful on the basic skills test and who do not have access to an area learning center, public alternative program, contracted alternative program, or a learning year site.

Background:

- Since 1989, and expanding through 1997, additional revenue has been available to school districts that have been approved to provide additional instruction through learning year programs, area learning centers, public alternative programs, and contract alternative programs.
- These programs have grown to over 400 sites statewide and have served and are serving tens of thousands of pupils who were and are at risk of not being successful in school. (With the development of new graduation standards it is imperative that all at risk pupils have access to additional instruction.)
- Due to location and sparsity, some school districts do not have the opportunity to develop a district-operated program or to partner with another district to develop a program. Therefore, not all pupils have access to additional instruction.

Activity Description:

- Current law providing additional funding to learning year programs, area learning centers, public alternative programs, and contract alternative programs, expires July 1, 1999. The expiration will be repealed, making this an ongoing program.

- Beginning in F.Y. 2000, this initiative will provide \$2,000,000 in additional revenue to school districts that do not have the opportunity to develop district operated programs or do not have the opportunity to partner with other districts to develop programs.
- To qualify for this revenue, eligible districts will submit plans describing their proposed extended instruction program.
- Districts with approved plans will generate revenue based on the number of additional weighted full-time equivalent students times the general education formula allowance.

STRATEGIES AND PERFORMANCE:

- This program will improve student achievement and graduation rates by providing additional instruction using alternative methods for pupils who are at risk of not successfully passing the basic skills test. Program success will be based on improved test scores. Since this initiative is funded on an ongoing basis, the activity description will be evaluated for effectiveness in 2 years.

FINANCING INFORMATION:

- This initiative is funded entirely with state aid.

BUDGET ISSUES:

- This initiative is funded on an ongoing basis.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an entitlement of \$2 million in F.Y. 2000 and \$2 million in F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$1.8 million in F.Y. 2000 and \$2 million in F.Y. 2001 (\$200,000 for F.Y. 2000 and \$1.8 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0511 - Extended Instruction
Program: Education Excellence

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	0	0	0	0		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	0	0				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)						
	5. State Aid Entitlement under Current Law	0	0	0	0	0	
	6. Governor's Recommended Aid Change(s)						
	a. New Initiative			2,000	2,000		
	7. Governor's Aid Recommendation	0	0	2,000	2,000	4,000	
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	0	0	0	0	0	
	a. Subtotal - Governor's Revenue Change			2,000	2,000		
	b. Governor's Revenue Recommendation	0	0	2,000	2,000	4,000	
Appropriations Basis for State Aid							
	Prior Year (10%)				200		
	Current Year (90%)			1,800	1,800		
	Transfers per M.S. 127A.41, subdivision 8						
	Total State Aid - General Fund	0	0	1,800	2,000		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0512 PARTNERSHIPS IN CHARACTER
EDUCATION
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
FEDERAL CITATION: Elementary and Secondary Education Act of
1965; Title X, Part A, as amended, 20 U.S.C.
8001-8007

ACTIVITY PROFILE:

Purpose:

- To encourage community involvement in the development of preparatory graduation standards (for grades 6-8).

Background:

- In July 1998, the U.S. Department of Education awarded the Department of Education, Children & Families a 4-year grant, beginning on August 1, 1998 and running through July 31, 2002. The award is for \$250,000 each year. ECF will contract with the University of Minnesota for portions of the project. They will design teaching resources and conduct an ongoing evaluation of the program.

Activity Description:

- University of Minnesota staff will work with local school personnel and community representatives to develop "Community Voices and Character Education" curriculum and performance-based assessments. The curriculum will incorporate citizenship, responsibility, justice and respect through advisory board contact, cross-age projects, stories from community adults and sharing studies via live performance, written composition and/or web sites.
- The department is working with the University of Minnesota to offer an opportunity for community members and local educators to provide ongoing input to the Preparatory High Standards.

STRATEGIES AND PERFORMANCE:

- Project resources will be available to all interested districts.
- The project has the following timeline:
 - 1998 - 1999 Establish planning team
Identify process for district/site and community involvement
Develop 6th grade curriculum and assessments
Pilot and revise
Conduct staff development
 - 1999 - 2000 Implement and review 6th grade
Develop and train 7th grade curriculum
 - 2000 - 2001 Implement and review 7th grade
Provide follow-up for 6th grade
Develop and train 8th grade curriculum
 - 2001 - 2002 Implement and review 8th grade
Provide follow-up for program participants
- The University of Minnesota will conduct ongoing evaluations of the program. Annual reports will be made to the U.S. Department of Education.

FINANCING INFORMATION:

- No matching funds were required. The \$250,000 annual award will be allocated as follows:
 - 12% to ECF for administrative costs (reflected in the agency's budget)
 - 32% to the University of Minnesota to develop and evaluate project resources
 - 56% to districts and sites for staff development

BUDGET ISSUES:

- Project activities will cease at end of grant.
- No additional development is planned.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: EDUCATION EXCELLENCE
Activity: PARTNERSHIPS IN CHARACTER EDUC

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	209	209	209	209	209	209	100.0%
Total Expenditures	0	0	209	209	209	209	209	209	100.0%
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	0	0	209	209	209	209	209		
Total Financing	0	0	209	209	209	209	209		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0513 PUBLIC CHARTER SCHOOL
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
FEDERAL CITATION: CFDA: 84.282

ACTIVITY PROFILE:

Purpose:

- The public charter school program provides federal grants for innovative programs in charter schools, in the hopes of providing models for educational reform.

Background:

- Beginning in F.Y. 1996, ECF received a 3-year federal grant for the development of charter schools. In F.Y. 1996, \$500,000 was received and distributed on a competitive basis at both the federal and state level according to scoring criteria contained in the original proposal approved by the U.S. Department of Education.
- Proposals were read and scored by individuals nominated from professional organizations in Minnesota, including the School Boards Association, Elementary Principals Association, Secondary Principals Association and the Minnesota Congress for Parents, Teachers and Students.
- For F.Y. 1997, Congress authorized an increase of funds for the charter school program. As a result, ECF requested additional funds, with a total of \$749,730 granted for F.Y. 1997.
- For F.Y. 1998, ECF amended the grant request in light of the growth of charter schools and received a grant of \$2.1 million.

Activity Description:

- Beginning F.Y. 1998, the public charter school grant has been distributed on a noncompetitive basis to local school districts. The program will:

- provide grants to charter schools; which serve disadvantaged and minority students in rural as well as urban areas;
- increase the success of disadvantaged, minority and other students in satisfying graduation rule basic requirements and high content standards;
- reduce disadvantaged and minority students school dropout rates;
- increase disadvantaged and minority student admissions into post-secondary or job training programs;
- promote charter schools as an alternative personalized learning environment for students;
- promote teacher professional development and the continuous improvement of instruction and the assessment of student performance;
- increase parent and student understanding of the charter school attendance option;
- improve the design and planning of charter school programs; and
- increase the funds available to cover start-up costs, purchase of curriculum materials, supplies and equipment and other operating costs.

STRATEGIES AND PERFORMANCE:

- F.Y. 1998 funds were provided to charter schools based on grant funds received in the past. There were four categories ranging from a high of \$60,000 for new schools to a low of \$40,000 for schools that had previously received maximum grant funds. With the additional funds and the distribution formula, funds were provided to all 27 operating schools and 12 new schools.
- Charter schools are required to complete interim and final project reports. The charter schools report that grant monies are expended on planning, purchasing equipment and materials, teacher training, and developing curriculum.
- There is a move by ECF toward focusing part of the grant award on the development of accountability and student tracking systems.

FINANCING INFORMATION:

- This is a federally-funded program.
- Maximum grant amount is \$60,000 per school.

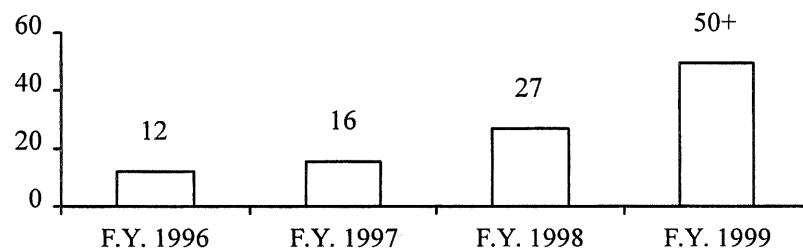
2000-2001 Biennial Budget

BUDGET ACTIVITY: 0513 PUBLIC CHARTER SCHOOL
PROGRAM: Education Excellence
AGENCY: Education, Children & Families
FEDERAL CITATION: CFDA: 84.282
(Continued)

BUDGET ISSUES:

- Charter schools have experienced explosive growth, from 16 in 1996 to 37 in 1998. A total of 55 charter schools are expected to be operating by 2000.
- This program has enabled charter schools to fund planning, curriculum development, staff training and other start-up activities. This is the second year of a 3-year funding cycle.
- The grant is intended to focus resources toward achieving greater accountability for charter schools through a testing process designed to provide student performance data.

**Charter Schools Receiving Grant Monies
by Year**



State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: EDUCATION EXCELLENCE

Activity: PUBLIC CHARTER SCHOOL

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	1,598	2,023	2,023	2,023	2,023	2,023	425	11.7%
Total Expenditures	0	1,598	2,023	2,023	2,023	2,023	2,023	425	11.7%
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	0	1,598	2,023	2,023	2,023	2,023	2,023		
Total Financing	0	1,598	2,023	2,023	2,023	2,023	2,023		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0601 ABATEMENT AID AND LEVY
PROGRAM: Nutrition and Other Education Programs
AGENCY: Education, Children & Families
CITATION: M.S. 126C.46; M.S. 127A.49, subd. 2

ACTIVITY PROFILE:

Purpose:

- To increase equity for students and taxpayers by replacing revenue to which the district was entitled but did not receive due to abatements.¹ The objective is to replace the revenue in the same proportion of aid and levy as the original entitlement.

Background:

- Funding for abatement revenue began in the late 1970s.
- Abatement levy authority was expanded in 1993 to include interest paid by the district on abatement refunds.
- Beginning in 1994, a district may levy a year early for the net revenue loss incurred during the first six months of the calendar year (advance abatement levy) or choose to spread the levy over up to three years.

Activity Description:

- The entitlement for abatement aid is determined from data on net revenue losses as certified by the county auditors.
- 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 and

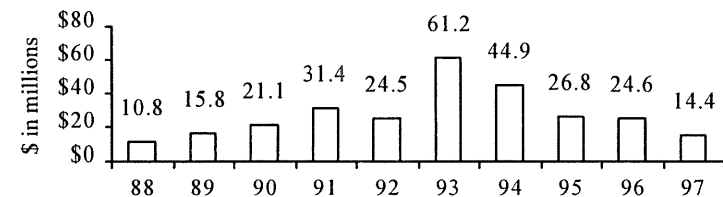
other equalized aids, if the adjusted net tax capacity could have been adjusted to the lower level.

- In general, school taxes abated in one calendar year are reported to the state in the following calendar year, and included in the levy certified in the fall of that year for taxes payable in the next calendar year. For example, school taxes abated in 1997 are reported in the spring of 1998 and included on the 1998 payable 1999 levy.

STRATEGIES AND PERFORMANCE:

- A total of 282 school districts received abatement revenue in F.Y. 1998.
- The figure below shows the amount of school taxes abated each year since 1988:

Net School Taxes Abated, 1988-1997



FINANCING INFORMATION:

- This program is funded with state aid and local property tax levy.
- A district's aid entitlement is equal to its revenue loss multiplied by the ratio of:
 - the amount certified by the district in equalized general education and community education levies for which it received corresponding state aid in the second preceding year to,
 - its total certified levy in the preceding fall, plus or minus auditor's adjustments.

¹ Court-ordered net reductions in the tax capacity of the district after taxes have been spread by the county auditor.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0601 ABATEMENT AID AND LEVY
PROGRAM: Nutrition and Other Education Programs
AGENCY: Education, Children & Families
(Continued)

- Abatement levy authority is the total of 3 components:
 - the net revenue loss minus abatement aid after any proration is deducted;
 - 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
 - an amount for any interest paid by the district on abatement refunds.
- The abatement levy may be spread over a 3-year period beginning with the taxes payable in 1995.

BUDGET ISSUES:

- Abatement funding will continue to be needed by school districts. Each year, court-ordered abatements or net reductions in the tax capacity after taxes have been spread by the county auditor resulting in a loss of property tax revenue to the affected districts. These abatements are distributed very unevenly among districts. If this revenue is not replaced, districts with large abatements will receive significantly less revenue than provided for in law.
- Proration of abatement aid in some years has resulted in a disproportionate share of the abatement revenue being funded with additional local property tax effort.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends that beginning with school taxes abated in 1998, the time period for spreading abatement levies will be reduced from a 3-year period to a 2-year period, unless a 3-year schedule is approved by the Commissioner.
- The Governor recommends an aid entitlement of \$8.619 million for F.Y. 2000 and \$8.984 million for F.Y. 2001.

- Based on these entitlements, the Governor also recommends an appropriation of \$9.110 million in F.Y. 2000 (\$1.352 million for F.Y. 1999 and \$7.758 million for F.Y. 2000) and \$8.947 million in F.Y. 2001 (\$861,000 for F.Y. 2000 and \$8.086 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0601 - Abatement Aid
Program: Other Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	15,941	9,025	8,619	8,984		
	2. Statutory Excess/(Shortfall)	(1,523)	4,498				
	3. Appropriated Entitlement	14,418	13,523				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	1,523	(4,498)				
	5. State Aid Entitlement under Current Law	15,941	9,025	8,619	8,984	(7,363)	-29.49%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	15,941	9,025	8,619	8,984	(7,363)	-29.49%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	8,775	5,565	5,212	5,444	(3,684)	-25.69%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	8,775	5,565	5,212	5,444	(3,684)	-25.69%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	24,716	14,590	13,831	14,428	(11,047)	-28.11%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	24,716	14,590	13,831	14,428	(11,047)	-28.11%
Appropriations Basis for State Aid							
	Prior Year (10%)	997	1,441	1,352	861		
	Current Year (90%)	12,977	12,171	7,758	8,086		
	Transfers per M.S. 127A.41, subdivision 8	1,523	(4,498)				
	Total State Aid - General Fund	15,497	9,114	9,110	8,947		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0602 NONPUBLIC PUPIL PROGRAM
SUMMARY (Information Only)
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 123B.40-123B.48;
M.S. 123B.84-123B.87; M.S. 124D.111;
M.S. 124D.117; M.S. 124D.118;
M.S. 126C.19; M.S. 290.001; M.S. 290.0674

ACTIVITY PROFILE:

In Minnesota, nonpublic pupils and staff receive services under 12 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 and credits. Additional information for each program is provided in the appropriate activity budget narrative.

Activity Description:

State Programs:

- Nonpublic Pupil Aid (M.S. 123B.40-123B.48; also see Budget Activity 0603)
 - School districts are required to provide every school pupil in the state with equal access to secular study materials and pupil support services that complement the pupil's regular program of study.
 - State aid is provided to reimburse districts for the costs of textbooks and instructional materials, health services, and guidance and counseling services.
- Shared Time Program (M.S. 126C.19; also see Budget Activity 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 disabled children. These programs must be made available to disabled nonpublic school pupils, and the district receives a shared-time portion of general education aid for these pupils.
- Transportation Program (M.S. 123B.84-123B.87; M.S. 123B.92, subd. 9; also see Budget Activity 0604)
 - School districts must provide "equal transportation" to nonpublic school pupils.
 - Nonpublic transportation aid is provided to reimburse districts for the cost of this transportation.
- School Lunch Program (M.S. 124D.111; also see Budget Activity 0701)
 - State funds are used to meet matching requirements of the United States Department of Agriculture national school lunch program.
- School Milk Program (M.S. 124D.118; also see Budget Activity 0701)
 - State funds are provided to schools to pay, in part or in total, the cost of serving one-half pint of milk per day to kindergarten students. Eligibility is coordinated with the federal school milk program.
- School Breakfast Program (M.S. 124D.117; also see Budget Activity 0702)
 - State funds are provided to schools to pay, in part or in total, the cost of serving breakfast to students.
- State Income Tax Deductions (M.S. 290.01, Subd. 19b, [3]; also see Budget Activity 0108)
 - Taxpayers may deduct from gross income the amounts they spend for tuition, secular textbooks, and transportation of dependents attending public or nonpublic elementary or secondary schools in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin. In 1998, the maximum deductions are \$1,625 per dependent in grades K-6, \$2,500 per dependent in grades 7-12.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0602 NONPUBLIC PUPIL PROGRAM
PROGRAM: SUMMARY (Information Only)
AGENCY: Other Programs
 Education, Children & Families
 (Continued)

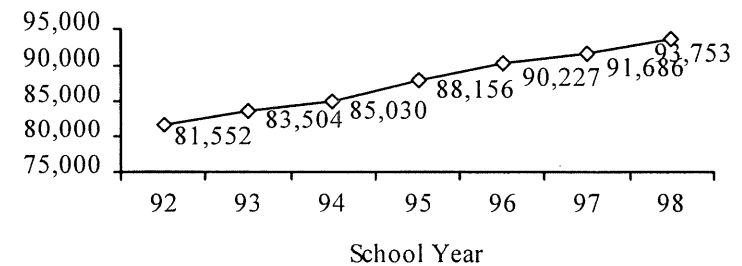
- State Income Tax Credits (M.S. 290.0674; see also Budget Activity 0108)
 - Families with school age children and income at or below \$33,500 per year may qualify for a tax credit of up to \$1,000 per child, \$2,000 per family, to reimburse them for certain educational expenses.
- Federal Programs:**
 - School Lunch Act and Child Nutrition Act (also see Budget Activities 0701, 0702, 0703)
 - The state receives federal funds from the United States Department of Agriculture to provide better nutrition for students.
 - Title VI (also see Budget Activity 0231)
 - 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.
 - Professional Development (also see Budget Activity 0231)
 - Title II of the Elementary and Secondary Education Act 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.
 - Educationally disadvantaged (ECIA) Chapter 1, Basic (also see Budget Activity 0231)

- 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.

STRATEGIES AND PERFORMANCE:

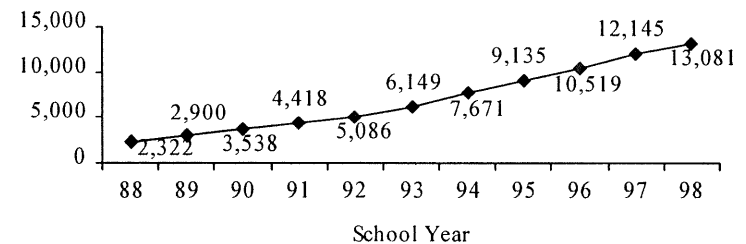
- The number of nonpublic students is estimated to increase from 81,552 in F.Y. 1992 to 93,753 in F.Y. 1998.

Number of Nonpublic Students, 1992-1998



- The number of students being instructed in home schools has increased from 2,322 in F.Y. 1988 to 13,081 in F.Y. 1998.

Number of Homeschool Students, 1988-1998



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0602 NONPUBLIC PUPIL PROGRAM
PROGRAM: SUMMARY (Information Only)
AGENCY: Other Programs
 Education, Children & Families
 (Continued)

FINANCING INFORMATION:

	Dollars in Thousands				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. State Programs					
1. Nonpublic Public Aids					
Texts/Instructional materials	\$3,906.1	\$3,963.6	\$3,717.1	\$3,574.3	\$3,717.5
Health Services	1,890.7	1,983.1	2,189.8	2,435.3	2,531.0
Guidance/Counseling Services	2,363.8	2,424.3	2,428.7	2,905.7	3,061.6
Administration	<u>408.0</u>	<u>418.6</u>	<u>416.8</u>	<u>445.8</u>	<u>465.5</u>
Subtotal	\$8,568.6	\$8,789.6	\$8,752.4	\$9,361.1	\$9,775.6
2. Shared-Time	\$2,350.8	\$2,647.8	\$2,647.8	\$2,647.8	\$2,900.0
3. Pupil Transportation	17,426.0	20,152.7	16,094.5	16,794.2	17,322.0
4. School Lunch	326.2	364.7	339.7	339.7	339.7
5. School Milk	80.8	81.7	72.0	72.0	72.0
6. School Breakfast	9.2	9.7	12.6	12.6	12.6
7. State Income Tax Deduction	3,600.0	3,600.0	3,600.0	8,700.0	8,700.0
8. State Income Tax Credit	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3,850.0</u>	<u>3,850.0</u>
State Total	\$32,361.6	\$35,646.2	\$31,519.0	\$41,777.4	\$42,971.9
B. Federal Programs					
1. School Lunch Act and Child Nutrition Act	\$2,863.2	\$2,941.4	\$2,966.1	\$3,139.7	\$3,139.7
2. Title IV	306.3	360.00	360.0	360.0	360.0
3. Professional Development	132.8	186.4	186.4	186.4	186.4
4. Educationally Disadvantaged Ch.1	<u>7641.3</u>	<u>9,059.8</u>	<u>9,793.6</u>	<u>9,793.6</u>	<u>9,793.6</u>
Federal Total	\$10,943.6	\$12,547.6	\$13,306.1	\$13,479.7	\$13,479.7
GRAND TOTAL	\$43,305.2	\$48,193.8	\$44,825.1	\$55,257.1	\$56,451.6

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0603 NONPUBLIC PUPIL AID
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 123B.40-123B.48

ACTIVITY PROFILE:

Purpose:

- To provide every pupil in the state with equitable access to secular study materials and pupil support services.

Background:

- This program was enacted in 1975.
- Funding is allocated to public school districts for the benefit of nonpublic school students, and not directly to nonpublic schools, in order to maintain the separation of church and state as required by the 1st Amendment to the U.S. Constitution.

Activity Description:

- School districts are reimbursed for the costs of the educational materials loaned to the nonpublic pupil (textbooks, individualized instructional materials, and standardized tests) or for the costs of providing support services (health services and secondary guidance and counseling services) to the nonpublic pupil.
- School districts receive additional funds to cover administrative costs. This amount is equal to 5% of their total aid reimbursement amount.

There are 3 basic categories of nonpublic pupil aid:

1. Textbooks, Individualized Instructional Materials, and Standardized Tests.

- Public school districts, upon formal request, must provide nonpublic pupils

with instructional materials that are secular, neutral, nonideological and not able to be diverted to religious use. These items are loaned to the nonpublic pupil and remain the property of the district.

- The percentage of nonpublic school pupils participating in this category has increased from 89% in F.Y. 1990 to 98% in F.Y. 1998.

2. Health Services.

- Public school districts, upon formal request, provide nonpublic pupils with 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.

- The percentage of nonpublic school pupils participating in this category has increased from 88% in F.Y. 1990 to 92% in F.Y. 1998.

3. Guidance and Counseling Services.

- Public school districts, upon formal request, provide nonpublic secondary pupils with guidance and counseling services provided to public secondary pupils. This does not include 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, the nonpublic school or a neutral site.

- The percentage of nonpublic secondary school pupils participating in this category has increased from 76% in F.Y. 1990 to 91% in F.Y. 1998.

STRATEGIES AND PERFORMANCE:

- All nonpublic students requesting materials and/or services by the statutory deadline have been and are being accommodated.

FINANCING INFORMATION:

- Nonpublic Pupil Aid is funded exclusively with state funds.

1. Textbooks

- The districts are reimbursed for the cost of purchasing and distributing eligible materials. This is calculated as an amount equal to the statewide

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0603 NONPUBLIC PUPIL AID
PROGRAM: Other Programs
AGENCY: Education, Children & Families
 (Continued)

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. For purposes of this formula, kindergarten pupils are weighted at 0.5.

- The formula for computing the per pupil rate is as follows for F.Y. 1999:

F.Y. 1999 Per Pupil	=	F.Y. 1997 Avg. Expend. per Public Pupil	x	F.Y. 1999 Gen'l Ed. Form. Allow.
Rate		for like materials		F.Y. 1997 Gen'l Ed. Form Allow.

- For F.Y. 1999, the maximum per pupil rate for textbooks and materials is \$44.62.

2. Health Services

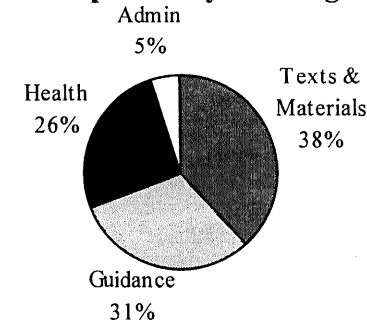
- Each participating district is reimbursed for the cost of providing these services up to an amount equal to the statewide average expenditure per public school pupil for similar services in the second preceding school year, times the number of nonpublic pupils served.
- For F.Y. 1999, the maximum per pupil rate for health services is \$32.64.

3. Guidance and Counseling Services

- 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.
- For F.Y. 1999, the maximum per pupil rate for guidance and counseling is \$115.95.

- The pie chart below provides a breakdown of estimated nonpublic pupil aid for F.Y. 1999.

Nonpublic Pupil Aid by Funding Category



- Money is allocated based on the number of participating nonpublic students and actual program expenditures.

BUDGET ISSUES:

- The number of students attending nonpublic schools and home schools is increasing, along with the percentage of these students participating in the nonpublic pupil aid program.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends that this program be funded fully by setting formula rates at actual average district costs rather than constraining the rates to keep the total entitlement within constraints of appropriation funding.
- The Governor recommends an aid entitlement of \$11.140 million for F.Y. 2000 and \$11.961 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$10.996 million in F.Y. 2000 (\$970,000 for F.Y. 1999 and \$10.026 million for F.Y. 2000) and \$11.878 million in F.Y. 2001 (\$1.114 million for F.Y. 2000 and \$10.764 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0603 - Nonpublic Pupil Aid
Program: Other Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	9,361	9,776	9,713	9,713		
	2. Statutory Excess/(Shortfall)	116	(64)				
	3. Appropriated Entitlement	9,477	9,712				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(116)	64				
	5. State Aid Entitlement under Current Law	9,361	9,776	9,713	9,713	289	1.51%
	6. Governor's Recommended Aid Change(s)						
	a. Fully fund formula			1,380	1,920		
	b. General education formula increase			47	328		
	7. Governor's Aid Recommendation	9,361	9,776	11,140	11,961	3,964	20.71%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	9,361	9,776	9,713	9,713	289	1.51%
	a. Subtotal - Governor's Revenue Change			1,427	2,248		
	b. Governor's Revenue Recommendation	9,361	9,776	11,140	11,961	3,964	20.71%
Appropriations Basis for State Aid							
	Prior Year (10%)	591	947	970	1,114		
	Current Year (90%)	8,530	8,741	10,026	10,764		
	Transfers per M.S. 127A.41, subdivision 8	(116)	64				
	Total State Aid - General Fund	9,005	9,752	10,996	11,878		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0604 NONPUBLIC TRANSPORTATION
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 123B.92, subd. 9

ACTIVITY PROFILE:

Purpose:

- To ensure that nonpublic school students are transported safely and economically, and that school districts are able to provide this transportation without excessive cross subsidies from the district's general funds.

Background:

- This program was enacted in 1969.
- Prior to F.Y. 1997, the funding received by school districts for transporting nonpublic students was calculated in the same manner and combined with the funding for the transportation of public students.
- Since F.Y. 1997, funding for the transportation of nonpublic students has been calculated using a separate formula based on average second year prior costs and the number of current year nonpublic students transported.

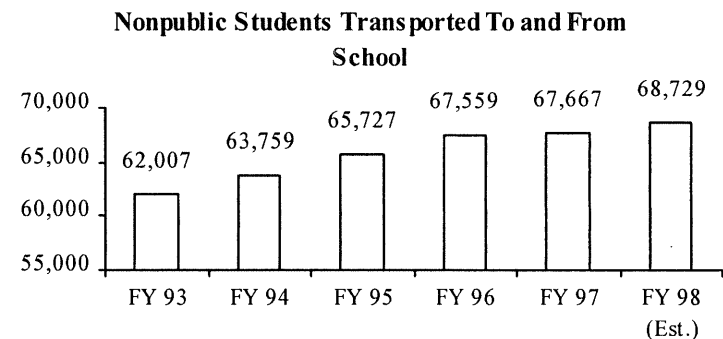
Activity Description:

- School districts must provide equal transportation within the district for public and nonpublic school students. This means that the district within which a non-disabled 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 disabled 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.
- The manner and method of transportation is within the sole discretion, control and management of the school board.
- If the district transports nonpublic students to a school in another district, the nonpublic school pays the cost of transportation outside the district boundaries.

STRATEGIES AND PERFORMANCE:

- The graph below shows the number of nonpublic students transported to and from school for F.Y. 1993-98:



FINANCING INFORMATION:

- This is a state funded program.
- Nonpublic transportation aid equals the sum of:
 - (1) for regular and excess transportation, an amount equal to the product of:
 - the district's actual cost per public and nonpublic pupil transported in the regular and excess categories for the second preceding year, times the number of nonpublic pupils receiving regular or excess transportation in the current year, times
 - the ratio of the formula allowance for the current year to the formula allowance for the second preceding year, plus

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0604 NONPUBLIC TRANSPORTATION
PROGRAM: Other Programs
AGENCY: Education, Children & Families
(Continued)

- (2) for nonregular (e.g., shared time, support services) and late activities transportation, an amount equal to the product of:
- the district's actual cost in the second preceding year, times
 - the ratio of the formula allowance for the current school year to the formula allowance for the second preceding year.

BUDGET ISSUES:

- Increases in the number of nonpublic pupils requiring transportation adds to the complexity and cost of providing services.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends a modification of the formula allowance to remove the impact of changes in the general education formula allowance associated with the roll-out of T & E and roll-in of district cooperation.
- The Governor recommends an aid entitlement of \$17.949 million for F.Y. 2000 and \$19.030 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$18.003 million in F.Y. 2000 (\$1.848 million for F.Y. 1999 and \$16.155 million for F.Y. 2000) and \$20.149 million in F.Y. 2001 (\$1.794 million for F.Y. 2000 and \$18.355 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0604 - Nonpublic Pupil Transportation
Program: Other Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid		17,315	16,905	19,763		
	2. Statutory Excess/(Shortfall)		1,165				
	3. Appropriated Entitlement		18,480				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		(1,165)				
	5. State Aid Entitlement under Current Law		17,315	16,905	19,763	19,353	211.8%
	6. Governor's Recommended Aid Change(s)						
	a. Nonpublic transportation formula modification			623	(368)		
	b. General education formula increase			421	1,000		
	Subtotal - Governor's Revenue Change			1,044	632		
	7. Governor's Aid Recommendation		17,315	17,949	20,395	21,029	221.4%
<i>plus</i>							
LEVY	8. Local Levy under Current Law		0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation		0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)		17,315	16,905	19,763	19,353	211.8%
	a. Subtotal - Governor's Revenue Change			1,044	632		
	b. Governor's Revenue Recommendation		17,315	17,949	20,395	21,029	221.4%
Appropriations Basis for State Aid							
	Prior Year (10%)		0	1,848	1,794		
	Current Year (90%)		16,632	16,155	18,355		
	Transfers per M.S. 127A.41, subdivision 8		(1,165)				
	Total State Aid - General Fund		15,467	18,003	20,149		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0605 CONSOLIDATION TRANSITION AID
PROGRAM: Education Organization/Cooperation
AGENCY: Education, Children & Families
CITATION: M.S. 123A.485

ACTIVITY PROFILE:

Purpose:

- To support districts that have been consolidated by providing funds to cover reorganization costs and to foster conditions that better promote student success. This program provides an alternative means of dealing with fiscal issues, such as staff reduction and operational debt reduction, that often prevent permanent school district reorganization.

Background:

- This program was enacted by the 1994 Legislature. This revenue replaced the pre-existing transition and severance levies for consolidating districts.
- Consolidation transition revenue provides an alternative to another program, cooperation and combination (C & C) revenue. The last year of C & C is F.Y. 1999.

Activity Description:

- A school district is eligible for revenue if it has reorganized under M.S. 123A.48 after June 30, 1994, and has not received cooperation and combination revenue for at least six years. M.S. 123A.48 provides for the process of school consolidation, including approval procedures and timelines.
- Revenue may be used to cover district costs for early retirement incentives granted by the district under M.S. 123A.48, subd. 23; to reduce operating debt as defined in M.S. 123B.82; to enhance learning opportunities; and cover reorganization expenses.

STRATEGIES AND PERFORMANCE:

- A total of 15 consolidations have occurred under this program, reducing 35 districts to 20. Most of the districts involved have been small districts with K - 12 enrollments of less than 500 pupils. All but two of the consolidations involved school districts that had a long history of cooperation with each other.

FINANCING INFORMATION:

- This program is funded with state aid and local property tax levy.
- State aid is equal to \$200 times the actual pupil units in the first year after consolidation; and \$100 times the actual pupil units in the second year after consolidation. A maximum of 1,500 pupils may be counted for the purpose of receiving aid.
- If consolidation transition aid isn't sufficient to cover the eligible district costs, school districts may levy the difference, spreading the levy over up to 3 years.
- In F.Y. 1999, three districts will be in their first year of funding and three will be in their second year of funding.
- Between F.Y. 1995 and F.Y. 1999, total revenue increased from \$532,000 to \$791,600.

BUDGET ISSUES:

- Voluntary school district reorganizations help to expand programs and services in greater Minnesota at a lower cost.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an entitlement of \$375,000 for F.Y. 2000 and \$375,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$451,000 in F.Y. 2000 (\$113,000 for F.Y. 1999 and \$338,000 for F.Y. 2000) and \$375,000 in F.Y. 2001 (\$37,000 for F.Y. 2001 and \$338,000 for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0605 - Consolidation Transition Aid
Program: Other Programs

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	660	673	375	375		
	2. Statutory Excess/(Shortfall)	658	460				
	3. Appropriated Entitlement	1,318	1,133				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	(658)	(460)				
	5. State Aid Entitlement under Current Law	660	673	375	375	(583)	-43.74%
	6. Governor's Recommended Aid Change(s)						
	7. Governor's Aid Recommendation	660	673	375	375	(583)	-43.74%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	660	673	375	375	(583)	-43.74%
	a. Subtotal - Governor's Revenue Change	0	0	0	0		
	b. Governor's Revenue Recommendation	660	673	375	375	(583)	-43.74%
Appropriations Basis for State Aid							
	Prior Year (10%)	66	131	113	37		
	Current Year (90%)	1,187	1,020	338	338		
	Transfers per M.S. 127A.41, subdivision 8	(658)	(460)				
	Total State Aid - General Fund	595	691	451	375		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0606 FAMILY CONNECTIONS AID
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.30; M.S. 124D.24-124D.29

ACTIVITY PROFILE:

Purpose:

- This activity has 3 goals:
 - To offer programs which emphasize learning and development based on learner outcomes.
 - To recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching and learning and development processes.
 - To provide an opportunity for maximum use of teachers, principals, and counselors.

Background:

- This program began in 1981.

Activity Description:

- All common, independent, and special school districts are eligible to apply for family connections aid.
- All family connections programs must include the following components:
 - participation by designated individual as a career teacher, principal-teacher, or counselor teacher;
 - an emphasis on each child's unique learning and development needs;
 - procedures to give the career teacher a major responsibility for leadership of the instructional and non-instructional activities of each child beginning with early childhood 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; and
- procedures to concentrate career teaching programs at sites that provide early childhood family education and subsequent learning and development programs;

STRATEGIES AND PERFORMANCE:

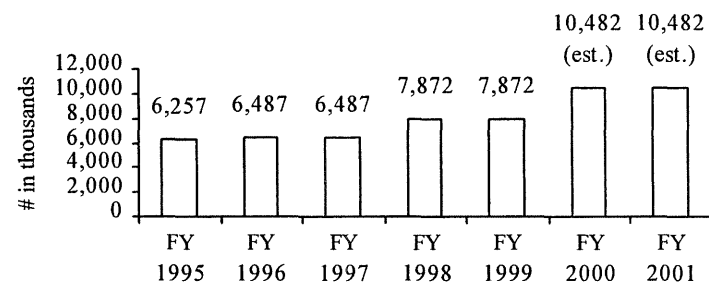
- During the 1998-99 school year, family connections aid programs served 7,872 students and utilized 98 career teachers, principal-teachers, and counselors.

Students Served in F.Y. 1999

<u>District</u>	<u># of Students</u>
Benson	125
Bloomington	1375
Carver Scott	400
Cloquet	375
Forest Lake	500
Hopkins	200
Osseo	222
Right Step Academy	200
Saint Paul	3100
South Washington	1375

- Over the past 5 years, family connections aid has increased the number of students as a result of the increase in funding beginning in F.Y. 1998.

Students Served



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0606 FAMILY CONNECTIONS AID
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 124D.30; M.S. 124D.24-124D.29
(Continued)

FINANCING INFORMATION:

- This program is funded with state dollars.
- Districts with approved sites receive \$30 per pupil served at the school site with the family connections program. The district must provide a match of \$15 per pupil served at the approved site. The funds are applied towards staff salaries.

BUDGET ISSUES:

This program is not competitive. All approved programs must be funded. When new programs are added, funding has to be prorated.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: OTHER PROGRAMS

Activity: FAMILY CONNECTIONS AID

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	163	250	250	250	0	250	0	(500)	-100.0%
Total Expenditures	163	250	250	250	0	250	0	(500)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE FAMILY CONNECTIONS AID	GEN				(250)		(250)		
Total Change Items					(250)		(250)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	163	250	250	250	0	250	0		
Total Financing	163	250	250	250	0	250	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0607 ADVERTISING ON SCHOOL BUSES
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: M.S. 123B.93 and Laws 1997, First Special Session, Chap. 4, Article 12, Sec. 33, Subd. 2

ACTIVITY PROFILE:

Purpose:

- To raise additional state revenues by selling advertising on school buses.

Background:

- This provision was enacted in 1997.

Activity description:

- This program requires ECF to obtain statewide contracts placing advertising on school buses. Such advertising must first be approved by the School Transportation Safety Council.
- School districts and/or contractors would not be required to carry advertising on their school buses, but may do so on a voluntary basis.
- Revenue from such advertising would go into the general fund of the state and is to be spent on preschool programs. Future uses of this revenue will need to be specifically appropriated.

STRATEGIES AND PERFORMANCE:

- The Department of Education, Children & Families has been gathering information from various publications and from other states and school districts who have experience with advertising on school buses. When the information gathering phase is completed, ECF will develop a request for proposal and submit it to the School Bus Safety Advisory Committee, as required in the law. There is no deadline specified in law.

FINANCING INFORMATION:

- The annual revenue from such an advertising program is difficult to estimate. As the law is currently framed, participation is optional for districts and contractors. Early information gathered by ECF indicates a low level of interest in participation.

BUDGET ISSUES:

- Many individuals in the transportation industry have serious reservations about this program because they believe that the safety of the transportation system will be compromised by allowing advertising on school buses.
- The school bus, with its special lights and signing, acts as a traffic control device when operating on the streets and highways. There is concern that advertising placed on school buses will distract other drivers from the traffic control function of the school bus and contribute to an increase in accidents.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends continuing this activity.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0608 MISCELLANEOUS GENERAL LEVIES
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: See Individual levies

ACTIVITY PROFILE:

Purpose:

- To provide additional property tax levy revenue to school districts to fund obligations of the district general fund, including: the costs of unemployment insurance; past operating debt; judgments; and retirement, health insurance and severance for certain districts.

Background:

- Many of these levies date back to the 1970s.
- Several levies for reorganizing school districts were begun in the early 1990s, coinciding with the rise in district reorganizations.
- Several other levies were added in 1992 and 1993, including the ice arena, staff development, crime and health insurance incentive levies.

Activity Description:

1. **Reemployment Insurance Levy** (M.S. 126C.43, subd. 2). 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.
2. **Statutory Operating Debt Levy** (M.S. 126C.42, 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 Levy** (M.S. 126C.42, subd. 2, 3 and 4). 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 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.
4. **Judgment Levy** (M.S. 126C.43, subd. 3 and 126C.47). A school district may levy the amounts necessary to pay the district's obligations for judgments against the district, including interest.
 5. **Health Insurance Levy** (M.S. 126C.41, subd. 1 and Laws 1993, Chap. 224, Art. 8, Sec. 18). As an early retirement incentive, a school district may levy 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 the retiree's expenses up to age 65.
 6. **Health Benefit Levy** (M.S. 126C.41, 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 employees who retired before July 1, 1992. The district levy authority, which may not exceed \$300,000, expires after taxes payable in 1999.
 7. **Minneapolis Civil Service Retirement Levy** (M.S. 126C.41, subd. 3). 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.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0608 MISCELLANEOUS GENERAL LEVIES
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: See Individual levies
(Continued)

8. **Minneapolis and St. Paul Additional Retirement Levy** (M.S. 126C.41, subd. 3). The Minneapolis and St. Paul school districts may levy for the increased costs of Teachers Retirement Association contributions due to changes in the contribution rates. The levied amount is recognized as revenue in the fiscal year in which the levy is certified.
9. **Minneapolis Health Insurance Subsidy Levy** (M.S. 126C.41, 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.
10. **St. Paul Severance Levy** (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 to pay for severance costs.
11. **Crime Levy** (M.S. 126C.44). A school district may levy up to \$1.50 per capita to provide a drug abuse prevention program in the elementary schools, to provide liaison services in the middle and secondary schools, and/or to provide a gang resistance education program in the middle schools.
12. **Ice Arena Levy** (M.S. 126C.45). 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 access for male and female students.
13. **Staff Development Levy** (M.S. 122A.62). A school district with a site that has implemented an outplacement program may levy up to \$8.15 times the number of teachers at the site.
14. **Reorganization Operating Debt Levy** (M.S. 123A.73, subd. 9 and M.S. 123B.82). A school district that reorganizes under consolidation or dissolution and attachment may levy to retire the net negative undesignated fund balance in the operating funds. The levy may be spread over a period not to exceed five years.
15. **Severance Levies** (M.S. 123A.30, subd. 6; M.S. 123A.73, subd. 12; M.S. 123A.444; M.S. 124D.05). A school district that reorganizes under dissolution and attachment may levy the costs of severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses.
16. **Consolidation/Transition Levies** (M.S. 123A.76). A school district that reorganizes under dissolution and attachment may levy for transition expenses associated with the reorganization.
17. **Attached Machinery Aid Adjustment** (M.S. 273.138, subd. 3). School districts that receive attached machinery aid have a corresponding negative reduction made to their general education levy. Attached machinery aid was enacted in 1973 to replace the revenue loss when attached machinery was exempted from real property taxation.
18. **Facilities and Equipment Bond Adjustment** (M.S. 123B.61 and 123B.62). When school districts elect to levy for equipment or facilities bonds, the district's general education levy must be reduced by the amount of the debt service levy made for these purposes. See Activity 0402 for further information about this activity.

STRATEGIES AND PERFORMANCE:

- Minnesota school districts will generate revenue to the extent needed for various general fund obligations in F.Y. 1999 and F.Y. 2000, thereby contributing to their overall financial health. School districts will not need to allocate general education formula funding to these identified costs.

FINANCING INFORMATION:

- These activities are funded by local property tax levies.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0608 MISCELLANEOUS GENERAL LEVIES
PROGRAM: Other Programs
AGENCY: Education, Children & Families
CITATION: See Individual levies
(Continued)

■ The following table shows certified levy amounts and number of school districts participating in each program:

	<u>F.Y. 1995</u> <u>93 PAY 94¹</u>	<u>F.Y. 1996</u> <u>94 PAY 95</u>	<u>F.Y. 1997</u> <u>95 PAY 96</u>	<u>F.Y. 1998</u> <u>96 PAY 97</u>	<u>F.Y. 1999</u> <u>97 PAY 98</u>
1. Reemployment Ins.					
Amount	\$5,759.1	\$5,068.0	\$5,170.3	\$5,943.2	\$0 ²
# of Districts	273	256	221	232	0
2. Statutory Oper Debt					
Amount	\$131.9	\$53.6	\$37.0	\$38.0	\$42.4
# of Districts	5	3	2	2	2
3. Operating Debt					
Amount	\$1,176.6	\$1,156.9	\$1,177.1	\$1,152.1	\$1,033.3
# of Districts	30	28	27	25	23
4. Judgment Levy					
Amount	\$259.3	\$326.2	\$856.8	\$578.3	\$435.7
# of Districts	6	9	7	10	8
5. Health Insurance					
Amount	\$5,826.4	\$5,899.0	\$5,602.1	\$5,157.6	\$4,528.7
# of Districts	244	240	222	212	199
6. Health Benefit					
Amount	\$8,189.4	\$7,761.1	\$6,895.9	\$5,726.4	\$5,029.6
# of Districts	119	118	120	110	107
7. Mpls. Retirement					
Amount	\$2,364.1	\$1,159.2	\$959.1	\$759.0	\$558.9
8. Addl Retirement					
Amount	\$1,600.0	\$2,350.0	\$3,600.0	\$3,962.0	\$6,427.0
# of districts	2	2	2	2	2
9. Mpls Health Ins					
Amount	\$266.4	\$0.0	\$0.0	\$0.0	\$291.4

¹ This means that the levy is certified in 1993 and payable in 1994.

² No levy for F.Y. 1999 due to change in levy recognition.

	<u>F.Y. 1995</u> <u>93 PAY 94</u>	<u>F.Y. 1996</u> <u>94 PAY 95</u>	<u>F.Y. 1997</u> <u>95 PAY 96</u>	<u>F.Y. 1998</u> <u>96 PAY 97</u>	<u>F.Y. 1999</u> <u>97 PAY 98</u>
10. St. Paul Severance					
Amount	\$0.0	\$0.0	\$374.5	\$391.0	\$399.3
11. Crime Levy					
Amount	\$3,382.3	\$3,638.5	\$3,712.8	\$3,841.8	\$5,969.3
# of Districts	192	209	199	199	215
12. Ice Arena Levy					
Amount	\$205.0	\$188.4	\$182.1	\$292.1	\$306.4
# of Districts	3	3	3	5	5
13. Staff Dev. Levy					
Amount	\$6.4	\$5.0	\$5.4	\$8.4	\$30.4
# of Districts	4	1	1	3	6
14. Reorg. Oper. Debt					
Amount	\$414.6	\$621.9	\$776.6	\$951.8	\$700.3
# of Districts	8	12	15	14	10
15. Severance Levies					
Amount	\$852.1	\$1,083.6	\$847.9	\$811.6	\$731.5
# of Districts	13	13	12	6	5
16. Consol/Transition					
Amount	\$197.4	\$449.1	\$597.9	\$487.3	\$27.7
# of Districts	3	6	6	4	1
17. Attached Machinery					
Amount	(808.7)	(808.7)	(808.7)	(808.7)	(808.7)
# of Districts	11	11	11	11	11
18. Fac & Eqp Bond Adj					
Amount	(257.1)	(650.6)	(911.9)	(3,301.9)	(5,345.9)
# of Districts	4	10	13	38	51

BUDGET ISSUES:

■ These miscellaneous levies continue to serve varied needs for Minnesota school districts and help districts address individual circumstances. All funds generated through these levies are anticipated to be fully utilized.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0701 SCHOOL LUNCH, KINDERGARTEN MILK AND FOOD STORAGE
0702 SCHOOL BREAKFAST
0703 SUMMER FOOD SERVICE
0704 SUMMER FOOD SERVICE REPLACEMENT AID
0705 SCHOOL BREAKFAST OUTREACH
0707 CHILDREN ADULT CARE FOOD PROGRAM SPONSOR ADMINISTRATION (FEDERAL)
0707 CHILDREN ADULT CARE FOOD PROGRAM FOOD SERVICE (FEDERAL)

PROGRAM: Food and Nutrition
AGENCY: Education, Children & Families
STATE CITATION: M.S. 124D.111, M.S. 124D.114-119, M.S. 126C.22
FEDERAL CITATION: National School Lunch Act, Child Nutrition Act

ACTIVITY PROFILE:

- To safeguard the health and well-being of Minnesota children and help ensure that students are ready to learn by giving them access to a more nutritious diet and improving their eating habits through nutrition education.

Background:

■ School Breakfast Program

- Federal funding began in 1966 under a federal pilot program; it was made permanent in 1975. State funding began in 1993.
- The state requires schools to offer a breakfast program if 33% or more of their lunches served were served free or at a reduced price.
- In 1994, the legislature established a three-year pilot study (the Universal School Breakfast Pilot Program) to determine the impact of providing nutritious breakfasts at no charge to elementary school children on those children's school performance. (An evaluation of this program is available upon request.)

■ School Lunch Program

- The National School Lunch Act created the program in 1946.
- The program is funded from both federal and state funds, however the majority of funding comes from the federal government.
 - State funds help to keep lunch prices affordable. In 1996-97, school lunch at public schools cost \$1.87 to prepare. This was nine cents more than the average cost in the previous school year.

■ Minnesota Kindergarten Milk Program

- This program contributes funding for milk served to kindergarten students.

■ Food Distribution Program

- The program delivers a variety of USDA donated foods to schools to support healthy school meals.
- State school lunch funds are used to pay for handling, storage and delivery of USDA donated commodities to schools.

■ Summer Food Service & Summer Food Service Replacement Aid

- The federal program was created by Congress as part of a larger pilot program in 1968 and became a separate program in 1975.
- State funding began in 1994 when the legislature provided incentive funding of \$1,000 to each new sponsor of the federal Summer Food Service Program.
- Responding to federal welfare reform, the 1997 Minnesota Legislature appropriated \$300,000 to reimburse sponsors who provide nutritious meals to children.

Program Description:

School Breakfast Program

■ State Program

- The state provides an appropriation that is paid to schools on a per breakfast rate. The 1998-99 biennium appropriation is \$912,000.

2000-2001 Biennial Budget

BUDGET ACTIVITY:	0701	SCHOOL LUNCH, KINDERGARTEN MILK AND FOOD STORAGE
	0702	SCHOOL BREAKFAST
	0703	SUMMER FOOD SERVICE
	0704	SUMMER FOOD SERVICE REPLACEMENT AID
	0705	SCHOOL BREAKFAST OUTREACH
	0707	CHILDREN ADULT CARE FOOD PROGRAM SPONSOR ADMINISTRATION (FEDERAL)
	0707	CHILDREN ADULT CARE FOOD PROGRAM FOOD SERVICE (FEDERAL)
PROGRAM:		Food and Nutrition
AGENCY:		Education, Children & Families
(Continued)		

- The 1997 Legislature appropriated \$1.037 million for the Targeted School Breakfast Grants for the 98-99 biennium. This allows public elementary schools that are awarded grants to serve breakfast at no charge to all enrolled students so that they can learn effectively. Grants require \$1 of local match for every \$3 in state aid. These funds are not shown in the budget.
- The state provides \$30,000 for School Breakfast Outreach Grants to schools to initiate breakfast programs.

■ Federal Program:

- The program reimburses schools that provide nutritious breakfasts to students in school sponsored programs up to the completion of high school. Free and reduced breakfasts are provided to children from low-income households.
- Federal reimbursement rates are structured so that schools with "severe need" receive higher reimbursement rates.

School Lunch Program.

■ State Program:

- The state provides approximately 6.5 cents per lunch to schools. If the state appropriation is not adequate to fund this rate, the reimbursement per meal is reduced proportionately.

■ Federal Program:

- The program reimburses schools for providing nutritious lunches to children.
- Schools serve health lunches that are consistent with the Dietary Guidelines for Americans
- Free or reduced price meals are available to students from low-income households.

Minnesota Kindergarten Milk

■ State Program:

- Schools are reimbursed approximately 17 cents per serving of milk served to kindergarten students.

■ Federal Programs:

- For milk claimed through the Special Milk Program, the state reimbursement rate is approximately 6 cents per serving of milk for kindergarten students.

Food Distribution Program

■ State Program:

- The state provides funding for the annual storage and distribution of U.S. Department of Agriculture donated foods

■ Federal Program:

- In 1997-98 the U.S. Department of Agriculture provided up to 15 cents per meal in donated foods for each school lunch served in Minnesota

Summer Food Service & Summer Food Service Replacement Aid

■ State Program:

- State Summer Food incentive funds were used by 16 local sponsors to expand the summer Food Service Program to low income children in 1997-98
- State Summer Food Replacement Aid was used to provide healthy meals at Summer Food Service Program sites to low income children.
- there were 44 local Summer Food Service Program sponsors in 1997 and 52 local Summer Food Service Program sponsors in 1998.

■ Federal Program:

- The summer Food Service Program reimburses sponsors that provide nutritious meals to children from low-income families during the summer

2000-2001 Biennial Budget

BUDGET ACTIVITY:	0701	SCHOOL LUNCH, KINDERGARTEN MILK AND FOOD STORAGE
	0702	SCHOOL BREAKFAST
	0703	SUMMER FOOD SERVICE
	0704	SUMMER FOOD SERVICE REPLACEMENT AID
	0705	SCHOOL BREAKFAST OUTREACH
	0707	CHILDREN ADULT CARE FOOD PRO GRAM SPONSOR ADMINISTRATION (FEDERAL)
	0707	CHILDREN ADULT CARE FOOD PRO GRAM FOOD SERVICE (FEDERAL)
PROGRAM:		Food and Nutrition
AGENCY:		Education, Children & Families
(Continued)		

months when schools are not in session.

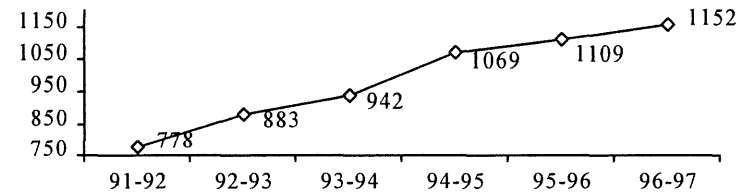
- Most Summer Food Service Program sponsors provide one or two meals per day to low-income children. Migrant and camp sites may serve up to three meals per day.
- Program sites are located in low-income areas or where enrolled children meet the income guideline.
- Summer Food Service program sponsors include public and private schools, residential summer camps, government units, colleges and universities, as well as nonprofit organizations.

STRATEGIES AND PERFORMANCE:

School Breakfast Program

■ The number of Minnesota schools offering a breakfast program increased 48% since 1991-92, from 778 schools to 1152 schools in 1996-97. More than \$11 million in federal reimbursements and \$300,000 in state reimbursements in 1996-97 helped fund this program.

Minnesota Schools Offering a Breakfast Program



- A 3 year study of the Universal School Breakfast Pilot program found:
 - Students were more energetic and ready to learn at the start of the day.
 - A 40-50% decrease in discipline referrals.
 - A general increase in composite math and reading percentile scores over the 3 year period.

School Lunch Program

■ The national school lunch program reimburses schools for those meals meeting established nutrition standards. All Minnesota public school districts and more than one-third of the nonpublic schools participate in the school lunch program. 94% of the meals served are to public school students. A combination of federal and state reimbursement, as well as student payments, fund school meals.

- In 1996, the School Meals Initiative established nutrition standards for school meals based on the Dietary Guidelines for Americans. To meet these standards, menus are planned either by using computer software to analyze nutrients, or by following meal guidelines that call for more fruits, vegetables, and breads.
- Overall participation in school lunch programs, by students of all income ranges, increased by about 2.6 million school lunches in 1996-97.

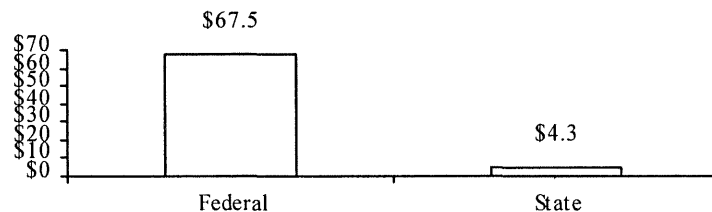
■ The number of school lunches served increased from 84,237 in 1995-96 to 86,775 in 1996-97.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0701 SCHOOL LUNCH, KINDERGARTEN MILK AND FOOD STORAGE
 0702 SCHOOL BREAKFAST
 0703 SUMMER FOOD SERVICE
 0704 SUMMER FOOD SERVICE REPLACEMENT AID
 0705 SCHOOL BREAKFAST OUTREACH
 0707 CHILDREN ADULT CARE FOOD PROGRAM SPONSOR ADMINISTRATION (FEDERAL)
 0707 CHILDREN ADULT CARE FOOD PROGRAM FOOD SERVICE (FEDERAL)

PROGRAM: Food and Nutrition
AGENCY: Education, Children & Families
 (Continued)

Federal and State Lunch Reimbursement 1996-97



Food Distribution Program

- Summer Food Service
 - Growth in the number of SFSP sponsors and sites has occurred at a steady rate even as federal welfare reform reduced funding levels. This is primarily due to state support for program expansion and funding for meals.

- The average daily attendance has gone from 13,600 in 1987 to 23,000 in 1997.

FINANCING INFORMATION:

- School Breakfast

	Dollars in Thousands	
	F.Y. 1997	F.Y. 1998
State General Aid Funds	\$456	\$456
Federal USDA Funding	10,249	10,475
TOTAL	\$10,705	\$10,931

- School Lunch/Kindergarten Milk/Food Distribution

	Dollars in Thousands	
	F.Y. 1997	F.Y. 1998
State: School Lunch Reimbursement	\$5,054	\$5,054
State: Kindergarten Milk	800	800
State: Food Distribution	1,400	1,400
State: Total Program Funding	7,254	7,254
Federal USDA Funding	59,000	59,000
TOTAL	\$66,254	\$66,254

- Summer food Service/summer Food Service Replacement Aid

	Dollars in Thousands			
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State: Summer Food Incentive	\$15	\$15	\$15	\$15
State: Replacement Aid*	-0-	50	150	150
State: Total	15	165	165	165
Federal USDA Funding	2,143	2,495	3,300	3,663
TOTAL	\$2,158	\$2,660	\$3,465	\$3,828

- In FY 1997, state funding of \$150,000 was provided to maintain FY 1996 federal funding levels to local sponsors.

Please note: M.S. 124D.113 allows the state to use state aids for the purpose of processing United States Department of Agriculture commodity foods into more desirable end products for schools. The process allows the Department of Education, Children & Families to pay for the processing with state aids and debit aids earned by schools. This new procedure has streamlined the administration of the program by eliminating billing and payment procedures for processed commodities thus substantially reducing annual paper flow. The actual F.Y. 1998

2000-2001 Biennial Budget

BUDGET ACTIVITY:	0701	SCHOOL LUNCH, KINDERGARTEN MILK AND FOOD STORAGE
	0702	SCHOOL BREAKFAST
	0703	SUMMER FOOD SERVICE
	0704	SUMMER FOOD SERVICE
	REPLACEMENT	AID
	0705	SCHOOL BREAKFAST OUTREACH
	0707	CHILDREN ADULT CARE FOOD PRO GRAM SPONSOR ADMINISTRATION (FEDERAL)
	0707	CHILDREN ADULT CARE FOOD PRO GRAM FOOD SERVICE (FEDERAL)
PROGRAM:		Food and Nutrition
AGENCY:		Education, Children & Families
(Continued)		

amount is \$4, 014,340. This appears as an operating expense on page 71 of the budget but is actually a payment to schools in the form of processed foods.

GOVERNOR'S RECOMMENDATION:

The Governor recommends:

- for school lunch and food storage, an appropriation of \$7.77 million for F.Y. 2000 and \$7.77 million for F.Y. 2001;
- for school breakfast, discontinuation of the current program, replacing it with a new breakfast program (see Budget Activity 0706);
- for summer food service, discontinuation of the program;
- for summer food service aid, an appropriation of \$150,000 in F.Y. 2000 and \$150,000 in F.Y. 2001; and
- for school breakfast replacements aid, an appropriation of \$15,000 in F.Y. 2000 and \$15,000 in F.Y. 2001.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: SCHOOL LUNCH AND FOOD STORAGE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	4,384	5,037	1,046	1,000	1,000	1,000	1,000	(4,083)	-67.1%
SUBTOTAL STATE OPERATIONS	4,384	5,037	1,046	1,000	1,000	1,000	1,000	(4,083)	-67.1%
LOCAL ASSISTANCE	69,538	69,928	68,331	68,331	68,331	68,295	68,295	(1,633)	-1.2%
Total Expenditures	73,922	74,965	69,377	69,331	69,331	69,295	69,295	(5,716)	-4.0%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	7,293	7,254	7,770	7,770	7,770	7,770	7,770		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	3,316	241	46	0	0	0	0		
FEDERAL	63,313	67,470	61,561	61,561	61,561	61,525	61,525		
Total Financing	73,922	74,965	69,377	69,331	69,331	69,295	69,295		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
SPECIAL REVENUE	22	6	0	0	0	0	0		
Total Revenues Collected	22	6	0	0	0	0	0		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: SCHOOL BREAKFAST

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	11,628	12,904	10,456	10,456	10,000	10,456	10,000	(3,360)	-14.4%
Total Expenditures	11,628	12,904	10,456	10,456	10,000	10,456	10,000	(3,360)	-14.4%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) RESTRUCTURE SCHOOL BREAKFAST PROGRAM	GEN				(456)		(456)		
Total Change Items					(456)		(456)		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	417	456	456	456	0	456	0		
STATUTORY APPROPRIATIONS:									
FEDERAL	11,211	12,448	10,000	10,000	10,000	10,000	10,000		
Total Financing	11,628	12,904	10,456	10,456	10,000	10,456	10,000		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: SUMMER FOOD SERVICE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	2,510	2,804	2,215	2,215	2,200	2,215	2,200	(619)	-12.3%
Total Expenditures	2,510	2,804	2,215	2,215	2,200	2,215	2,200	(619)	-12.3%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELMINATE SUMMER FOOD SERVICE INCENTIVES	GEN				(15)		(15)		
Total Change Items					(15)		(15)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	15	15	15	15	0	15	0		
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	2,495	2,789	2,200	2,200	2,200	2,200	2,200		
Total Financing	2,510	2,804	2,215	2,215	2,200	2,215	2,200		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: SUMMER FOOD SERVICE REPLACEMEN

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	150	150	150	150	150	150	0	.0%
Total Expenditures	0	150	150	150	150	150	150	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	150	150	150	150	150	150		
Total Financing	0	150	150	150	150	150	150		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: SCHOOL BREAKFAST OUTREACH

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	18	0	0	0	0	0	0	0	
SUBTOTAL STATE OPERATIONS	18	0	0	0	0	0	0	0	
LOCAL ASSISTANCE	88	15	15	15	15	15	15	0	.0%
Total Expenditures	106	15	15	15	15	15	15	0	.0%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	106	15	15	15	15	15	15		
Total Financing	106	15	15	15	15	15	15		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: MISC FEDERAL NUTRITION PRGS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	5	1	0	0	0	0	0	(1)	-100.0%
SUBTOTAL STATE OPERATIONS	5	1	0	0	0	0	0	(1)	-100.0%
LOCAL ASSISTANCE	65,686	50,652	52,138	52,102	52,102	52,102	52,102	1,414	1.4%
Total Expenditures	65,691	50,653	52,138	52,102	52,102	52,102	52,102	1,413	1.4%
<u>FINANCING BY FUND:</u>									
STATUTORY APPROPRIATIONS:									
FEDERAL	65,635	50,652	52,138	52,102	52,102	52,102	52,102		
GIFT	56	1	0	0	0	0	0		
Total Financing	65,691	50,653	52,138	52,102	52,102	52,102	52,102		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0706 FAST BREAK TO LEARNING
PROGRAM: Food and Nutrition
AGENCY: Education, Children & Families
CITATION: None

ACTIVITY PROFILE:

Purpose:

- To provide fast break to learning grants to ensure that elementary students start the school day ready to learn and to improve student performance by providing access to a nutritious school breakfast.

Background:

- The state requires schools to offer a breakfast program if 33% or more of their lunches served were served free or at a reduced price.
- A 3-year study conducted by the University of Minnesota strongly supports the relationship of a nutritious school breakfast to learning readiness.
- Other national studies show that students are more alert and perform better in class if they eat breakfast.

Activity Description:

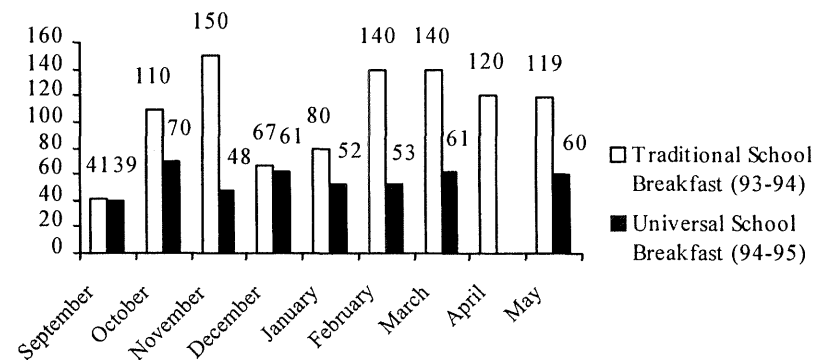
- The school breakfast program is underutilized compare to school lunch. Average participation rates by Minnesota students is 13%. Participation rates exceed 60% in schools where breakfast is integrated into the school day and students are not charged at the point of service.
- The state provides fast break to learning grants to public elementary schools that agree to integrate school breakfast into the school day and provide breakfast to all students each school day. First priority will be given to schools that are required by state mandate to offer the breakfast program. Second priority will be given to all other public elementary schools.
- For every 3 dollars in fast break to learning aid received, the school is required to provide 1 dollar in local match.

- The school must raise the local match by charging student households not eligible for federal free or reduced price meals. The school can determine the method for charging student households for school breakfast; however, it must include a consideration of the household's ability to pay. The school cannot charge students households who qualify for federal free or reduced price meals.
- The school cannot collect local funds from student households for school breakfast that exceeds the difference between the revenue from federal and state aids and the actual cost (reported at \$1.08 per meal for F.Y. 97) of providing the breakfast.
- The purpose of the fast break to learning grants is to ensure that all children have an opportunity to eat a nutritious breakfast each school day and that barriers such as social stigma, facilities or transportation do not impede student access to nutritious food.

STRATEGIES AND PERFORMANCE:

- 6 Minnesota elementary schools offered an integratead school breakfast program for 3 years. A study conducted by the University of Minnesota in these 6 schools showed that students generally performed better in math and reading. Other results included:
 - A 40-50% decrease in discipline referrals

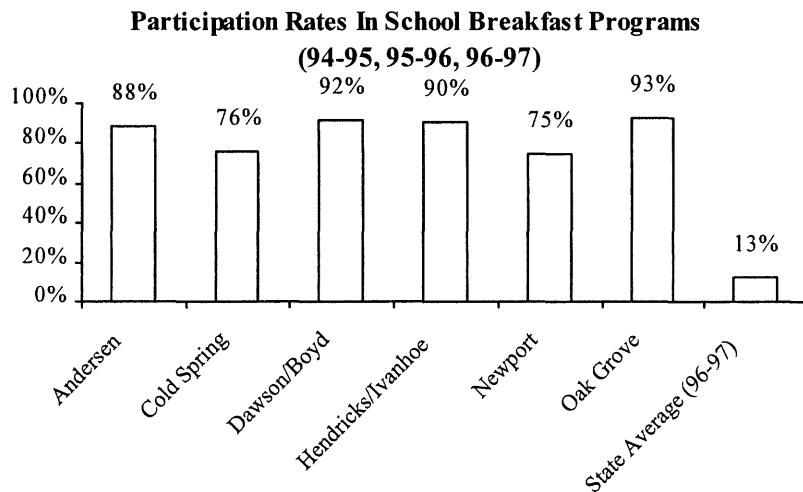
Oak Grove Reduction in Quiet Room Slips



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0706 FAST BREAK TO LEARNING
PROGRAM: Food and Nutrition
AGENCY: Education, Children & Families
(Continued)

- A significant decline in morning visits to the nurses office due to minor headaches and stomachaches, falling from 34% of the visits in 1993-94 to 6% in 1995-96.
- A dramatic increase in the number of students participating in school breakfast especially among students from low income families.



FINANCING INFORMATION:

The funding determination is based on calculating the state average cost of providing a school breakfast (reported at \$1.08 per meal for F.Y. 1997) and the estimated per meal reimbursement paid by the federal government to determine the amount of funding needed to provide school breakfast to all children in public elementary schools required by state mandate to offer a breakfast program. The

total cost was then allocated at a rate of 75% in state aid and 25% local match to determine the total grant award amount. The funding would provide for approximately 80% of the public elementary schools (required to serve breakfast) to receive grant awards. The existing school breakfast appropriation (\$456,000 a year) is redirected to this new grant program.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends the initiation of this program in conjunction with the discontinuation of the current state breakfast program.
- The Governor recommends an appropriation of \$2.956 million in F.Y. 2000 and \$2.956 million in F.Y. 2001.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: NUTRITION PROGRAMS

Activity: FAST BREAK TO LEARNING

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	0	0	2,956	0	2,956	5,912	
Total Expenditures	0	0	0	0	2,956	0	2,956	5,912	
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) FAST BREAK TO LEARNING	GEN				2,956		2,956		
Total Change Items					2,956		2,956		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	0	0	2,956	0	2,956		
Total Financing	0	0	0	0	2,956	0	2,956		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0801 LIBRARIES-BASIC GRANTS
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. 134.31-134.36

ACTIVITY PROFILE:

Purpose:

- To strengthen, improve, equalize, and promote public library services throughout the state through the 12 regional public library systems.

Background:

- This program began in the 1950's to encourage resource sharing, cooperation and consolidation of public library services within multicounty areas, extend services to rural areas, and reduce the burden on the property tax that assures basic public library services through out the state.
- The state enabled the formation of regional public library systems, composed of city and county libraries, aided their development and in 1990 required all counties to join regional public library systems.
- State funding grew from \$5,946,000 in F.Y. 1990 to \$7,819,000 in F.Y. 1994 but has remained constant since that time.

Activity Description:

- This appropriation assists with regional public library system operations and the cost of interagency contracts for state interlibrary lending and reference assistance.
- The 12 regional systems service all areas of the state. The systems are: 1) Arrowhead Library System, 2) East Central Regional Library, 3) Great River Regional Library, 4) Kitchigami Regional Library, 5) Lake Agassiz Regional Library, 6) Metropolitan Library Service Agency, 7) Northwest Regional Library, 8) Pioneerland Library System, 9) Plum Creek Library System, 10)

Southeastern Libraries Cooperating, 11) Traverse des Sioux Library System, and 12) Viking Library System.

- Specific objectives of the program include:
 - Providing incentives for counties and cities to work together in regional public library systems, thereby extending service to users at the most reasonable cost.
 - Promoting reading and use of library materials and use of information resources.
 - Sharing library materials within each region and statewide through intra and interlibrary loan systems and reciprocal borrowing.
 - Strengthening library materials collections.
 - Supporting automation and integration of new technologies.
 - Equalizing funding between cooperating jurisdictions.
- Prior to F.Y. 1997, federal funds to regional public library systems came from the Library Services and Construction Act. The new Library Services and Technology Act recast the federal program, making all types of libraries eligible for funding under the state plan. Regional systems now apply for federal funds under this new state plan.

STRATEGIES AND PERFORMANCE:

- Participation in regional public library systems includes all Minnesota counties and serves 99.49% of the state's population. Each year, 23.5 million visits are made to libraries, and attendance at library-sponsored programs is 950,000. Over 6 million reference requests take place yearly.
- Minnesota library usage has greatly increased over the last 10 years:
 - The number of items loaned within public libraries increased from 35 million in 1988 to 45 million 1998.
 - The number of up-to-date items in public library collections has increased from 17.3 million in 1988 to 18 million in 1998 giving users greater access to more materials.
 - Interlibrary loan requests within regional public systems increased from 152,000 in 1998 to 231,000 in 1998.
 - While Minnesota's public libraries rank 13th among the states in per capita expenditures, they rank 5th in the U.S. in public library lending per capita. The state ranks 4th in reference questions asked per capita.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0801 LIBRARIES-BASIC GRANTS
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
(Continued)

FINANCING INFORMATION:

- This budget activity is funded with state aid.
- The program distributes aid on a formula basis to the 12 regional public library systems. The formula includes population, area, equalized valuation of property and a basic amount per system.
- State appropriations for this program are used for maintenance of effort in order for the state to qualify for the Library and Services Technology Act federal funds. (See Budget Activity 0806, Misc. Federal Library Programs)

	Dollars in Thousands					
	<u>FY 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Basic Support Grant	\$7,147	\$7,156	\$7,026	\$7,037	\$7,199	\$7,021
Interlibrary Exchange	<u>672</u>	<u>663</u>	<u>793</u>	<u>782</u>	<u>620</u>	<u>798</u>
TOTAL	\$7,819	\$7,819	\$7,819	\$7,819	\$7,819	\$7,819

BUDGET ISSUES:

- State funding of regional public library systems is needed to raise the level of equitable library services across Minnesota.
- Today's public expects community-delivered services that require investments in technology, in-depth materials and electronic sources and assistance by technologically-skilled staff. Current funding for regional public library systems has been stretched to try to meet these demands but has not increased since F.Y. 1994.
- In 1997, the federal funding program was changed. There are currently no federal titles specific to regional public library system support.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$8.495 million for F.Y. 2000 and \$8.570 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$8.495 million in F.Y. 2000 (\$782,000 for F.Y. 1999 and \$7.713 million for F.Y. 2000) and \$8.57 million in F.Y. 2001 (\$857,000 for F.Y. 2000 and \$7.713 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0801 - Basic Support Grants
Program: Libraries

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	7,819	7,819	7,820	7,820		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	7,819	7,819				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)						
	5. State Aid Entitlement under Current Law	7,819	7,819	7,820	7,820	2	0.01%
	6. Governor's Recommended Aid Change(s)						
	a. Additional Funding			750	750		
	7. Governor's Aid Recommendation	7,819	7,819	8,570	8,570	1,502	9.60%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)						
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	7,819	7,819	7,820	7,820	2	0.01%
	a. Subtotal - Governor's Revenue Change			750	750		
	b. Governor's Revenue Recommendation	7,819	7,819	8,570	8,570	1,502	9.60%
Appropriations Basis for State Aid							
	Prior Year (10%)	781	781	782	857		
	Current Year (90%)	7,038	7,038	7,713	7,713		
	Transfers per M.S. 127A.41, subdivision 8						
	Total State Aid - General Fund	7,819	7,819	8,495	8,570		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0802 MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS GRANT
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. 134.351 - 134.36

ACTIVITY PROFILE:

Purpose:

- To improve library services to Minnesotans by fostering and supporting cooperation among libraries of all types.

Background:

- Legislative funding began in May 1979. The state organized into library systems by early 1980 and, after a year of assessment, began to establish and develop programs.
- The State Board of Education approved the establishment of the current 7 multitype library systems and their geographic boundaries. They are: 1) Central Minnesota Libraries Exchange, 2) North Country Library Cooperative, 3) Southcentral Minnesota Interlibrary Exchange, 4) Southwest Area Multicounty Multitype Interlibrary Exchange, 5) Metronet, 6) Northern Lights Library Network, and 7) Southeast Library System.

Activity Description:

- The program facilitates and supports long range planning, communication, and material and service sharing across all types of libraries.
- The partnering of these systems brings information resources from all types of libraries together to meet the educational and lifelong learning needs of Minnesotans.
- Program objectives include:
 - to develop long-range plans that address the needs of the region with the available library and information resources.

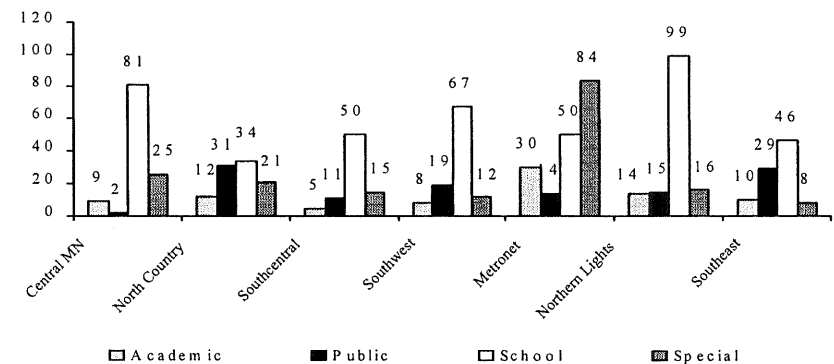
- to develop and operate communication systems among participating libraries.
- to develop and operate delivery systems to facilitate sharing material and information among participating libraries.
- to encourage the development of common databases that support information sharing and exchange.

- Eligible applicants are the 7 regional multitype library cooperation systems established in 1980 by the State Board of Education.

STRATEGIES AND PERFORMANCE:

- Currently, 2000 libraries of all types in Minnesota work together. Only the very smallest and unstaffed libraries do not participate in the multitype system.
- Total participating library jurisdictions by system.
 Central: 117 North Country: 98 Southcentral: 81 Southwest: 106
 Metronet: 178 Northern Lights: 144 Southeast: 93
- This program has furthered resource sharing among all types of libraries. The number of interlibrary transactions has increased from 20,790 in 1988 to 56,000 in 1998.
- From 1988 to 1998, the program increased mailed and electronic information updates to libraries from 29,000 to 68,000.
- From 1988 to 1998, the program increased access to bibliographic data from 221 to 1300 catalogs and terminals.

**Number of Participating Library Jurisdictions
by Type and System**



2000-2001 Biennial Budget

BUDGET ACTIVITY: 0802 MULTICOUNTY, MULTITYPE LIBRARY
SYSTEMS GRANT
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
(Continued)

FINANCING INFORMATION:

- This activity is funded entirely with state aid.
- A formula established by rule sets 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.

BUDGET ISSUES:

- As the state moves towards increasing levels of collaboration in library services, especially between school, public and academic libraries, the support work of the multitype systems increases.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$903,000 for F.Y. 2000 and \$903,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$903,000 in F.Y. 2000 (\$90,000 for F.Y. 1999 and \$813,000 for F.Y. 2000) and \$903,000 in F.Y. 2001 (\$90,000 for F.Y. 2000 and \$813,000 for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0802 - Multicounty, Multitype Library Systems
Program: Library Development and Services

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	903	903	903	903		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	903	903				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)						
	5. State Aid Entitlement under Current Law	903	903	903	903	0	0.00%
	6. Governor's Recommended Aid Change(s)						
	7. Governor's Aid Recommendation	903	903	903	903	0	0.00%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)						
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	903	903	903	903	0	0.00%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	903	903	903	903	0	0.00%
Appropriations Basis for State Aid							
	Prior Year (10%)	52	90	90	90		
	Current Year (90%)	813	813	813	813		
	Transfers per M.S. 127A.41, subdivision 8						
	Total State Aid - General Fund	865	903	903	903		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0803 LIBRARIANS OF COLOR
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. 134.155

ACTIVITY PROFILE:

Purpose:

- To recruit and educate people of color in the field of library science or information management.

Background:

- The program was established by the 1994 legislature.

Activity Description:

- The Commissioner of Education, Children & Families, in consultation with the Multicultural Advisory Committee, awards grants to recruit and educate people of color in library and information science.
- Public libraries with a growing minority population, in collaboration with an accredited institution of higher education are eligible.
 - In awarding grants, the department considers whether the program is likely to increase the recruitment and retention of people of color in librarianship, whether the 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.
- Students assisted under this program agree to work in a Minnesota library for 2 or 3 years depending upon the degree obtained under the program.

STRATEGIES AND PERFORMANCE:

Number of State Grant Awards: 1995-1999

<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
3	3	2	1	*

* In FY 1999, past grantees are collaborating on an application with 2 of the regional public library systems to share a statewide program for recruitment, internship, and placement.

- Program results include: 2 graduates; 4 currently in programs; and 2 formerly in programs, not completed.

FINANCING INFORMATION:

- This budget activity is funded entirely with state aid.

BUDGET ISSUES:

This program has not worked well as a competitive program because:

- a quality recruitment program aimed at high school and college students requires allocation of staff and funding beyond the resources of any single grant recipient.
 - grant recipient libraries cannot guarantee jobs to students because public libraries are subunits of cities or counties and subject to the personnel policies of the parent organizations.
 - effective retention programs train other staff members about the program.
- Some statutory changes made in 1997 may help the program be more attractive to applicants by offering students the opportunity to participate in library distance education programs. This may encourage applications from individuals throughout the state, rather than only those who are able to travel to the existing campus-based programs in Duluth, St. Cloud, Mankato and St. Paul.
 - The time commitment and intensive involvement of the grant recipient, the inability of the grant recipient to guarantee jobs to students, and the educational commitment and costs required to get a job in a low-paying field have made it difficult to attract minority students to the program.
 - Because administrative costs are not allowed, department staff cannot provide the necessary level of assistance for the program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity and redirecting the funds to more flexible funding formulas for libraries.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIBRARIES

Activity: LIBRARIANS OF COLOR

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	55	15	95	55	0	55	0	(110)	-100.0%
Total Expenditures	55	15	95	55	0	55	0	(110)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE LIBRARIANS OF COLOR PROGRAM	GEN				(55)		(55)		
Total Change Items					(55)		(55)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	55	15	95	55	0	55	0		
Total Financing	55	15	95	55	0	55	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0804 CHILDREN'S LIBRARY SERVICES GRANT
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. Laws 1997, 1st Special Session , Ch. 4, Art. 8, Sec. 5

ACTIVITY PROFILE:

Purpose:

- To strengthen public library services to children, young people and their families through collaborations and partnerships of public libraries with other community agencies.

Background:

- The 1994 legislature established this program to improve library services by addressing the language and reading development needs of young children.

Program Description:

- The department makes grants to public libraries for collaborative activities involving a public library and at least one child or family service organization, such as a school district, an early childhood family education (ECFE) 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.
- Public libraries applying for grants must:
 - demonstrate that their project results in collaboration with a public or private agency that improves library services to children, young people and their families;
 - implement a project that targets unserved or underserved populations;
 - include a plan for replication of the project in other parts of the state where appropriate;
 - involve personnel from the regional public library system and the multitype library system in planning; and
 - include an evaluation component in the project.

STRATEGIES AND PERFORMANCE:

■ Sample Outcomes:

- *Cloquet Public Library* increased the library skills of both peer tutors and their students through peer tutoring in a homework helper program.
- *Kasson Public Library* worked with school age students to design and present their own reading program on video.
- *Minneapolis Public Library* assisted Hispanic parents with techniques as children's first teachers.
- *Moorhead Public Library* increased access to the library through expanded summer bookmobile hours.
- *Nobles County Public Library* overcame language barriers to library services for non-English speaking families with children in Head Start by distributing library packets in their native languages.
- *Perham Public Library* increased involvement of families with young children and youth in cross-generational pursuit of reading.

State Grant Awards

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Number of Grants	6	5	5	15*

* Funding was tripled in this year.

FINANCING INFORMATION:

- This program is funded entirely with state aid.

BUDGET ISSUES:

- Children's Library Services Grants reach 8.5% of the eligible public libraries. Although libraries of various sizes have been recipients, larger libraries have shown more capacity to develop applications without assistance.
- Applications exceed available funding.
- Smaller public libraries require technical assistance to develop applications for well-founded projects that collaborate successfully with a child or family service organization. The program, however, does not include funding for technical assistance.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity and redirecting the funds to more flexible funding for libraries.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIBRARIES

Activity: CHILDREN'S LIBRARY SERVICES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	50	150	150	150	0	150	0	(300)	-100.0%
Total Expenditures	50	150	150	150	0	150	0	(300)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE CHILDREN'S LIBRARY GRANTS	GEN				(150)		(150)		
Total Change Items					(150)		(150)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	50	150	150	150	0	150	0		
Total Financing	50	150	150	150	0	150	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0805 REGIONAL LIBRARY OUTREACH
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. Laws of 1997, 1st Special Session, Ch. 4, Art. 3, Sec. 5

ACTIVITY PROFILE:

Purpose:

- To increase local public library outreach and services to children and families through the regional library systems.

Background:

- The 1997 legislature first funded this program with a biennial appropriation of \$500,000.

Activity Description:

- There are 12 regional public library systems, each of which covers multiple counties. This program specifically provides \$63,000 to MELSA, the regional public library system for the metropolitan area counties, and \$17,000 to each of the other 11 regional library systems in greater Minnesota.

STRATEGIES AND PERFORMANCE:

- In the first year, the regional library systems funded the following projects:
 - Arrowhead: Trained staff and youth volunteers in storytelling for outreach to young children in libraries, childcare facilities and apartment complexes.
 - East Central: Provided parents and children with tote bags containing a paperback book and arranged visits by storybook characters to libraries. KTCA representatives provided "Read to Learn" outreach program workshops for staff.
 - Great River, Kitchigami and Viking: partnered the purchase of a "Read-mobile" van to visit Head Start and licensed day care facilities.
 - Lake Agassiz: Created kits containing books, musical cassettes and videos for childcare providers. These kits will rotate among the branches in the system.

- MELSA: Member libraries devised and tailored programs aimed at preschoolers, their families, teachers and childcare providers that advance reading and learning skills.
- Northwest: Added five more library branches and additional stories to its "Dial-A-Story" program.
- Pioneerland: Provided internet access to children in grades 4-12 to a database for children; added subscriptions to children's magazines.
- Plum Creek: Sponsored two day-long seminars on library programming for children ages 10-18 (kits of related materials resulting from these programs are being developed and will rotate among branches in the system).
- SELCO: Provided outreach to recent immigrant populations through brochures, posters and promotional materials prepared in Hmong, Khmer, Lao, Somali and Spanish; provided diversity training workshops for member library staff; identified and promoted use of multi-cultural performers and presentations at public libraries
- Traverse Des Sioux: Provided parents of newborns with packets containing a board book, a parenting pamphlet on "How to Raise a Reader," and a brochure listing TDS libraries featuring *Hug A Baby*, *Hug a Book* kits. Packets were also available in Spanish.

FINANCING INFORMATION:

- This budget activity is financed entirely with state aid.

BUDGET ISSUES:

- These initial outreach grants will reach only a small number of children and youth due to limited funding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity and redirecting the funds to more flexible funding sources for libraries.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: LIBRARIES
Activity: REG PUBLIC LIB SYSTEM OUTREACH

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	250	250	250	0	250	0	(500)	-100.0%
Total Expenditures	0	250	250	250	0	250	0	(500)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE REGIONAL LIBRARY OUTREACH	GEN				(250)		(250)		
Total Change Items					(250)		(250)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	250	250	250	0	250	0		
Total Financing	0	250	250	250	0	250	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0806 FEDERAL PROGRAMS
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
FEDERAL CITATION: P.L. 104-208

ACTIVITY PROFILE:

Purpose:

- To build electronic linkages and networks that support library services and to improve services to underserved populations.

Background:

- This program, under the Library Services and Technology Act, began in 1997. It replaced the Library Services and Construction Act that previously provided funds under 3 specific titles: Public Library Service, Public Library Construction and Library Cooperation.
- Minnesota awarded its first round of grants in September 1998, with a second to be awarded in June 1999.

Activity Description:

- Eligible applicants are regional library systems, existing or new consortia, and libraries that serve a statewide audience. Up to 4% of the appropriation can be used for administration at the state level.
- The state plan for use of federal funds has the following goals:
 - A. Establish or enhance electronic linkages among or between libraries;
 - B. Link libraries electronically with educational, social, or information services;
 - C. Assist libraries in accessing information through electronic networks;
 - D. Encourage libraries in different areas, and encourage different types of libraries to establish consortia and share resources;
 - E. Target library and information services to persons having difficulty using a library and to underserved urban and rural communities, including

children (from birth to age 17) from families with incomes below the poverty line.

- In awarding grants, the department considers:
 - Fulfillment of federal and state goals
 - Adherence to Minnesota's priority activity requirements
 - Integration with other regional and state initiatives
 - Congruence with long-range and technology plans
 - Collaboration with other libraries and non-library partners
 - Extension of access to unserved or underserved populations
 - Benefit to others outside of those immediately served
 - Ability to continue the project after the initial grant

STRATEGIES AND PERFORMANCE:

Federal Projects under LSTA Awarded in State Fiscal Years

	F.Y. 1998		F.Y. 1999	
	Projects	Funds	Projects	Funds
A. Electronically linking all types of libraries	16	\$936,596	17	\$1,116,102
B. Access to specialized resources	3	30,000	9	190,900
C. Access to electronic resources	6	193,072	6	383,246
D. Systems for interlibrary sharing	6	240,589	7	285,192
E. Targeted populations	1	154,620	2	164,610
Administration		79,380		
Other (Carry forward, state level, uncategorized)		77,305		
TOTAL	32	\$1,711,562	41	\$2,140,050

FINANCING INFORMATION:

- This budget activity is financed entirely with federal funds.

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Allotment	\$-0-	\$2,373	\$2,360	\$-0-	\$-0-
Carry Forward	-0-	515	1,176	-0-	-0-
Total Available	-0-	2,888	3,536	-0-	-0-

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0806 FEDERAL PROGRAMS
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
FEDERAL CITATION: P.L. 104-208
(Continued)

BUDGET ISSUES:

- The basis of federal funding has changed from one of specifically eligible programs under separate federal titles to a consolidated state-based program. This program emphasizes infrastructure-building, sharing resources and reaching underserved populations. Federal funds in Title I were previously put into the state's formula for funding regional public library systems. In making the transition to this new basis, the federal acceptance of Minnesota's 5 year plan allowed for formula distributions of \$1.3 million in F.Y. 1998 and F.Y. 1999 for project requests from the regional public library systems. Minnesota's ability to use future LSTA funding to carry out its 5 year plan assumes that regional public library systems will be funded so as not to require further guarantees of federal funds granted to them on a formula basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIBRARIES

Activity: MISC FEDERAL LIBRARY PRGS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	2,498	1,677	2,626	2,301	2,301	2,301	2,301	299	6.9%
Total Expenditures	2,498	1,677	2,626	2,301	2,301	2,301	2,301	299	6.9%
<u>FINANCING BY FUND:</u>									
STATUTORY APPROPRIATIONS:									
FEDERAL	2,498	1,677	2,626	2,301	2,301	2,301	2,301		
Total Financing	2,498	1,677	2,626	2,301	2,301	2,301	2,301		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0807 REGIONAL LIBRARY TELECOMM. AID
PROGRAM: Library Development and Services
AGENCY: Education, Children & Families
CITATION: M.S. 125B.20

ACTIVITY PROFILE:

Purpose:

- To support continuing public library telecommunications access and connections to the Minnesota Library Information Network (MnLINK), other databases, and Internet resources.

Background:

- Currently Minnesota is developing a statewide linked catalog system providing access to the resources of academic, public and state government libraries and of participating school library media centers. This MnLINK system has identified as primary resources the catalogs of the regional public libraries, including the metropolitan county libraries, the Minneapolis and Saint Paul public libraries in the metropolitan area. Through these gateways, all the affiliated public libraries in the state, serving over 99% of the state's population, will be linked with other members of the system.

Activity Description:

- The infrastructure built by libraries for shared catalog information will be used to access other licensed databases and locally produced electronic files. Workstations are also used for electronic reference services and patron access to resources and communication through Internet worldwide.
- Grants will be made to the 12 regional public library systems through applications to the Commissioner of Education, Children & Families. Grant amounts will cover the recurring telecommunication costs of public library services to provide linked catalog, database, electronic file, and Internet access.
 - These costs include leasing of telecommunications carrier lines, maintenance and services on maintaining connections, and replacement of equipment.
- The 12 regional public library systems participating in MnLINK are eligible for grants: 1) Arrowhead Library System, 2) East Central Regional Library, 3) Great River Regional Library, 4) Kitchigami Regional Library, 5) Lake Agassiz

Regional Library, 6) Metropolitan Library Service Agency, 7) Northwest Regional Library, 8) Pioneerland Library System, 9) Plum Creek Library System, 10) Southeastern Libraries Cooperating, 11) Traverse des Sioux Library System, and 12) Viking Library System.

- Through a one-time appropriation in 1997, the state is establishing MnLINK. Funds cover software development, hardware and participation by the University of Minnesota libraries, the Minnesota State College and University libraries, and other major participants on the PALS and LUMINA systems being replaced by MnLINK. This funding does not cover other gateway costs and does not fund the telecommunications transport system on which MnLINK needs to operate.

STRATEGIES AND PERFORMANCE:

- Specific objectives for program include:
 - the resources of public libraries will be made available to other type of library users of the MnLINK system and to Minnesotans through the state;
 - Minnesotans throughout the state will have access to MnLINK library catalogs, licensed databases, and other electronic files;
 - any user searching the system will be informed of resources close to home as well as throughout the state; and
 - participating school libraries in each region of the state will have access through their gateway connection to the full functionality of the system, expediting searching and resource sharing.

FINANCING INFORMATION:

This activity is financed entirely with state funds.

BUDGET ISSUES:

- In F.Y. 1998 and 1999, regional public library system eligibility for telecommunication access grants under the Minnesota Education Telecommunication Council funded participation in the Learning Network of Minnesota. Since regional public library systems do not have authority to levy, continued participation in MnLINK and other electronic systems depends upon replacement of grant funds.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$1.7 million for F.Y. 2000 and \$1.7 million for F.Y. 2001, with carryforward authority. This aid is paid on a 100% current basis.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: LIBRARIES

Activity: REGIONAL LIBRARY TELECOMM. AID

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	0	0	0	1,700	0	1,700	3,400	
Total Expenditures	0	0	0	0	1,700	0	1,700	3,400	
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) REGIONAL LIBRARY TELECOMM. AID	GEN				1,700		1,700		
Total Change Items					1,700		1,700		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	0	0	0	1,700	0	1,700		
Total Financing	0	0	0	0	1,700	0	1,700		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0901 EARLY CHILDHOOD FAMILY EDUCATION
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
CITATION: M.S. 124D.13; M.S. 124D.135, M.S. 124D.15

ACTIVITY PROFILE:

Purpose:

- To enhance the ability of all parents to provide for their children's optimal learning and development through education and support during the years from birth to kindergarten.

Background:

- ECFE began as a series of pilot programs from 1974 –1983. In 1984, the legislature made it possible for any school district with a community education program to establish the program.
- The 1997 legislature appropriated one-time funding of \$2 million for ECFE Infant Development Grants for use through June 30, 1999. High interest in the latest research about the importance of early brain development prompted this funding.

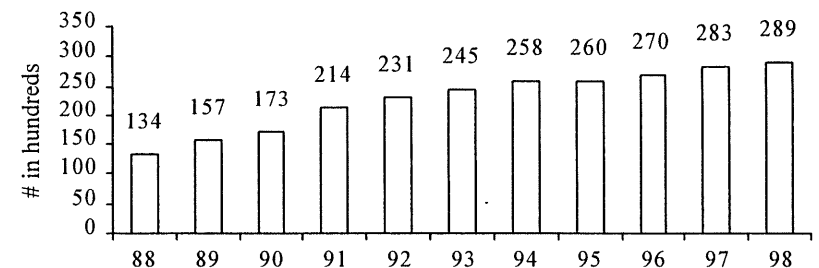
Activity Description:

- All ECFE programs are planned and implemented locally and may include the following:
 - parent discussion groups;
 - play and learning activities that promote children's development;
 - special events for the entire family;
 - early screening for children's health and development problems;
 - information on community resources for young children and families; and
 - libraries of books, toys, and other learning materials.
- The intent of the ECFE Infant Grant Program is to provide an increased focus on learning experiences for parents of infants that stimulate and nurture intellectual and emotional development.

STRATEGIES AND PERFORMANCE:

- 99.5% of school districts in Minnesota have ECFE programs. This has increased from 78% in 1990.
- The number of participants has grown over 200% in the last 10 years - from 134,000 in 1988 to 289,000 in 1998. The number of children and parents served are approximately equal.

ECFE Participation in Thousands, 1988 - 1998



- A study funded by The McKnight Foundation showed that:
 - Most parents reported that ECFE participation helped their young children. When surveyed, parents reported that their children demonstrated increased independence (72%), better communication skills (68%), and improved relationships with other children (62%).
 - 92% of low-income parents reported their ECFE participation made a positive difference in their awareness and understanding of child development and in their confidence as parents.
 - Over half (57%) of low-income parents demonstrated moderate or proficient knowledge and understanding of children and child development by the spring assessment.
- During the 1998-99 program year, all ECFE parents with infants in all school districts are being surveyed to assess their experience in the program. The results of this study will be available at the end of January.
- A pilot study of infant parents, conducted during the spring of 1998, included 384 families in 8 school district ECFE programs. These parents reported that their ECFE participation resulted in:
 - 90% of parents reported a better understanding of their infants and infant development

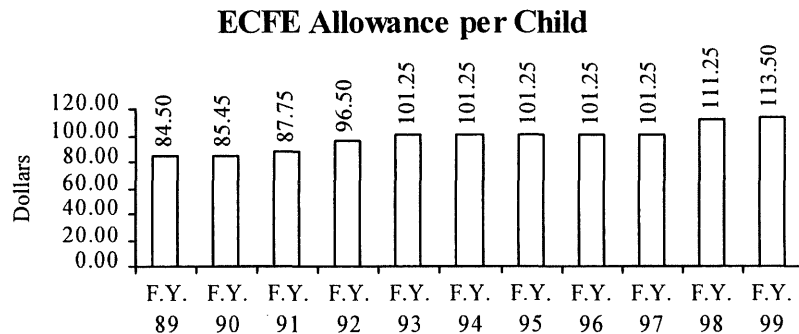
2000-2001 Biennial Budget

BUDGET ACTIVITY: 0901 EARLY CHILDHOOD FAMILY EDUCATION
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
(Continuation)

- 83% of parents reported improved understanding of what they can do as parents to support their baby's learning and development
- 88% reported making connections with other parents
- 56% reported becoming more aware of community services and support available to families with infants

FINANCING INFORMATION:

- This is a state aid and levy program.
- A district's maximum revenue equals the ECFE allowance times the greater of 150 or the number of children under 5 years of age residing in the district on October 1 of the previous school year.
- The ECFE allowance remained constant at \$101.25 from F.Y. 1993 until F.Y. 1998, when it jumped to \$111.25. In F.Y. 1999, it is \$113.50.



- The ECFE levy is the lesser of a fixed tax rate times the district's adjusted net tax capacity (ANTC), or the ECFE revenue. A district's ECFE aid is the

difference between the revenue and the levy. The 1998 legislature reduced the tax rate from 0.653% of ANTC to 0.45% of ANTC¹, increasing the state share from 37% in F.Y. 1999 to 51% in F.Y. 2000.

- Formula funding may be supplemented with registration fees and funds from other sources.

BUDGET ISSUES:

- Funding is not keeping pace with the demand for program services.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$18.445 million for F.Y. 2000 and \$19.328 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$17.991 million in F.Y. 2000 (\$1.390 million for F.Y. 1999 and \$16.601 million for F.Y. 2000) and \$19.239 million in F.Y. 2001 (\$1.844 million for F.Y. 2000 and \$17.395 million for F.Y. 2001).

¹ This is before adjustments for changes enacted in 1997 and 1998 in the class rates used to compute net tax capacity.

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0901 - Early Childhood Family Education
Program: Children & Family Support

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	16,471	14,536	18,445	19,328		
	2. Statutory Excess/(Shortfall)	(639)	(637)				
	3. Appropriated Entitlement	15,832	13,899				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	0	24				
	5. State Aid Entitlement under Current Law	15,832	13,923	18,445	19,328	8,018	26.95%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	15,832	13,923	18,445	19,328	8,018	26.95%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	20,316	23,763	20,252	19,937	(3,890)	-8.83%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	20,316	23,763	20,252	19,937	(3,890)	-8.83%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	36,148	37,686	38,697	39,265	4,128	5.59%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	36,148	37,686	38,697	39,265	4,128	5.59%
Appropriations Basis for State Aid							
	Prior Year (10%)	1,359	1,585	1,390	1,844		
	Current Year (90%)	14,247	12,509	16,601	17,395		
	Transfers per M.S. 127A.41, subdivision 9	0	24				
	Total State Aid - General Fund	15,606	14,118	17,991	19,239		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0902 LEARNING READINESS
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
CITATION: M.S. 124D.15; M.S. 124D.16

ACTIVITY PROFILE:

Purpose:

- To provide eligible children opportunities to participate in child development programs that promote future success in school.

Background:

- In 1991, state funding of \$8 million was first made available to Minnesota school districts for Learning Readiness.

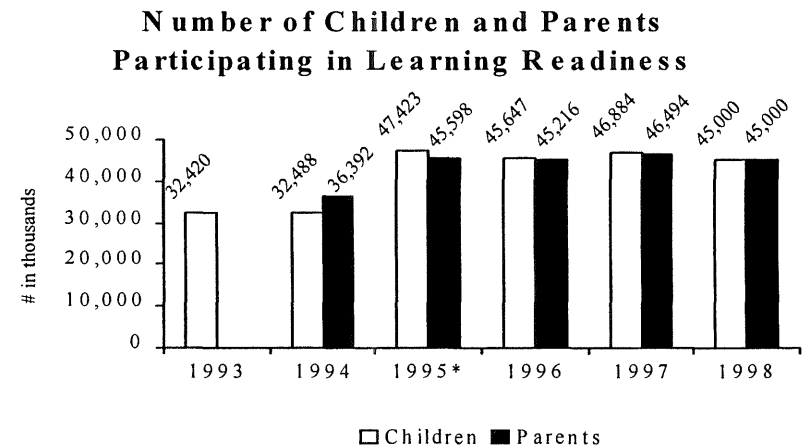
Program Description:

- Learning Readiness is not a single separate program, but a system that provides a continuum of services for 4-year old children based on needs identified through the early childhood screening process by building upon existing resources. It includes both comprehensive referrals and direct services for children and families.
- Examples of the wide array of collaborative and coordinated services include:
 - comprehensive Head Start and Family Literacy/ESL programs;
 - the addition of parent education and special needs services to existing preschool and child care center programs;
 - "life experience" field trips;
 - "kindergarten connection" classes for children and parents;
 - story hours with take-home activity kits provided by the public library;
 - special nutrition education sessions offered through Minnesota Extension Services;
 - day of child only activities added to Early Childhood Family Education;
 - collaboration with Early Childhood Special Education.

- All programs are planned and implemented locally based upon community needs and resources and must include the following:
 - a comprehensive plan to coordinate social services;
 - a development and learning component;
 - a nutrition component;
 - health referral services;
 - parent involvement;
 - community outreach;
 - community-based staff and program resources; and
 - a parental literacy component.

STRATEGIES AND PERFORMANCE:

- 345 of Minnesota's 350 school districts (98.8%) have Learning Readiness programs.
- Coordinating services is critical to Learning Readiness. In 1996-97, a total of 17,627 referrals were made between Learning Readiness and other community services and programs.



- * In 1995, the program received an additional appropriation of \$1.5 million from the omnibus crime bill.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0902 LEARNING READINESS
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
(Continued)

- 1996-97 Participant Characteristics :
 - 5,751 children identified with developmental delays and disabilities;
 - 31% of parents had a high school diploma/GED or less;
 - throughout Minnesota, 7% of parents had not completed high school. In Minneapolis and St. Paul, almost 36% of parents had not completed high school;
 - over 39% of participating families had household income of less than \$30,000, including 9% of families who had household incomes of less than \$10,000. In Minneapolis and St. Paul, the percentage was almost 31%;
 - over 20% of participating families were headed by a single parent.
- Kindergarten teachers and parents report that children in the program have been making developmentally appropriate progress for school success. The 1996-97 evaluation provided systematic information about child progress indicating that many 4-year old children in the sample demonstrated progress on the 27 indicators in personal and social development, and language and literacy.
- Currently, Learning Readiness programs are gathering outcome data in three areas of child development for school readiness: personal and social development; language and literacy; and mathematical thinking. The Department plans to have the results in the January 1999.

FINANCING INFORMATION:

- This program is funded entirely with state aid.
- For F.Y. 1995, an additional \$1,500,000 was appropriated as part of violence prevention initiatives, Laws 1994, Chapter 576.
- Funding has remained fairly constant since F.Y. 1994.
- Districts receive aid equal to: 1) the number of eligible 4-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 4-year old children reported to the commissioner that year; plus 2) the number of pupils enrolled in the school district from families eligible for the free or reduced lunch program times the ratio of 50% of the total learning readiness aid for that school year to the number of pupils in the state from families eligible for the free or reduced school lunch program.

BUDGET ISSUES:

- There is an increase in the number of children identified who need comprehensive and intensive services. This requires close coordination among health, education and social service providers.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an entitlement of \$10.395 million for F.Y. 2000 and \$10.395 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$10.395 million in F.Y. 2000 (\$1.040 million for F.Y. 1999 and \$9.355 million for F.Y. 2000) and \$10.395 million in F.Y. 2001 (\$1.040 million for F.Y. 2000 and \$9.355 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0902 - Learning Readiness
Program: Children & Family Support

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	10,397	10,395	10,395	10,395		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	10,397	10,395				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)						
	5. State Aid Entitlement under Current Law	10,397	10,395	10,395	10,395	(2)	-0.01%
	6. Governor's Recommended Aid Change(s)						
	7. Governor's Aid Recommendation	10,397	10,395	10,395	10,395	(2)	-0.01%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0	0	0.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0	0	0.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	10,397	10,395	10,395	10,395		
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	10,397	10,395	10,395	10,395	(2)	-0.01%
Appropriations Basis for State Aid							
	Prior Year (10%)	949	1,040	1,040	1,040		
	Current Year (90%)	9,359	9,353	9,355	9,355		
	Transfers per M.S. 127A.41, subdivision 9						
	Total State Aid - General Fund	10,308	10,393	10,395	10,395		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0903 EARLY CHILDHOOD HEALTH AND DEVELOPMENT SCREENING
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
CITATION: M.S. 121A.16; M.S. 121A.19

ACTIVITY PROFILE:

Purpose:

- To assist parents and communities in improving the educational readiness and health of young children through the early detection of factors that may impact children's learning, growth and development.

Background:

- The basic program began in 1977. In 1990, a more comprehensive health screening program was established for 3 year olds. In 1992, the comprehensive screening for 3 year olds was abolished.
- In 1992, basic (less comprehensive) screening became a mandate prior to public school enrollment, targeting children ages 3 ½ - 4 years. Minnesota school districts are required to offer screening once prior to public school entrance.

Activity Description:

- The program includes: outreach, screening, and referral and follow-up.
- Required screening components include: 1) vision, 2) hearing, 3) height, 4) weight, 5) development (cognitive, social/emotional, fine/gross motor and speech/language), 6) immunization review, 7) identification of risk factors that may interfere with learning, and 8) a summary interview with parents.
- Optional components include: 1) health history, 2) review of family factors that might affect development, 3) nutritional assessment, 4) physical and dental assessment, 5) blood pressure, and 6) laboratory tests.
- The objectives of early childhood screening are to:
 - detect and seek solutions to conditions interfering with children's growth, development, and learning;
 - increase parental awareness of physical health, development, and learning

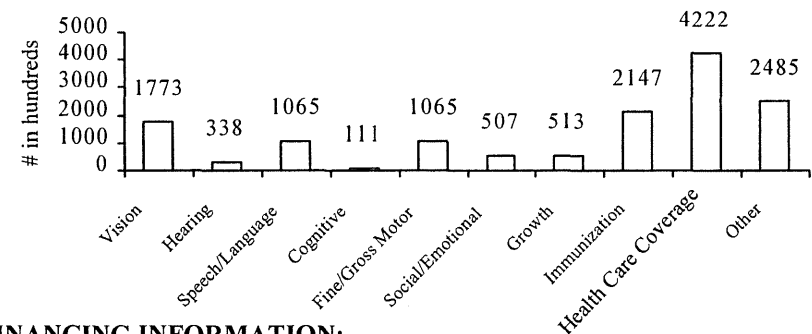
readiness connections;

- improve access to and encourage the regular use of preventive health services; and
- link families to a wide array of community services and programs.

STRATEGIES AND PERFORMANCE:

- In F.Y. 1997, a total of 63,943 children were screened (F.Y. 1998 data is not yet compiled and analyzed). Of this total:
 - 16,607 children referred to health and education services for assessment.
 - 2,092 children placed in Early Childhood Special Education.
 - 4,826 children referred to the Learning Readiness Program.
 - 5,629 families referred to Early Childhood Family Education (ECFE).
 - 1,331 children referred to Head Start.
 - 268 parents referred to adult education/literacy.

1997: # of New Potential Problems Identified

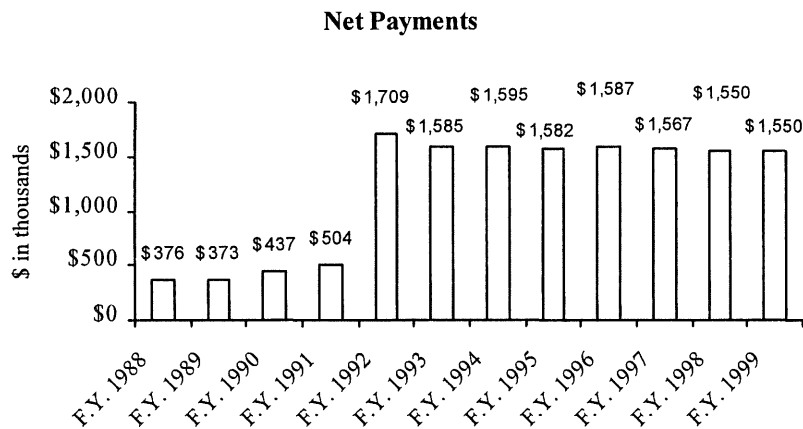


FINANCING INFORMATION:

- State aid has remained fairly constant at \$1.5 million since the early 1990's.
- This program is funded with state aid, and supplemented with in-kind funding from other education aid and community resources. This is necessitated because the actual cost of basic screening exceeds reimbursable amount of \$25.
- State funding does not reimburse for optional components.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0903 EARLY CHILDHOOD HEALTH AND
DEVELOPMENT SCREENING
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
(Continued)



* Net payments may exceed the appropriations due to distribution of excesses and deficiencies (M.S. 124.14).

BUDGET ISSUES:

- The publicity surrounding fetal alcohol syndrome has significantly increased interest in identifying potentially affected children.
- There is an increasing challenge to identify eligible children due to family mobility, language barriers and recent immigration populations.
- Comprehensive and intensive follow-up services are required for potential problems identified in some children. However, inadequate funding limits community capacity to provide follow-up services.

- The state reimbursement rate of \$25 per child covers slightly more than ½ of the actual average costs of the required components. When the state aid does not meet actual costs, districts draw on K-12 General Education aid, Early Childhood Family Education funds, Learning Readiness funds, Early Childhood Special Education funds, Community Education and community resources and volunteers to make up the difference.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends increasing funding to cover the cost of the required screening components.
- The Governor recommends an aid entitlement of \$3.050 million for F.Y. 2000 and \$3.050 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$2.9 million in F.Y. 2000 (\$155,000 for F.Y. 1999 and \$2.745 million for F.Y. 2000) and \$3.05 million in F.Y. 2001 (\$305,000 for F.Y. 2000 and \$2.745 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 0903 - Health and Developmental Screening
Program: Children & Family Support

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	1,550	1,550	1,550	1,550		
	2. Statutory Excess/(Shortfall)						
	3. Appropriated Entitlement	1,550	1,550				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)						
	5. State Aid Entitlement under Current Law	1,550	1,550	1,550	1,550	0	0.00%
	6. Governor's Recommended Aid Change(s)						
	a. Cover Full Cost of Screening			1,500	1,500		
	7. Governor's Aid Recommendation	1,550	1,550	3,050	3,050	3,000	96.77%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0	0	0.00%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0	0	0.00%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	1,550	1,550	1,550	1,550	0	0.00%
	a. Subtotal - Governor's Revenue Change			1,500	1,500		
	b. Governor's Revenue Recommendation	1,550	1,550	3,050	3,050	3,000	96.77%
Appropriations Basis for State Aid							
	Prior Year (10%)	155	155	155	305		
	Current Year (90%)	1,395	1,395	2,745	2,745		
	Transfers per M.S. 127A.41, subdivision 9	0	0				
	Total State Aid - General Fund	1,550	1,550	2,900	3,050		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0904 WAY TO GROW
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
CITATION: M.S. 124D.17

ACTIVITY PROFILE:

Purpose:

- To promote the intellectual, social, emotional and physical development, and school readiness of children pre-birth to age 6 by coordinating and improving access to community and neighborhood-based services that support and assist children and their families.

Background:

- Way to Grow began in 1989. By 1991, 5 communities were selected as Way to Grow sites: Minneapolis, St. Paul-Frogtown, Columbia Heights, St. Cloud, and Winona.
- Recipients of Way to Grow funds are well-established service providers who identified several of the most pressing problems facing their communities. These problems require intensive service strategies.

Activity Description:

Way to Grow is a method of delivering services in a coordinated, extensive, and intensive approach to meet identified community needs.

- Depending on community needs, programs provide the following:
 - services to pregnant women early in their pregnancies;
 - establishment of networks and collaboration to promote culturally specific systems of services to families; and
 - support to prevention and intervention programs for families with young children at risk of child abuse and neglect.
- The program is designed around the following strategies:
 - home visitors that link at-risk families with services and advocate for their needs;
 - coordinated, interdisciplinary resource teams of professionals that focus on family needs;
 - identifying and promoting local resources for families;

- facilitating the expansion of the local service system to address unmet needs; and
- organizing neighborhood-based education and training.

STRATEGIES AND PERFORMANCE:

- Program participation has grown from 4,125 children and parents in 1995 to 4,650 in 1999.
- A 1997 department study showed that:
 - 96% of parents reported that their participation in Way To Grow made a positive difference in their knowledge and understanding of child development, and 93% reported increases in their confidence as parents.
 - 88% of parents reported better understanding of programs and services for families and children and greater ease in obtaining services on their own as compared to before their involvement.

FINANCING INFORMATION:

- This program is funded entirely with state aid which is used locally to leverage other funds.
- Funding has remained at the same level for all 5 programs from 1995 to 1999:

- Minneapolis	\$175,000
- St. Paul-Frogtown	\$125,000
- Columbia Heights	\$58,000
- St. Cloud	\$58,000
- Winona	\$58,000

BUDGET ISSUES:

- Four of the 5 grantees are Early Childhood Family Education (ECFE) programs which are implementing the more intensive strategies that most ECFE programs would choose to offer to their neediest families, if funding would permit.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$475,000 for F.Y. 2000 and \$475,000 for F.Y. 2001, with carryforward authority within the current biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: CHILDREN AND FAMILY SUPPORT

Activity: WAY TO GROW

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	475	475	475	475	475	475	475	0	.0%
Total Expenditures	475	475	475	475	475	475	475	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	475	475	475	475	475	475	475		
Total Financing	475	475	475	475	475	475	475		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0905 HEAD START
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.50 - 119A.54
FEDERAL CITATION: 42 U.S.C. 9801 et seq.

ACTIVITY PROFILE:

Purpose:

- To assist economically disadvantaged families break the cycle of poverty by improving the health and social competence (which encompasses cognitive, intellectual, and social development; physical and mental health; and nutritional needs) of young children and promoting economic self-sufficiency for parents.

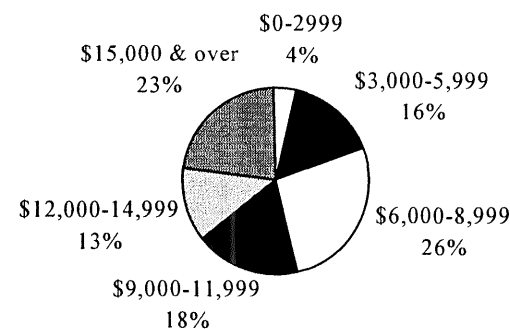
Background:

- Head Start in Minnesota began in 1965 as a federally funded program. State funding began in 1988.
- State funding for Head Start has seen 2 significant increases since the inception of state funding. In F.Y. 1990, the program received a 550% increase from the previous year (\$1 million to \$5.5 million), and in F.Y. 1998 the program received a 63% increase over the previous year (\$11.5 million to \$18.75 million). With the F.Y. 1998 increase, the program provided services to approximately 900 additional low-income children's families.
- Of the 34 Head Start programs in Minnesota, 1 is operated by a school district, 7 by Indian reservations and 26 by private nonprofit corporations, of which 23 are community action agencies (CAAs).
- In recognition of the research that identifies the period from birth to 3 as critical to healthy growth and development and to later success in school and life, the Minnesota legislature appropriated \$2 million for the 1998-99 biennium for a birth-to-three Head Start initiative. Two-year grants were awarded on a competitive basis to 7 Head Start agencies.

Activity Description:

- In order to be eligible to receive Head Start services, children must be living at or below the federal poverty level. In program year 1997-98, 46% of families had annual incomes at or below \$9,000 and 64% had annual incomes at or below \$12,000. Forty-six percent of eligible children and families are currently being served.

Minnesota Head Start Family Income Levels



- Ten percent of enrollment in Head Start is specifically reserved for children with diagnosed disabilities. In program year 1997, 17% of enrolled children had diagnosed disabilities.
- Head Start provides a comprehensive program of health, education, parent involvement and social services. This programming is guided by Federal Head Start Program Performance Standards, which include the following core component areas:
 - Early Childhood Development and Health Services;
 - Family and Community Partnerships; and
 - Program Design and Management.
- Parents participate in Head Start by:
 - making decisions about what kind of program to have and how it will operate;
 - participating in classrooms as paid employees, volunteers and observers;
 - participating in adult activities which they have planned; and
 - working with their own children on developmentally appropriate activities with the support of Head Start staff.
- There are a variety of Head Start program models. As local needs vary, some communities choose to provide home-based services, other choose to provide center-based services, while some choose to provide a combination of the two. Most Head Start programming is for 9 months of the year.
- The federal Head Start Collaboration grant allows Head Start to create significant statewide partnerships in order to meet the increasingly complex, intertwined and difficult changes of improving services for low-income children and families. Supporting local Head Start/Child Care partnerships is a primary focus of this competitive grant.

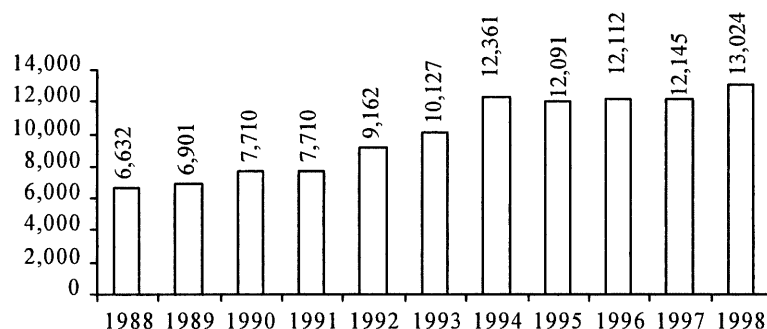
2000-2001 Biennial Budget

BUDGET ACTIVITY: 0905 HEAD START
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
 (Continued)

- This partnership will help provide full day/full year programming for families moving from welfare to work.

STRATEGIES AND PERFORMANCE:

Number of Families Served



- Outcomes from the 1997-98 Head Start Program year include:
 - 97% of children enrolled had up-to-date immunizations.
 - 67% of children were enrolled in Child and Teen Checkups/EPSDT.
 - 92% of families requiring emergency or crisis assistance (such as the need for food, housing, clothing or transportation) received services.
 - 84% of families needing counseling or information on mental health issues that place the family at risk (including substance abuse, child abuse and neglect, and domestic violence) received services.
 - 86% of parents with education or employment training needs received services.
 - 33% of Head Start staff were current or former Head Start parents.
 - Over 29,000 Minnesotans (including 15,346 Head Start parents) volunteered in Head Start.

FINANCING INFORMATION:

- Head Start is funded with state and federal funds. All federal Head Start program dollars are granted directly to Head Start agencies. Only those federally funded Head Start agencies in existence as of 1989 are eligible to receive state Head Start funds.
- Money is allocated based equally on the grantee share of federal Head Start funds and on the proportion of eligible children in the grantee service area who are not currently being served.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Funding	\$11,500	\$11,500	\$11,500	\$18,375	\$18,375
Federal: Directly to Grantees**	\$40,500	\$43,200	\$43,200	\$46,877	\$53,397
Federal Collaboration Grant to CFL	\$100	\$100	\$100	\$100	\$100
Federal HS/Child Care Partnership Grant	\$0	\$0	\$0	\$50	\$50

** This money goes directly to Head Start grantees and does not pass through the Department of Children, Families & Learning.

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to administrative reporting provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- Most Head Start programs currently operate on a half-day basis. As more and more Head Start parents are working full-time due to welfare reform, there will be an increased demand for full-day, full-year services.
- In light of new research and findings on human brain development, infant/toddler programming is emerging as a necessary precursor to successful preschool programming. Historically, Head Start has served preschool children and their families, but programs are now beginning to have formal programming for children ages birth to 3.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$18.375 million for F.Y. 2000 and \$18.375 million for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: CHILDREN AND FAMILY SUPPORT

Activity: HEAD START PROGRAM

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
LOCAL ASSISTANCE	0	18,268	18,787	18,418	18,418	18,418	18,418	(219)	-.6%
Total Expenditures	0	18,268	18,787	18,418	18,418	18,418	18,418	(219)	-.6%
FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	0	18,237	18,763	18,375	18,375	18,375	18,375		
STATUTORY APPROPRIATIONS:									
FEDERAL	0	31	24	43	43	43	43		
Total Financing	0	18,268	18,787	18,418	18,418	18,418	18,418		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0906 CHILD CARE ASSISTANCE
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119.B
FEDERAL CITATION: P.L. 104-193, Title VI P.L. 101-508

ACTIVITY PROFILE:

Purpose:

- To help low-income families pay for child care so that parents may pursue employment or education leading to employment.

Background:

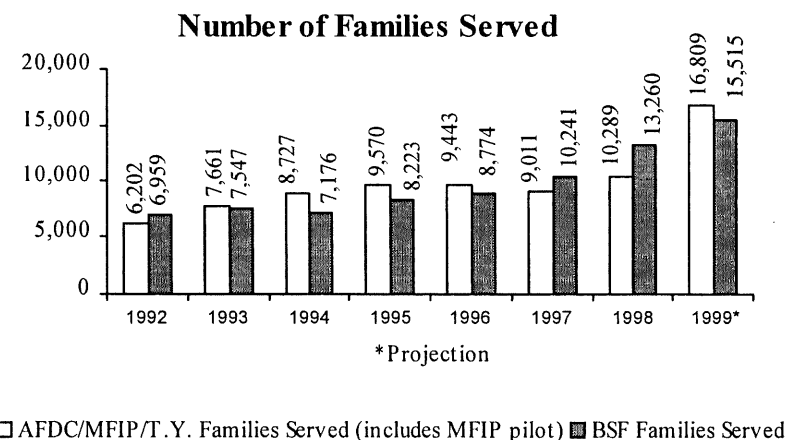
- The child care assistance program began in 1980.
- Prior to January 1, 1998, the MFIP program was known as the AFDC program.
- Due to welfare reform, the Governor and the 1997 legislature increased overall child care assistance funding by approximately 130% from the previous biennium.

Activity Description:

- This activity provides child care subsidies to low-income families participating in welfare reform activities and low-income families who are not connected to cash assistance programs.
- State child care assistance is composed of two programs: the Minnesota family investment plan (MFIP) and basic sliding fee (BSF) child care. County social service agencies administer the programs.
- MFIP helps cash assistance families and families moving off cash assistance (Transition Year families) pay for child care while participating in authorized activities. The following families are eligible to receive child care assistance: 1) MFIP families who are employed or pursuing employment, or participating in employment and training activities authorized in an approved employment services plan; and 2) employed families who are in their first year off of MFIP (transition year).

- BSF Child Care helps pay the child care costs of low-income families not participating in MFIP, and helps keep families off welfare. Families with incomes below 75% of the state median income who participate in authorized activities, such as employment, job search and job training are eligible for the BSF program.
- In 1997, the Minnesota Legislature created the at-home infant child care program (AHIC), which went into effect on July 1, 1998. AHIC allows BSF families with infant children to receive a portion of their regular BSF subsidy, for up to 12 months, while staying at home with their infant child (and other children).
- Both MFIP and BSF require co-payments of all families with incomes above 75% of the poverty level. Copayments begin at \$5.00 per month and increase based on family size and income.

STRATEGIES AND PERFORMANCE:



- For both MFIP and BSF, the average number of children per family is approximately 1.6.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0906 CHILD CARE ASSISTANCE
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119.B
FEDERAL CITATION: P.L. 104-193, Title VI P.L. 101-508
 (Continued)

FINANCING INFORMATION:

- Child care assistance is funded by state General Fund appropriations and federal child care and development (CCDF) monies.

Child Care Assistance Expenditures				
Dollars in Thousands				
	<u>State</u>	<u>Federal</u>	<u>County</u>	<u>Total</u>
1992				
AFDC	\$9,235	\$11,783		\$21,018
BSF	\$10,576	\$9,246	\$5,723	\$25,545
1993				
AFDC	\$10,801	\$14,724		\$25,525
BSF	\$7,776	\$12,869	\$9,275	\$29,920
1994				
AFDC	\$13,156	\$17,551		\$30,707
MFIP/Pilot	\$16	\$5		\$21
BSF	\$9,526	\$14,129	\$5,316	\$28,971
1995				
AFDC	\$14,393	\$19,127		\$33,520
MFIP/Pilot	\$2,221	\$626		\$2,847
BSF	\$9,526	\$16,326	\$7,776	\$33,628
1996				
AFDC	\$14,568	\$19,258		\$33,826
MFIP/Pilot	\$4,402	\$1,241		\$5,643
BSF	\$15,526	\$16,302	\$5,366	\$37,194
1997				
AFDC	\$15,532	\$18,937		\$34,469
MFIP/Pilot	\$4,446	\$1,254		\$5,700
BSF	\$24,751	\$13,842	\$5,078	\$43,671
1998				
AFDC/MFIP-S	\$23,929	\$18,105		\$42,034
MFIP/Pilot	\$4,276	\$3,971		\$8,247
BSF	\$41,415	\$15,885	\$4,179	\$61,479
1999				
MFIP-S	\$46,344	\$41,536		\$87,880
BSF	\$54,001	\$16,749	\$2,914	\$73,664

F.Y. 2000-01 Current Law

	<u>State</u>	<u>Federal</u>	<u>County</u>	<u>Total</u>
2000				
MSIP-S	\$87,688	\$27,801		\$115,489
BSF	\$50,751	\$16,749	\$2,914	\$70,414
2001				
MFIP-S	\$90,069	\$32,004		\$122,073
BSF	\$50,751	\$16,749	\$2,914	\$70,414

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements

- Child care and development fund (CCDF) monies are used in accordance with federal regulations to support child care assistance, child care development and child care administration. CCDF funds are budgeted to support program integrity, federal reporting requirements and simplified administration in S.F.Y. 2000 and 2001.
- The department's agency budget includes \$5.8 million in one-time expenditures and approximately \$700,000 in ongoing costs from CCDF for the development and implementation of a statewide data management system for the child care assistance program.
- The federal program consists of 3 funding streams: mandatory, matching and discretionary. The mandatory and discretionary funds do not require a state match. However, in order to receive the matching funds, the state must meet a maintenance of effort (MOE) requirement of \$19.6 million. Expenditures above that level will be matched at the federal medical assistance participation rate up to the amount of money available in the matching allocation. It is important to note that the federal program has substantial reporting requirements.
- MFIP child care is a forecasted program. Counties are reimbursed for 100% of their expenditures and also receive an administrative allowance equal to 5% of their earnings. This covers approximately ½ of actual total program administrative costs.
- State expenditures in MFIP Child Care are used to meet maintenance of effort (MOE) requirements for both the Federal CCDF and TANF funding.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0906 CHILD CARE ASSISTANCE
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119.B
FEDERAL CITATION: P.L. 104-193, Title VI P.L. 101-508
(Continued)

- Funding for the BSF program is capped and allocated to counties on a calendar year cycle. Counties are required to contribute a minimum direct service match and in many cases choose to contribute additional county funds. Counties receive an administrative allowance equal to 5% their earnings. This allowance is capped at 1/21 of their allocation.

BUDGET ISSUES:

- BSF child care is essential to MFIP welfare reform. It is a primary support service available to assist families who have completed their transition year. It is also the primary child care subsidy program for low-income working families who do not receive cash assistance.
- After completing their transition year (T.Y.), many MFIP families still need assistance with child care costs to support employment and keep them from returning to welfare. Although families completing T.Y. are second priority for assistance through the BSF program, the appropriation for BSF is not sufficient to allow all eligible families to receive assistance with child care costs.
- Waiting lists for BSF assistance exist in many counties because BSF funds are inadequate to meet demand. As of 12/31/98, there are 7,446 families on the waiting lists statewide.

GOVERNOR'S RECOMMENDATION:

The Governor recommends:

- An appropriation for the basic sliding fee child care program of \$20.751 million in F.Y. 2000 and \$20.751 million in F.Y. 2001, with carryforward authority within the biennium.

- An appropriation for the MFIP child care program of \$87.688 million in F.Y. 2000 and \$90.069 million in F.Y. 2001, with carryforward authority within the biennium.
- A transfer of \$30.7 million in F.Y. 2000 and \$30.125 million in F.Y. 2001 from the federal TANF fund to the federal CCDF block grant, appropriated to the department. Of this amount, \$30 million each year is for the basic sliding fee child care program, and \$700,000 in F.Y. 2000 and \$125,000 in F.Y. 2001 is for child care quality and availability activities. This recommendation maintains the overall level of funding for basic sliding fee child care for F.Y. 2000-01, but decreases the state's proportion of that funding. It also maintains compliance with the federal CCDF requirement that 4% of CCDF funds expended by the state be used to support the child care infrastructure in the form of quality and availability set-asides. Because the TANF transfer is from a one-time funding source, the costs for basic sliding fee child care for F.Y. 2002 and F.Y. 2003 are carried in the General Fund planning estimates at \$50.751 million each year.

	Dollars in Thousands			
	BSF Current Law		BSF Governor's Budget	
	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
State	\$50,751	\$50,751	\$20,751	\$20,751
Federal CCDF	\$16,749	\$16,749	\$16,749	\$16,749
TANF Transfer	<u>\$-0-</u>	<u>\$-0-</u>	<u>\$30,000</u>	<u>\$30,000</u>
TOTAL	\$67,500	\$67,500	\$67,500	\$67,500

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: CHILDREN AND FAMILY SUPPORT

Activity: CHILD CARE ASSISTANCE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	72,888	107,596	158,816	182,989	183,689	189,573	189,698	106,975	40.2%
Total Expenditures	72,888	107,596	158,816	182,989	183,689	189,573	189,698	106,975	40.2%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) BSF GENERAL FUND REPLACEMENT	GEN				(30,000)		(30,000)		
(B) TANF TRANSFER FOR BSF	FED				30,700		30,125		
Total Change Items					700		125		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	40,285	69,623	100,531	138,439	108,439	140,820	110,820		
STATUTORY APPROPRIATIONS:									
FEDERAL	32,603	37,973	58,285	44,550	75,250	48,753	78,878		
Total Financing	72,888	107,596	158,816	182,989	183,689	189,573	189,698		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0907 CHILD CARE DEVELOPMENT
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119B
FEDERAL CITATION: P.L. 104-193, 45 CFR 98 and 99

ACTIVITY PROFILE:

Purpose:

- To improve the quality and availability of child care for Minnesota families.

Background:

- In 1988, the Child Care Service Development Grants Program was funded at \$125,000 annually and the Child Care Resource & Referral Program(CCR&R) at \$125,000 annually.
- In 1990, base funding for the Child Care Service Development Grants Program increased to \$500,000. It remained constant until F.Y. 1998 when the program received a one-time increase of \$2 million to respond to the increased demand for child care anticipated with welfare reform.
- In 1990, the CCR&R Program base was increased to \$558,000 to expand statewide. In 1996, funding increased to \$838,000 to accommodate additional legislatively mandated duties. The program received a one-time increase in 1998 of \$550,000 for capacity building in response to welfare reform.
- In 1998, the legislature also appropriated an additional \$1.5 million in one-time funding for child care training and facility loan programs in response to welfare reform.

Activity Description:

- The child care development program funds grants to both public and private agencies to:
 - help families access appropriate child care;

- improve the quality of early childhood care and education programs;
- train child care center staff and family child care providers;
- develop special child care services, such as care for infants, school-age children, sick children, children with special needs, care during non-traditional hours; and
- provide comprehensive, culturally relevant early childhood care and education services to children.

- 23 Child Care Resource & Referral sites are funded throughout the state to help parents access appropriate care and information about available child care subsidy programs, build the supply and improve the quality of child care, and coordinate community resources and information. The department contracts with regional CCR&R agencies to administer the child care service development funds.

STRATEGIES AND PERFORMANCE:

Types of Grants Funded

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Service Development	500	500	500	500	2,500	500
Facility Development	0	0	0	0	500	0
Training Grants	0	0	0	0	1,000	0
Migrant Child Care	200	200	300	300	300	300
Cultural Dynamics	0	0	50	200	200	200
CC Resource & Ref	588	588	838	838	1,338	838
CC Apprenticeship	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>27</u>
TOTAL	1,315	1,315	1,715	1,865	5,865	1,865

CCR&R Program

	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
# of families receiving referrals from CCR&R	29,056	28,983	29,885	29,056	29,950	31,946*
# of licensed child care centers & nursery schools	1,318	1,447	1,468	1,486	1,509	1,547
# of licensed family child care homes	13,026	14,124	14,549	14,714	14,899	14,959
# of accredited child care programs	228	401	435	620	571	560

* From January 1, 1998 to June 30, 1998 20% of the total families (3,466) served were MFIP families.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0907 CHILD CARE DEVELOPMENT
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
 (Continued)

- A request for proposals for grant funds has been published and awarded to administer a statewide household child care survey to collect data on child care usage patterns. This information will be used to help plan for building an adequate supply of child care options for Minnesota families.

FINANCING INFORMATION:

- Child care development is funded by state General Fund appropriations and federal child care and development (CCDF) monies.

	Dollars in Thousands							
	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
State Aid	\$1,315	\$1,315	\$1,715	\$1,865	\$5,865*	\$1,865	\$1,865	\$1,865
Federal Aid	<u>3,664</u>	<u>3,664</u>	<u>3,595</u>	<u>4,586</u>	<u>4,586</u>	<u>4,586</u>	<u>4,581</u>	<u>4,689</u>
TOTAL	\$4,979	\$4,979	\$5,310	\$6,451	\$10,451	\$6,451	\$6,446	\$6,554

* In 1997, additional one-time funding was appropriated.

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- The increase in the number of mothers working due to federal and state welfare reform efforts will put pressure on the capacity of the current child care system. There may not be enough child care available to accommodate this increased need, particularly for those hours outside the traditional work hours (nonstandard hour care), such as evenings, nights and weekends.
- The demand for CCR&R services has outpaced the resources available to

meet the demand. Referrals increased by 20% in the last year, reflecting the increase of MFIP families needing child care.

- The regional service delivery areas for CCR&R programs in Greater Minnesota range from 4 to 11 counties, making it difficult to provide services to local communities.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$1.865 million for F.Y. 2000 and \$1.865 million for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: CHILDREN AND FAMILY SUPPORT

Activity: CHILD CARE DEVELOPMENT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	45	25	0	0	0	0	0	(25)	-100.0%
OPERATING EXPENSES	57	18	0	0	0	0	0	(18)	-100.0%
SUBTOTAL STATE OPERATIONS	102	43	0	0	0	0	0	(43)	-100.0%
PAYMENTS TO INDIVIDUALS	2	6	0	0	0	0	0	(6)	-100.0%
LOCAL ASSISTANCE	5,687	11,473	11,501	6,446	6,446	6,554	6,554	(9,974)	-43.4%
Total Expenditures	5,791	11,522	11,501	6,446	6,446	6,554	6,554	(10,023)	-43.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	2,013	4,980	2,753	1,865	1,865	1,865	1,865		
STATUTORY APPROPRIATIONS:									
FEDERAL	3,778	5,942	8,028	4,581	4,581	4,689	4,689		
GIFT	0	600	720	0	0	0	0		
Total Financing	5,791	11,522	11,501	6,446	6,446	6,554	6,554		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0908 EXTENDED DAY
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
CITATION: M.S. 124D.19; M.S. 124D.22

ACTIVITY PROFILE:

Purpose:

- To enable school districts to offer extended day (school-age care) programs and services to children with disabilities or children experiencing family or related problems of a temporary nature.

Background:

- The Minnesota legislature created the extended day/school-age care (SAC) permissive legislation in 1989. No authorized levy or state aid was appropriated at that time.
- In 1992, the legislature authorized school districts to levy money for programs to serve children with disabilities or children experiencing family or related problems of a temporary nature who participated in the program. All state aid and levy funding goes to providing services for these children.

Program Description:

- School-age care programs operate throughout the year for children and youth age kindergarten through grade 6. Children attend SAC programs during their out-of-school time while their parents are at work. SAC programs promote expansion of student learning opportunities.
- Programs must include the following components:
 - adult supervised activities while school is not in session;
 - parental involvement in program design and direction;
 - partnerships with K-12 system, and other public, private or nonprofit entities; and
 - opportunities for trained secondary school pupils to work with younger children as part of a community service program.
- Local school districts set standards for the programs.

STRATEGIES AND PERFORMANCE:

- Extended day/school-age care in the public schools has grown substantially in the past 10 years:
 - from 40 to 173 participating school districts; and
 - from 6,000 to over 17,000 participating children and youth.
- The number of districts authorized to levy has grown from 90 in 1993 to 132 in 1998.

FINANCING INFORMATION:

- This program is funded with both state aid and levy.
- General extended day/school-age care programming is funded primarily through parent fees. A permissive levy with equalizing state aid may also be used for purposes of including children with disabilities or children experiencing family or related problems.
- The extended day revenue for a district equals the approved additional cost of providing services to these children. 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 revenue and the levy.

BUDGET ISSUES:

- As the demand for school-age care services continues to increase so does the need for quality programming that is also appropriate for children and youth with disabilities. The number of districts authorized to levy and receive aid is expected to increase, as is the dollar amount each district will receive.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$271,000 for F.Y. 2000 and \$209,000 for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$274,000 in F.Y. 2000 (\$30,000 for F.Y. 1999 and \$244,000 for F.Y. 2000) and \$216,000 in F.Y. 2001 (\$27,000 for F.Y. 2000 and \$189,000 for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 0908 - Extended Day
Program: Children & Family Support

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	344	338	264	204		
	2. Statutory Excess/(Shortfall)	0	(38)				
	3. Appropriated Entitlement	344	300				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		2				
	5. State Aid Entitlement under Current Law	344	302	264	204	(178)	-27.55%
	6. Governor's Recommended Aid Change(s)						
	a. Reinstate Learning Year			7	5		
	7. Governor's Aid Recommendation	344	302	271	209	(166)	-25.70%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	3,056	3,347	4,223	4,282	2,102	32.83%
	9. Governor's Recommended Levy Change(s)						
	a. Reinstate Learning Year			(8)	(4)		
	10. Governor's Levy Recommendation	3,056	3,347	4,215	4,278	2,102	32.64%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	3,400	3,649	4,487	4,486	1,924	27.29%
	a. Subtotal - Governor's Revenue Change			(1)	1		
	b. Governor's Revenue Recommendation	3,400	3,649	4,486	4,487	1,924	27.29%
Appropriations Basis for State Aid							
	Prior Year (10%)	37	34	30	27		
	Current Year (90%)	310	270	244	189		
	Transfers per M.S. 127A.41, subdivision 9	0	2				
	Total State Aid - General Fund	347	306	274	216		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0909 INFANT & TODDLERS - PART C
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
STATE CITATION: M.S. 125A.26 - M.S. 125A.48
FEDERAL CITATION: P.L. 94-142, Part C, IDEA (Individuals with Disabilities Act)

ACTIVITY PROFILE:

Purpose:

- To provide comprehensive services to eligible children with disabilities, from birth through age two, and their families.

Background:

- Minnesota has participated in Part C, IDEA (formerly Part H), P.L. 94-142, a federal, interagency family-centered systems change initiative since F.Y. 1987.
- With the passage of MS 125A.26, in F.Y. 1995 Minnesota moved into full implementation, assuring the availability of interagency Part H/C services throughout the state.

Activity Description:

- The program is required to:
 - Establish eligibility criteria
 - Identify a lead agency and a state level coordinating council (ICC)
 - Implement a child find process
 - Create public awareness
 - Develop central directory and a tollfree 1-800 telephone number
 - Implement individualized service plan (IFSP)
 - Develop nondiscriminatory evaluation and assessment, supervision and monitoring
 - Provide supervision and monitoring
 - Establish interagency financial procedures
 - Create and maintain state interagency agreement that describes intra- and interagency dispute resolution processes, complaints and a system for data collection

- The Department of Education, Children & Families is the lead agency for the administration, supervision and monitoring of this program. Designees of the Commissioners of the Department of Education, Children & Families; Health; and Human Services (the collaborating agencies) participate on the State Agency Committee (SAC). SAC determines overall policy, direction and leadership for the program. The Governor's Interagency Coordinating Council (ICC) advises and assists the lead agency, the Governor, Legislature, and collaborating agencies in the development and implementation of the statewide early intervention system.
- The program assists and provides funds to the 94 local interagency early childhood intervention committees (IEICs). The IEICs are responsible for the development, coordination and implementation of a comprehensive local system of interagency early childhood intervention services for young children and their families.
- Services are offered in conformity with an Individual Family Services Plan (IFSP) and provided in natural environments including the home, child care setting, early childhood special education program or other early childhood education settings.
- Appropriate services include: family education and counseling, special instruction, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, nursing, respite care, nutrition, assistive technology, transportation, social work, vision services, service coordination, medical services for diagnostic and evaluation purposes, early identification, screening and assessment.

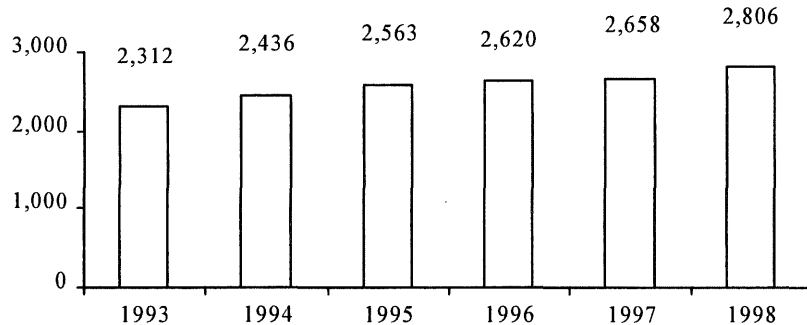
STRATEGIES AND PERFORMANCE:

- Numbers of children have increased slightly due to improved child find procedures at the local level and expanded tracking and follow along activities through local interagency early intervention committees (IEICs). However, numbers remain less than those projected in the F.Y. 1994 fiscal study requested by the Legislature.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0909 INFANT & TODDLERS - PART C
PROGRAM: Children and Family Support
AGENCY: Education, Children & Families
 (Continued)

Children Served



FINANCING INFORMATION:

- The program is currently supported entirely with federal funds which continue to be sufficient through F.Y. 1999.
- Minnesota's allocation is based on the number of all children in the cohorts from birth through age two. The number of children identified and the amount of federal funding are likely to remain stable.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Federal Aid	5,100	4,900	4,900	5,300	5,300

Note: Funding levels shown in this table may differ from the expenditure shown on the federal program fiscal summary and the fiscal page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- Based on the findings of the fiscal study requested by the Legislature in F.Y. 1994, state funding request was determined for an interagency appropriation of \$2 million dollars: \$800,000 to MDH, \$800,000 to DHS, and \$400,000 to Education, Children & Families. The additional funding was to supplement federal funds based on projected increases in the numbers of eligible children and families identified and served. A total of \$400,00 was appropriated to ECF. Due to miscommunication, the initial requests for DHS & MDH did not materialize. To date ECF has not needed to access the state funds as growth has occurred more slowly than anticipated. MDH and DHS currently receive no appropriation.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends no state appropriation for this activity at this time.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: CHILDREN AND FAMILY SUPPORT

Activity: INFANT & TODDLERS-PART C

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	6,190	4,814	4,546	4,946	4,546	4,546	4,546	(268)	-2.9%
Total Expenditures	6,190	4,814	4,546	4,946	4,546	4,546	4,546	(268)	-2.9%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE PART H/C MATCH	GEN				(400)				
Total Change Items					(400)				
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	0	0	400	0	0	0		
STATUTORY APPROPRIATIONS:									
FEDERAL	6,190	4,814	4,546	4,546	4,546	4,546	4,546		
Total Financing	6,190	4,814	4,546	4,946	4,546	4,546	4,546		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1001 FAMILY SERVICES COLLABORATIVE GRANTS
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
CITATION: M.S. 124D.23

ACTIVITY PROFILE:

Purpose:

- To provide incentives to communities which foster cooperation and collaboration in order to integrate services and improve outcomes for children and families.

Background:

- The family services collaborative grants were initiated in 1993.
- The number of collaboratives has grown from 13 in 1994 to 64 in 1998. Funding has increased from \$2.5 million in 1994 to \$7 million in 1999.
- Collaborative grant funding has leveraged over \$19.4 million dollars in federal revenue enhancement in 1997.

Activity Description:

- Collaborative grants are designed for communities that have developed measurable goals and a comprehensive plan to improve services for children and families. Communities must invest funds in locally determined preventive services.
- The state's role is to promote policies that: 1) enhance local decision making; 2) improve public accountability; and 3) improve the ability of families to gain access to services.
- Communities that establish collaboratives must have a comprehensive plan for serving children ages 0-18 and their families. This plan must coordinate funding streams and commit resources to an integrated fund, and contain clear goals and outcome-based indicators to measure progress toward these goals.

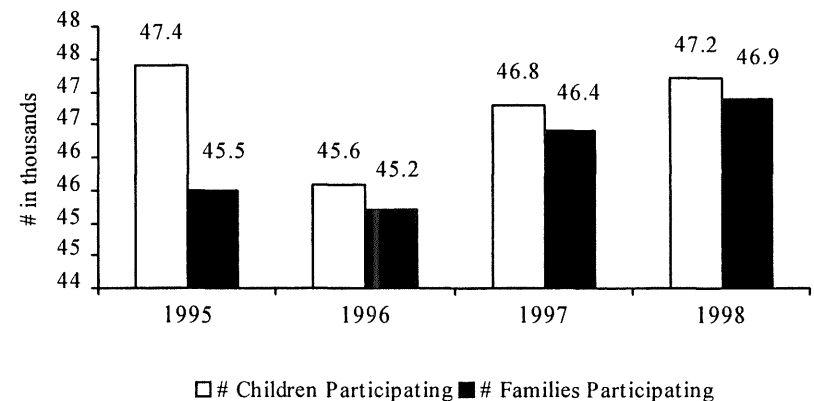
- Collaboratives must include at least one school district, one county, one public health organization and one community action program or Head Start program in their governance structures.

STRATEGIES AND PERFORMANCE:

- Collaboratives have developed and prioritized a core set of common outcomes which will be reported to the Department on an annual basis.
- An estimated 90% of the state's children ages 0-18 years currently reside in communities receiving grant funds.
- As of September 1998, a total of 256 school districts and 62 counties were participating in family services collaborative initiatives. This is up from F.Y. 1994, when a total of 68 school districts and 14 counties participated.

	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998
Number of Counties	14	26	46	54	62
Number of School Districts	68	126	194	226	245
% of School Districts	20	37	54	66	71

Number of Children and Families Served from 1995-1998



2000-2001 Biennial Budget

BUDGET ACTIVITY: 1001 FAMILY SERVICES COLLABORATIVE GRANTS
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
(Continued)

- Outcome data:
 - Nicollet and Blue Earth Counties reported that 4,178 out-of-home placement bed days were averted at a cost saving of \$296,000. These two counties also reported that school attendance improved by 28% and that 30% of children improved their level of academic achievement.
 - Out of home placement costs in Cass County decreased by \$32,000 in 1995 and \$154,000 in 1996.
 - Anoka county school districts have reported a drop in the number of kindergartners entering school without screenings.
 - In Becker County, outreach to families of newborns has increased from less than 40% to 98% between January 1995 and July 1996. The county also realized a cost saving of \$37,000 due to reduced duplication of early childhood screenings.

FINANCING INFORMATION:

- Family service collaborative grants are funded with state aid.
- Collaboratives are funded for a 5-year period from their date of implementation. Funding remains constant for the first 3 years, then declines by 1/3 in each of the last 2 years. Initial funding amounts are based on guidelines determined by the Children's Cabinet.

BUDGET ISSUES:

- Funding needs to be ensured for approved collaboratives for a full 5 years from their date of implementation in order for them to get a sound start. Collaboratives that began implementation funding in F.Y. 1999 would earn 5-year funding through F.Y. 2003.

- Collaboration and service integration require planning, meetings, and joint decisions about service delivery on a daily basis. Continuing coordination is required in order to make sure this continues to occur. Funding needs to be ensured over the long run in order to support the continuing coordination needed for collaboration to be successful.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$6.825 million for F.Y. 2000 and \$6.825 million for F.Y. 2001, with carryforward authority within the biennium. Funding for this program should be phased out after the state's 5-year financial commitment to the existing collaboratives is fulfilled

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: COMMUNITY AND SYSTEMS CHANGE
Activity: FAMILY COLLABORATIVES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	9,486	7,339	6,798	6,825	6,825	6,825	6,825	(487)	-3.4%
Total Expenditures	9,486	7,339	6,798	6,825	6,825	6,825	6,825	(487)	-3.4%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	9,486	7,339	6,798	6,825	6,825	6,825	6,825		
Total Financing	9,486	7,339	6,798	6,825	6,825	6,825	6,825		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1002 COMMUNITY EDUCATION
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
CITATION: M.S. 124D.18; M.S. 124D.20-124D.21

ACTIVITY PROFILE:

Purpose:

- To promote lifelong learning for Minnesotans of all ages through a process of citizen involvement in identifying community learning needs and learning resources, and to maximize utilization of public schools.

Background:

- Community education began in Minnesota nearly 30 years ago. Community education is an optional program for Minnesota's public school districts. Every district has chosen to operate a community education program.

Activity Description

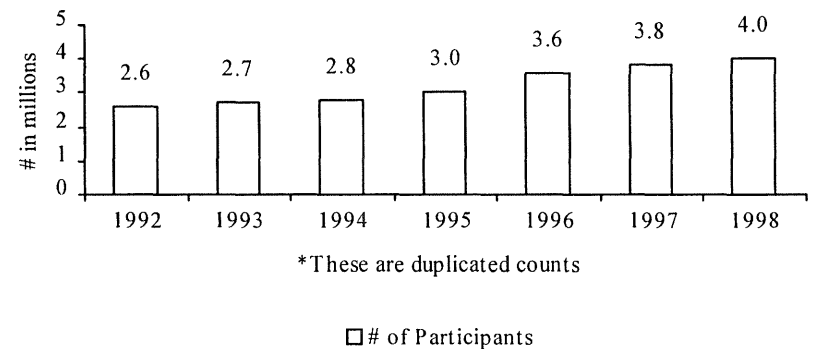
- Community Education is an education partnership between the community and the formal education systems, whereby the resources of each are used for the continuing growth and betterment of the other. As defined for school districts "community education includes services rendered by a school district beyond the regular K-12 program as recommended by the community education advisory council and approved by the local school" (State Board Rule 3530.5600).
- The following programs and activities are among those operating through community education at the local level (as specified in M.S. 124D.20, subd. 8).
 - adults with disabilities;
 - adult basic education;
 - youth development;
 - youth service;
 - early childhood family education programs (ECFE);
 - extended day school-age care;
 - summer programs for elementary and secondary pupils; and
 - nonvocational, recreational, and leisure activities.

- Youth development and youth service funds provide incentives to districts to plan for and meet the special needs of youth in the community. Both are funded through an extension of the general community education funding formula.
- Community education provides community involvement, feedback processes and administrative support for many popular programs through which schools serve children, families and communities. Family literacy, adult basic education, school age care, and early childhood family education are some of the more visible programs administered through community education.
- Local school boards establish Community Education Advisory councils and hire local staff to promote and implement the program.

STRATEGIES AND PERFORMANCE:

- In 1997, more than 67,000 activities were conducted by districts through community education.

Number of Participants 1992-1998



- The participation in youth development/service activities increased to 190,000 young people in 1997, an 8% increase from the previous year.
- Department staff are working with the Center for Democracy and Citizenship

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1002 COMMUNITY EDUCATION
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
(Continued)

at the Humphrey Institute on the "Value of Citizen Work" project to develop qualitative data about changes in individuals and communities that result from the citizen involvement aspects of Community Education. The Charles Stewart Mott Foundation currently funds this project.

FINANCING INFORMATION:

- This is a state aid and levy program.
- A district's maximum revenue equals the community education allowance times the greater of 1,335 or the population of the district. The community education allowance has remained at \$5.95 for the past 12 years.
- Districts that have implemented a youth development plan and a youth service program receive an additional \$1 times the greater of 1,335 or the population of the district.
- The community education levy is the lesser of a fixed tax rate times the district's adjusted net tax capacity (ANTC) or the community education revenue. A district's community education aid is the difference between the revenue and the levy.
- The 1998 legislature reduced the tax rate from 1.09% to 0.41% of ANTC¹, increasing the state share from 4% in F.Y. 1999 to 49% in F.Y. 2000.
- Formula funding is supplemented with registration fees and funds from other sources.

¹ This is before adjustments for changes enacted in 1997 and 1998 in the class rates used to compute net tax capacity

BUDGET ISSUES:

- Community education is crucial to the community because it provides the personal link to schools for many families and individuals who do not have school-age children.
- Participation in community education offerings increases citizen support for overall education.
- As community education costs rise and funding levels remain constant, districts must create new ways to fund programs and activities.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an aid entitlement of \$15.528 million for F.Y. 2000 and \$14.604 million for F.Y. 2001.
 - Based on these entitlements, the Governor recommends an appropriation of \$14.136 million in F.Y. 2000 (\$160,000 for F.Y. 1999 and \$13.976 million for F.Y. 2000) and \$14.696 million in F.Y. 2001 (\$1.552 million for F.Y. 2000 and \$13.144 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 1002 - Community Education Aid
Program: Community & Systems Change

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	1,762	1,327	15,528	14,604		
	2. Statutory Excess/(Shortfall)	5	277				
	3. Appropriated Entitlement	1,767	1,604				
	4. Adjustment(s)						
	a. Balance Forward	(5)	5				
	b. Excess Funds Transferred In / (Out)		(282)				
	5. State Aid Entitlement under Current Law	1,762	1,327	15,528	14,604	27,043	875.46%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	1,762	1,327	15,528	14,604	27,043	875.46%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	29,873	30,619	16,710	17,982	(25,800)	-42.65%
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	29,873	30,619	16,710	17,982	(25,800)	-42.65%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	31,635	31,946	32,238	32,586	1,243	1.95%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	31,635	31,946	32,238	32,586	1,243	1.95%
Appropriations Basis for State Aid							
	Prior Year (10%)	236	175	160	1,552		
	Current Year (90%)	1,587	1,448	13,976	13,144		
	Transfers per M.S. 127A.41, subdivision 8		(282)				
	Total State Aid - General Fund	1,823	1,341	14,136	14,696		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1003 ADULTS WITH DISABILITIES
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
CITATION: M.S. 124D.56

ACTIVITY PROFILE:

Purpose:

- To integrate adults with disabilities with others in their community.

Background:

- The program began in 1986.
- The 1997 legislature appropriated one-time funding that resulted in the addition of 4 new sites, each receiving \$20,000 for two years only.

Activity Description:

- Services and programs supported by this program include:
 - services enabling adults to participate fully in community education classes;
 - staffing and knowledgeable program coordinators/resources persons and training;
 - outreach and marketing strategies to identify and encourage adults needing services;
 - courses/activities that meet consumer needs and enhance the contribution of people with disabilities in the community; and
 - activities that increase public awareness of the people with disabilities.
- 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, Children & Families. A request for approval must include 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.

STRATEGIES AND PERFORMANCE:

- The number of school districts involved in the program has remained relatively constant at 77 over the last 5 years.
- In 1996, there were 900,000 Minnesotans with disabilities. The number of participants has increased over the past 10 years from approximately 9,000 in F.Y. 1988 to 37,000 in 1998. This is a result of the passage of the American with Disabilities Act (ADA), an increasing aging population, and increased awareness of mental health problems and other disabilities. Most of this increase occurred between 1993 and 1994 when participants grew from 18,000 to 35,000.

FINANCING INFORMATION:

- This program is a state aid and levy program.
- State aid formula provides the lesser of \$30,000 or one-half the actual expenditures. A district is required to match this aid amount from local sources. A district is permitted to levy the lesser of \$30,000 or the actual expenditures minus the amount of state aid for the program.
- Funding has remained relative constantly over the last 5 years.

BUDGET ISSUES:

- With passage of the federal American Disabilities Act (ADA), which guarantees accessibility in employment, transportation and public accommodation for disabled individuals, interest in this program increased dramatically while funding has remained constant.
- This program is not available statewide. The districts receiving funding are located in areas where significant numbers of potential users reside. Yet, many adults with disabilities live where programs either are nonexistent or are unable to offer accessible transportation and necessary support services.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$670,000 for F.Y. 2000 and \$670,000 for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: COMMUNITY AND SYSTEMS CHANGE
Activity: ADULTS WITH DISABILITIES PROG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	646	710	710	670	670	670	670	(80)	-5.6%
Total Expenditures	646	710	710	670	670	670	670	(80)	-5.6%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	646	710	710	670	670	670	670		
Total Financing	646	710	710	670	670	670	670		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1004 HEARING IMPAIRED
PROGRAM: Community and Systems Change
AGENCY: Education, Children & Families
CITATION: M.S. 124D.57

ACTIVITY PROFILE:

Purpose:

- To assure equal access to continuing education opportunities for hearing impaired adults by providing interpreter or note-taker services.

Background:

- The program began in the 1980's as a direct service program. Full-time students are not eligible for this aid.

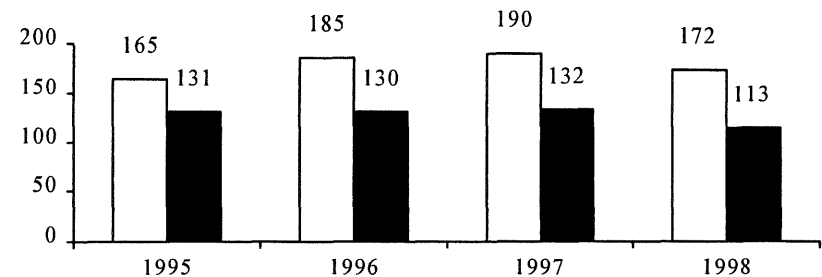
Activity Description:

- This program:
 - targets part-time adult students with hearing impairments;
 - provides access to vocational education programs promoting educational growth and development;
 - enhances and encourages life-long learning.
- Aid is provided for interpreter, note-taking and close captioning services.
 - typically, one interpreter is employed for up to five adults with hearing impairments;
 - a note-taker normally provides service to a single student;
 - aid has also been provided to include closed captioning on educational video tapes that benefit a greater number of hearing impaired individuals.
- Both public and private agencies providing adult education classes to hearing impaired adults may apply to the Minnesota Department of Children, Families & Learning for reimbursement of the costs of providing interpreting services. To the extent funds are available, full reimbursement of the costs of providing the service is made.

STRATEGIES AND PERFORMANCE:

- Approximately 55% of requests come from school districts. The remaining 45% come from other public and private organizations.

- The number of applications received exceeds the number of applications funded. In F.Y. 1998, the number of requests decreased because applicants were aware that there was not enough funding to meet the demand.



□ # of applications received ■ # of applications funded

FINANCING INFORMATION:

- This program is funded entirely with state aid. Over the last 10 years, funding has remained at \$70,000 for each fiscal year.

BUDGET ISSUES:

- Since 1996, requests for funding have exceeded the \$70,000 appropriation. In 1998, requests exceeded funding available by \$35,000. Moreover since 1995, the amount each program request has increased significantly. In 1998, the average request was \$600; in 1995, it was \$300.
- This program is very labor intensive. For example, the cost of providing interpreter services to one person for an activity/program is the same as providing that service to a group of people.
- The number of inquiries has increased with the advent of the ADA.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$70,000 for F.Y. 2000 and \$70,000 for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: COMMUNITY AND SYSTEMS CHANGE
Activity: HEARING IMPAIRED ADULTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	70	70	70	70	70	70	70	0	.0%
Total Expenditures	70	70	70	70	70	70	70	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	70	70	70	70	70	70	70		
Total Financing	70	70	70	70	70	70	70		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1101 VIOLENCE PREVENTION EDUCATION GRANT
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
CITATION: M.S. 120B.22-120B.23

ACTIVITY PROFILE:

Purpose:

- To implement violence prevention programming for K-12 students, by integrating the programming into existing curricula and helping students learn to resolve conflicts.

Background:

- Minnesota began funding this program in the 1992-93 school year.
- School districts apply for funds in a single application that combines the federal Safe and Drug-Free School and Communities funds with state violence prevention education funds. (See budget activity 1110).

Activity Description:

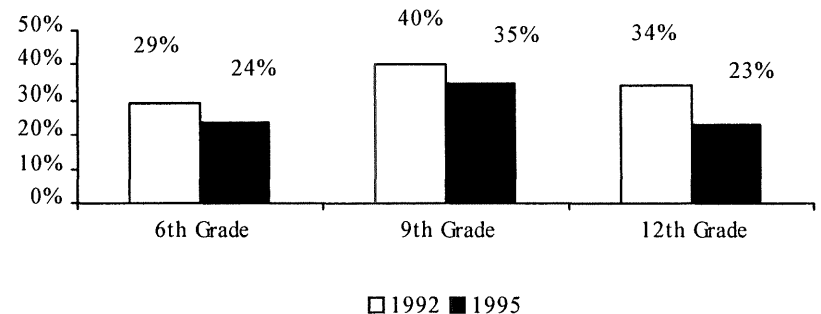
- Districts receive funding after submitting an appropriate plan. Districts whose plans do not adequately match the legislative mandate are provided with technical assistance to help them develop appropriate violence prevention education plans.
- Districts use **Unlearning Violence**, the state violence prevention plan for schools and communities. ECF wrote and distributed this publication in 1995 as a guide for school district planning.
- Violence prevention plans generally incorporate the use of the following methods:
 - Conflict resolution curricula and programming - 70% of districts
 - Peer education programs - 61%
 - Parent education/involvement - 64%
 - "You're the one who can make the peace" media campaign - 41%
 - One time special events - 88%
 - Restorative measures and positive discipline programs - 30%

- Community involvement is strong. All schools work with at least 2 outside agencies or organizations to augment and strengthen activities.

STRATEGIES AND PERFORMANCE:

- All Minnesota school districts participate in the program.
- Performance is exemplified by the following sample data:
 - In 1998, 70% of districts reported the use of conflict resolution strategies. Another 30% of districts reported using restorative measures.
 - Byron Public Schools experienced a 35% decrease in referrals to the principal after the conflict mediation program was implemented.
- Safe and Drug Free School staff is aiding districts in implementing the 4 Principles of Effectiveness, which requires research and evaluation to inform prevention program selection. The principles are slated to be fully implemented in 2001.

Percent Engaged in Vandalism By Grade and Year



FINANCING INFORMATION:

- This budget activity is funded from state sources.
- Beginning in 1997, the funds were distributed to the school district at a rate of \$1.56 per pupil unit.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1101 VIOLENCE PREVENTION EDUCATION
GRANT

PROGRAM: Prevention/Intervention

AGENCY: Education, Children & Families
(Continued)

BUDGET ISSUES:

- Calls from schools and parents requesting assistance have tripled in the past year due in part to the national rash of school shootings, yet funding has remained constant.
- More challenging students require more sophisticated responses. Over 82 districts applied for one-time state funding to prevent suspensions. Four districts were awarded \$286,500 in grant funds. Requests for funding exceeded \$6 million.
- Hate/bias crimes are challenging school systems as school populations throughout the state are becoming more diverse.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$1.450 million for F.Y. 2000 and \$1.450 million for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: VIOLENCE PREVENTION EDUCATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	1,450	1,233	1,667	1,450	1,450	1,450	1,450	0	.0%
Total Expenditures	1,450	1,233	1,667	1,450	1,450	1,450	1,450	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	1,450	1,233	1,667	1,450	1,450	1,450	1,450		
Total Financing	1,450	1,233	1,667	1,450	1,450	1,450	1,450		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1102 MALE RESPONSIBILITY
PROGRAM: Prevention/Intervention/Criminal Justice
AGENCY: Education, Children & Families
CITATION: M.S. 124D.33

ACTIVITY PROFILE:

Purpose:

- To educate young people, particularly males ages 10-21, on the responsibility of parenthood.

Background:

- The 1994 legislature appropriated \$500,000 in one-time funding. Fifteen programs were funded.
- In 1995, the legislature appropriated additional funding of \$750,000 for the 1996-1997 biennium.
- In 1997, the legislature appropriated another \$500,000 for the 1998-99 biennium. Nine organizations were selected for funding.

Activity Description:

- Through the prevention and intervention grant application process, grants are awarded on a competitive basis to programs designed to prevent teen pregnancy and crime.
- Recipient programs must assist youth to:
 - understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;
 - understand the long-term responsibility of fatherhood;
 - acquire parenting skills and knowledge of child development; and
 - find community support for their roles as fathers and nurturers of children.
- The funded programs are serving 3 distinct categories of males:
 - young males who are considered to be most in need of fathering and parenting programs;
 - young males who already are fathers; and
 - the general male population.

- 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.

STRATEGIES AND PERFORMANCE:

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants Awarded	15	14	9	9	9
Number of Education Presentations Provided to Youth	1,775	774	1,363	1363*	NA
Number of Male Participants	2,792	4,214	5,319	5,500	NA
Number of Other Participants**	3,763	4,696	4,664	4,800	NA

* 1998 numbers are estimates.

** Other participants include young women, parents, etc.

- These programs have served as national models for groups around the country interested in beginning similar initiatives.

FINANCING INFORMATION:

- This is a state aid financed program.
- Every 2 dollars of state money must be matched with at least 1 dollar of nonstate money, including in-kind contributions. Programs with a higher match have a greater chance of receiving a grant.

BUDGET ISSUES:

- Funding for this program has been decreasing while requests for funding has consistently increased. In 1997, the department received \$2.1 million in requests, while only \$500,000 was available. This is the only state program that focuses specifically on male responsibility for fathering.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing this program beginning in F.Y. 2000.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: MALE RESPONSIBILITY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	372	250	250	250	0	250	0	(500)	-100.0%
Total Expenditures	372	250	250	250	0	250	0	(500)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE MALE RESPONSIBILITY PROGRAM	GEN				(250)		(250)		
Total Change Items					(250)		(250)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	372	250	250	250	0	250	0		
Total Financing	372	250	250	250	0	250	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1103 ABUSED CHILDREN PROGRAM
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.20 - 23
FEDERAL CITATION: Victims of Crime Act of 1984 (VOCA)

ACTIVITY PROFILE:

Purpose:

- To fund services for abused children.

Background:

- The program began in 1987 when the Department of Corrections received its first Victims of Crime Act (VOCA) grant from the U.S. Department of Justice. State funding began in 1994.
- Of the current state funded programs, 22 are in greater Minnesota and 16 are in the metropolitan area. Of the current federally funded programs, 28 are in greater Minnesota and 20 are in the metropolitan area.

Activity Description:

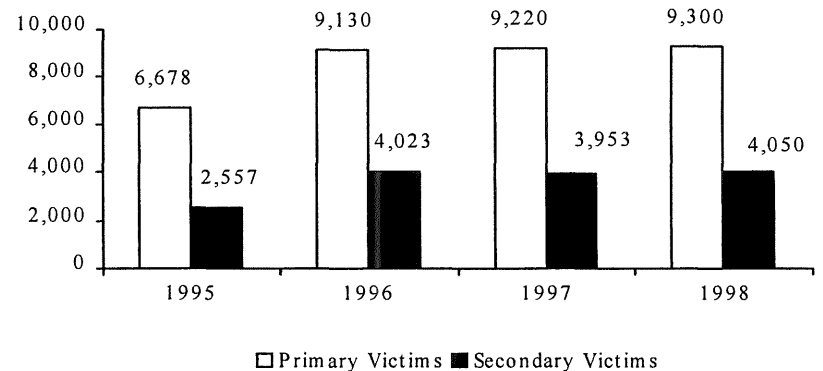
- Program funds enable the department to award grants that provide services to victims of child abuse and neglect and their families, and to adolescent victims of non-familial physical and/or sexual assault.
- Abused children programs provide a comprehensive approach to child abuse, including crisis intervention and prevention activities. In addition, programs may serve an entire community or a specific population, such as children of color, hearing impaired children, or children abused through involvement with the sex industry.
- **State Funding:** Funds for the program go to the following types of activities:
 - funding salaries for children's advocates;
 - advocating for legal, educational, medical and other services for abused children;
 - transporting and accompanying children to court, social services, and medical appointments;
 - training volunteers and staff;

- training and mentoring young adult/teen peer advocates;
- purchasing brochures and other materials to publicize services for abused children; and
- providing workshops on child abuse to Southeast Asian families in Rochester and Mankato.

- **Federal Funding:** Federal fund activities are restricted to intervention services to victims and cannot be used for prevention activities or for training professionals.

STRATEGIES AND PERFORMANCE:

Number Victims Served



Primary: the person against whom the abuse is directed.

Secondary: persons receiving services as a result of their own reaction to or needs resulting from abuse directed against a primary victim (i.e., non-abusing parent)

FINANCING INFORMATION:

- The program's budget is derived from state and federal funding sources.
- Federal funds must be used to enhance or expand services to victims and may not be used to supplant state and local funds that would otherwise be available for crime victim services.

2000-2001 Biennial Budget

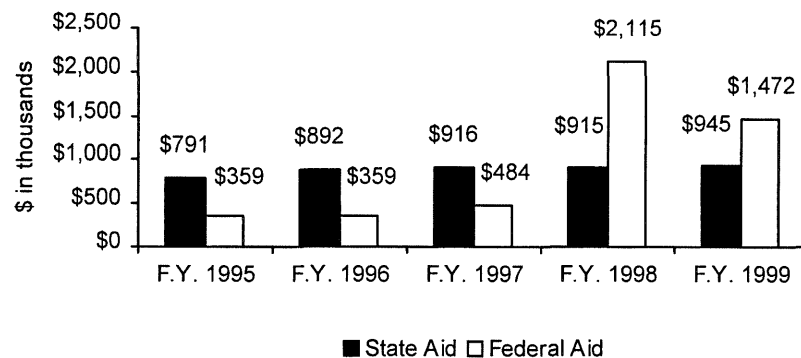
BUDGET ACTIVITY: 1103 ABUSED CHILDREN PROGRAM
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
(Continued)

time-limited, extremely restrictive federal funds. Only 11 programs could be funded with the \$1.1 million available.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$945,000 for F.Y. 2000 and \$945,000 for F.Y. 2001, with carryforward authority within the biennium.

Actual Appropriations



* The federal funding source consists of fines, forfeitures and other monies collected from federal offenders.

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

- In F.Y. 1998, federal funding increased significantly as the result of the successful prosecution of the Daiwa Bank fraud case. Federal funds are expected to decrease again in F.Y. 2000.

BUDGET ISSUES:

- The Abused Children Advisory Council strategic plan adopted in December 1993 calls for an abused children program in every county in Minnesota. However, current funding is not sufficient to achieve this goal.
- In 1997, the department received 42 applications requesting over \$4 million in

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: ABUSED CHILDREN

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	1,532	2,547	2,675	2,675	2,675	2,675	2,675	128	2.5%
Total Expenditures	1,532	2,547	2,675	2,675	2,675	2,675	2,675	128	2.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	1,031	915	945	945	945	945	945		
STATUTORY APPROPRIATIONS:									
FEDERAL	501	1,632	1,730	1,730	1,730	1,730	1,730		
Total Financing	1,532	2,547	2,675	2,675	2,675	2,675	2,675		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1104 COMMUNITY CRIME PREVENTION
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
CITATION: M.S. 119A.31

ACTIVITY PROFILE:

Purpose:

- To enhance the community's sense of personal security and to assist the community in its crime control and prevention efforts.

Background:

- This grant was initiated by the Minnesota legislature in 1989 to fund a diverse array of crime prevention initiatives impacting both adults and children.
- In 1997, these funds were paired with \$2.5 million in federal Byrne memorial funds targeted for crime prevention.

Activity Description:

- Funding is provided to community-based projects that target the needs and problems of specific communities or neighborhoods, and reflect the differing factors contributing to crime and the fear of crime within those communities.
- M.S. 119A.31 (community crime prevention programs) describes the purpose for the use of funds.
 - In a competitive application process, schools, local units of government and non-profit and community based organizations provide programs targeted to high risk youth and address problems relating to crime that impact youth and families.
 - Eligible activities are wide ranging and can be utilized to cover such initiatives as community mobilization activities and programs designed to target the needs of at-risk youth.

STRATEGIES AND PERFORMANCE:

	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998
Number of Grants Awarded	21	58	90	100	100	100	100

- A sampling of programs funded under M.S. 119A.31 was selected for extensive evaluation. All programs have been invited to participate in program evaluation workshops to identify and document program outcomes and impact, and to build the capacity of local, community-based programs to develop and implement practical evaluation strategies.
- The results of the evaluation indicate that many programs are showing positive results. For instance, the education programs evaluated showed success in meeting the learning needs of youth who have traditionally been unsuccessful in school. Positive outcome data was generated by programs for youth and families that offered structured programming combining formal counseling with additional services. A complete report can be furnished on request.

FINANCING INFORMATION:

- Community crime prevention grants are funded entirely with state aid.
- The program administers \$2.495 million per year in state funds. \$750,000 supports a 5-year statewide violence prevention media campaign. Of the remaining funds, \$1.745 million is granted to local communities for crime prevention programming (M.S. 119A.31).

BUDGET ISSUES:

- Demand for the program continues to outpace resources. Each year, the department receives many more applications than they are able to fund. In 1997, 296 applications were received; that number grew to 524 in 1998. In each year only 100 grants were awarded funding.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends that this activity be transferred to the Department of Public Safety to better realign programs with departmental functions.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: COMMUNITY CRIME PREVENTION PRG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	436	749	750	750	0	750	0	(1,499)	-100.0%
SUBTOTAL STATE OPERATIONS	436	749	750	750	0	750	0	(1,499)	-100.0%
LOCAL ASSISTANCE	4,483	1,683	1,808	1,745	0	1,745	0	(3,491)	-100.0%
Total Expenditures	4,919	2,432	2,558	2,495	0	2,495	0	(4,990)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(A) TRANSFER ODPVP TO PUBLIC SAFETY	GEN				(2,495)		(2,495)		
Total Change Items					(2,495)		(2,495)		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	4,406	2,432	2,558	2,495	0	2,495	0		
STATUTORY APPROPRIATIONS:									
GENERAL	513	0	0	0	0	0	0		
Total Financing	4,919	2,432	2,558	2,495	0	2,495	0		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1105 FAMILY VISITATION CENTERS
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
CITATION: M.S. 119A.37

ACTIVITY PROFILE:

Purpose:

- To reduce children's vulnerability to violence and trauma related to family visitation.

Background:

- The Minnesota legislature first funded family visitation centers in 1992.
- Seven grants have been awarded to 8 family visitation centers throughout Minnesota.
 - Grants are awarded on a 4-year basis, with the current grant contracts expiring on 6-30-99.
 - The centers are located in Austin, Detroit Lakes, Duluth, Fergus Falls, Grand Rapids, St. Louis Park, Thief River Falls, and Willmar.

Activity Description:

- Program funds enable the department to award grants for the operation of family visitation centers. Specifically, funding is provided to create and maintain family visitation centers to provide services in instances where there has been child abuse within the family or a history of domestic violence.
- These programs provide a safe place for non-custodial parents or parents of children in foster care to exchange children for visitation and have supervised visits when there has been a history of violence.
- Supervised visitation and exchanges are often court ordered, but child protection workers, attorneys, or therapists may also refer families. Upon request, center staff provides courts and/or child protection with documentation of parent-child interaction observed during supervised visits.
- Many programs offer additional services that include parent education, children and father's groups, and toy, book and game lending libraries.

STRATEGIES AND PERFORMANCE:

Number of children and families served:

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Children	NA	NA	NA	771	1,097
Families	675	675	NA	465	994

Number of supervised visitations and number of supervised exchanges:

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Visitations	2,392	3,057
Exchanges	3,121	4,275

FINANCING INFORMATION:

- The program has 2 sources of funding: 1) state appropriation from the general fund, and 2) a portion of funds from the sale of marriage licenses.
 - State funding has remained constant at **\$200,000** annually since 1992.
 - Special revenue funds have remained constant at approximately **\$96,000** since 1993.

BUDGET ISSUES:

During the last fiscal years, staff received approximately 30 requests for family visitation center funding throughout Minnesota. The department had insufficient funds to meet these requests.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends a General Fund appropriation of \$200,000 for F.Y. 2000 and \$200,000 for F.Y. 2001, with authority to carryforward the funds within the biennium.
- The Governor recommends an appropriation from the State Government Special Revenue Fund of \$96,000 in F.Y. 2000 and \$96,000 in F.Y. 2001.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: FAMILY VISITATION CENTERS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	296	296	296	296	296	296	0	.0%
Total Expenditures	0	296	296	296	296	296	296	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	200	200	200	200	200	200		
STATE GOVERNMENT SPECIAL REVENUE	0	96	96	96	96	96	96		
Total Financing	0	296	296	296	296	296	296		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1106 CHILDREN'S TRUST FUND (CTF)
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.10 - 119A.17
FEDERAL CITATION: Community Based Family Resources and Support Program Grants for Children's Trust Fund Title II Child Abuse Prevention and Treatment Act 42 U.S.C. 5116

ACTIVITY PROFILE:

Purpose:

- To prevent child abuse and neglect and enable children to grow up safe and healthy.

Background:

- The children's trust fund (CTF) began in Minnesota in 1986 after being piloted in 15 other states across the country. Federal support began in 1992.
- Since its formation, CTF and its 17 Member Advisory Council have helped organize and support Child Abuse Prevention Councils (CAPCs) in 85 Minnesota counties.

Activity Description:

- State and federal funds are used to award grants to private, non-profit and public agencies providing primary and/or secondary child abuse and neglect prevention services. State funds are awarded for a 3-year period, while federal funds are awarded for a 30-month period.
- Priority consideration for funding is given to those programs or services that focus on the prevention of child abuse and neglect, respond to diverse and underserved populations in the community and serve families in poverty.
- The program partners with and funds community-based programs that provide resources, information and support to strengthen families.
- The children's trust fund creates and maintains a community-based prevention infrastructure through a network of authorized Child Abuse Prevention

Councils (CAPCs) in 85 of the 87 counties in the state. CAPC's are grass roots, community-based, volunteer organizations. Their purpose is to develop and promote educational campaigns designed to raise awareness of and prevent child abuse and neglect. Each CAPC must have at least 9 members, the majority of whom are from the community at large.

STRATEGIES AND PERFORMANCE:

- From 1995-98, the Children's Trust Fund awarded 42 grants; the program served 11,762 adults and 11,550 youth during that time.
- From 1995-1998, the following activities were provided:

Courses	42
Classes	472
Crisis Counseling Sessions	56
Support Groups	783
Presentations	778
Home Visits	12,408
Assessments	1,603
Other	11,547

FINANCING:

- The program receives funding from 3 sources: federal, special revenue, and state general fund.
 - **Federal:** The annual federal grant award is based on a child population formula. The federal award can be expended over 3 years.
 - **Special Revenue:** CTF receives approximately \$667,000 annually from a \$3 surcharge on birth certificates and the interest earned on a trust account. Up to \$120,000 of this amount may be used for administrative purposes. The salaries of the executive director and the support staff are paid from this account and approximately \$20,000 is used for indirect costs. The remaining balance is split: 40% is put into the trust account (M.S. 119A.12), and 60% is disbursed in grants. 100% of the interest earned on the trust account also is disbursed in grants.
 - **General Fund:** \$225,000 is received annually in direct state appropriation for grant funding.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1106 CHILDREN'S TRUST FUND (CTF)

PROGRAM: Prevention and Intervention

AGENCY: Education, Children & Families

(Continued)

- The amount of funds generated by special revenue, state general aid, and other prevention program funds within the Department of Education, Children & Families have a significant impact on the amount of funds CTF leverages toward the federal grant award.

Dollars in Thousands						
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State General Aid	\$383.5	\$225.0	\$225.0	\$225.0	\$225.0	\$225.0
Special Revenue	\$300.6	\$458.1	\$380.2	\$490.8	\$527.9	\$674.0
Federal Aid	<u>\$99.0</u>	<u>\$99.0</u>	<u>\$363.0</u>	<u>\$1,191.8*</u>	<u>\$1,999.0</u>	<u>\$1,191.8</u>
TOTAL	\$783.1	\$782.1	\$968.2	\$1,907.6	\$2,751.0	\$2,090.8

* There was a large increase in federal funding from 1996 to 1997. Some of this increase was due to the fact that CTF was able to leverage funding from other programs in ECF.

NOTE: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- In 1998, 394 programs requested \$24 million from the Children's Trust Fund. Only 26 grants were made from the \$2.4 million available.
- Requests for resources, training and technical assistance have increased with community awareness about the prevention of child abuse and neglect.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation from the General Fund of \$225,000 for F.Y. 2000 and \$225,000 for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: CHILDREN'S TRUST-FUNDS 1&2

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	53	3	0	0	0	0	0	(3)	-100.0%
OPERATING EXPENSES	196	80	181	181	181	181	181	101	38.7%
SUBTOTAL STATE OPERATIONS	249	83	181	181	181	181	181	98	37.1%
LOCAL ASSISTANCE	800	2,160	1,932	1,937	1,937	1,937	1,937	(218)	-5.3%
Total Expenditures	1,049	2,243	2,113	2,118	2,118	2,118	2,118	(120)	-2.8%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	0	225	225	225	225	225		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	614	622	703	708	708	708	708		
FEDERAL	164	1,406	1,185	1,185	1,185	1,185	1,185		
GIFT	271	215	0	0	0	0	0		
Total Financing	1,049	2,243	2,113	2,118	2,118	2,118	2,118		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1107 AFTER SCHOOL ENRICHMENT PROGRAM
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
CITATION: M.S. Laws 1996, Ch. 412, Art. 4, Sec. 30

ACTIVITY PROFILE:

Purpose:

- To reduce juvenile crime, school suspensions and dropouts.
- To increase student achievement, school attendance, mentoring, and youth involvement in community services.
- To increase the skills of youth in computers, the arts, athletics and other areas.

Background:

- The 1996 Minnesota legislature appropriated \$5 million dollars for after school enrichment programs serving youth ages 9-13. The funds were designated to specific neighborhoods in Minneapolis and St. Paul and to communities in greater Minnesota. Sixteen programs were funded in F.Y. 1997.
- In 1997, the legislature authorized \$9.814 million for the biennium. The 16 original programs were continued for F.Y. 1998.
- As directed by the legislature, the department awarded the grant funds competitively in F.Y. 1999. Twenty-three sites received funding.

Activity Description:

- At each designated site, representatives of the county, city, school district and grassroots organizations serving youth collaborate to develop plans to best use resources to provide after-school programs at least 5 days a week.
- Programming may include skill building in computer technology, in the arts, and in athletics, and may also include cultural enrichment programs that engage youth in constructive activities. The program makes more effective use of school buildings and other public spaces after school and on weekends.

STRATEGIES AND PERFORMANCE:

- In 1998, the program served approximately 52,143 youth aged 9-13 years and participants provided 37,186 hours of community services. Community service projects included:
 - planting flowers and vegetables at community sites for food shelves;
 - producing an educational video by youth on fetal alcohol syndrome;
 - rehabbing bicycles for community programs;
 - prepping and landscaping a skate board park; and
 - creating a brochure about things to do in their community for use by the Chamber of Commerce.
- A review of program information provided by the first 16 collaboratives indicates the following for programs and their participants:
 - an overall increase in academic performance;
 - an increase in school attendance;
 - a decrease in juvenile crime;
 - an expansion of community-based program sites; and
 - an expansion of transportation services for program participation.
- Specifically:
 - The Duluth program saw a 20% drop in the truancy rate for students in grades 6 through 8 and a 45% improvement in unexcused absences for 8th graders.
 - The Moorhead Police Department informed their after school program that juvenile arrests dropped nearly 50% in the fourth quarter of 1996.
 - In the Powderhorn/Central BURST program, a sample showed reading skill improvements ranging from .5 to 5 grade levels during one school year, with the average improvement being 1.8 grades.

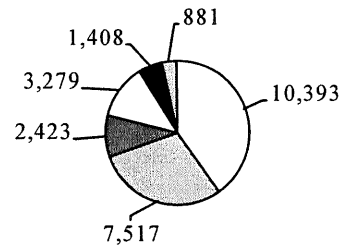
2000-2001 Biennial Budget

BUDGET ACTIVITY: 1107 AFTER SCHOOL ENRICHMENT PROGRAM
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
(Continued)

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$5.760 million for F.Y. 2000 and \$5.760 million for F.Y. 2001, with carryforward authority within the biennium. The Governor also recommends that the program include an annual set-aside of \$200,000 for state armories that offer youth programming.

In 1997, programming provided the following types and number of activities:



- Academic Sessions/Tutoring, 10,393
- ▨ Athletic Activities, 7,517
- ▩ Cultural Activities, 2,423
- Skill Training (computer/mediation), 3,279
- Special Events, 1,408
- ▨ Mentoring Sessions, 881

FINANCING INFORMATION:

- Since 1997, funding for the program has remained fairly constant. It is currently at \$9.5 million for the 1998-99 biennium.

BUDGET ISSUES:

- In 1997, the department received 112 applications for program grants requesting approximately \$17 million in funds. Only 23 grants were made from the funds available.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: AFTER SCHOOL ENRICHMENT GRANTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
LOCAL ASSISTANCE	4,913	4,760	4,760	4,760	5,760	4,760	5,760	2,000	21.0%
Total Expenditures	4,913	4,760	4,760	4,760	5,760	4,760	5,760	2,000	21.0%
CHANGE ITEMS:	FUND								
(B) AFTER SCHOOL PROGRAM	GEN				1,000		1,000		
Total Change Items					1,000		1,000		
FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	4,913	4,760	4,760	4,760	5,760	4,760	5,760		
Total Financing	4,913	4,760	4,760	4,760	5,760	4,760	5,760		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1108 CHEMICAL ABUSE PREVENTION GRANTS
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
CITATION: 1997 Session Laws, Chapter 162, Article 2, Section 31, M.S. 171.29, subd. 2

ACTIVITY PROFILE:

Purpose:

- To prevent chemical abuse by Minnesota youth.

Background:

- In 1997, the legislature capped the amount of drivers licenses reinstatement fees dedicated to this program at \$200,000 per year. Any fees over that amount are directed to the Commissioner of Transportation for programs relating to alcohol and highway safety education programs in elementary and secondary schools.

Activity Description:

- This grant program complements the department's other ECF chemical abuse prevention services by improving access to services, expanding service delivery systems and building better collaboration among schools, counties, communities and other service providers.
- These grants target children and youth who experience multiple risk factors that put them at risk for substance abuse.
- Funds are made available to local community agencies through regional organizations. Grants must be matched on a two-to-one basis of nonstate dollars by the regional collaborative.
- In F.Y. 1998 and 1999, the Northland Foundation was designated as the recipient of these funds for the KIDS PLUS Program. With this funding, 25 communities in northeast Minnesota will sponsor over 60 prevention projects and programs for youth and families as part of the KIDS PLUS Program. The money is distributed through a competitive grant process by the Northland Foundation.

- The KIDS PLUS Program uses a process of involvement, education, debate and decision making to get community coalitions to address the unique needs of children and youth in their communities. This funding has allowed the Foundation to enhance the program in existing sites and to expand to new sites in northeast Minnesota.
- Samples of programs provided through KIDS PLUS include:
 - Hibbing KIDS PLUS, which expanded the Hibbing Community Mentoring Program and increased the number of youth who have an ongoing, caring relationship with an adult mentor.
 - ARC Duluth, which expanded the Fetal Alcohol Syndrome prevention presentations to high school students throughout northeast Minnesota.
 - Cook County KIDS PLUS, which sponsored the "Where There's Smoke, There's Fire" program to educate K-12 youth, and reduce tobacco use through mentoring and peer advocacy.

STRATEGIES AND PERFORMANCE:

	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants Funded	5	6	1	2	1	1

FINANCING INFORMATION:

- This program is funded from drivers license reinstatement fees.
- Although the appropriation is capped at \$200,000, carryforward remains from prior year funding.

BUDGET ISSUES:

- Through the use of these funds, KIDS PLUS has been able to attract the required 2 to 1 match of nonstate dollars, generating resources for prevention programming in northeast Minnesota that may not have existed without this opportunity.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends \$200,000 for F.Y. 2000 and \$200,000 for F.Y. 2001 from the Special Revenue Fund.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: CHEMICAL ABUSE PREVENTION GRTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	0	75	0	0	0	0	0	(75)	-100.0%
SUBTOTAL STATE OPERATIONS	0	75	0	0	0	0	0	(75)	-100.0%
LOCAL ASSISTANCE	65	150	477	200	200	200	200	(227)	-36.2%
Total Expenditures	65	225	477	200	200	200	200	(302)	-43.0%
<u>FINANCING BY FUND:</u>									
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	65	225	477	200	200	200	200		
Total Financing	65	225	477	200	200	200	200		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1109 JUVENILE ASSESSMENT CENTERS/FAS
(For Information Only)
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
CITATION: M.S. Laws 1997, Ch. 203, Art. 2, Sec. 30
M.S. 145.9266

ACTIVITY PROFILE:

This budget activity includes 2 programs operated with funds appropriated to the Department of Health and operated by the Department of Education, Children & Families: Juvenile Assessment Centers and Fetal Alcohol Syndrome (FAS) - School Based Pilot.

JUVENILE ASSESSMENT CENTERS

- The purpose of this program is to develop and implement plans to create pilot juvenile assessment centers, which are defined as 24 hour centralized receiving, processing, and intervention facilities for children accused of committing delinquent acts, status offenses, or who are alleged to have been victims of abuse or neglect.
- Funding for this program is appropriated to the Department of Health, and DECF administers the program through an interagency agreement. The program was created by the legislature in 1997 in response to a need to develop programs for the comprehensive assessments of juveniles accused of committing delinquent acts, status offenses, or who are alleged to have been victims of abuse or neglect.
- In August 1997, the department issued a request for proposals and awarded 3 grants: the Third Judicial District in Rochester, the Ninth Judicial District in Bemidji, and the Fourth Judicial District of Hennepin County.

FETAL ALCOHOL SYNDROME (FAS)—SCHOOL BASED PILOT

- The purpose of this program is to identify and implement effective educational strategies for individuals with fetal alcohol syndrome.

- The grants for the pilot program began in 1998. Funds are appropriated to the Department of Health and transferred to DECF.
- Grants are awarded to programs that serve early childhood, elementary or adolescent age children. The objective of the pilot is to identify best practices in working with children with fetal alcohol syndrome.
- Required grant activities include: 1) collaboration with other community programs or services; 2) parent education and support; 3) a child and family focus; and 4) evaluation.
- Grants were awarded to 4 districts/programs in 1998. Grantees represent one northern district, 2 central districts, and one metro area district.
- Staff development related to the identification of best practices will be provided by December 1999.

FINANCING INFORMATION:

- The department received \$1.3 million for the biennium through an interagency agreement with the Department of Health for the Juvenile Assessment Centers.
- The department received a \$200,000 transfer from the Department of Health in F.Y. 1999 for the FAS-School Based Pilot program.

GOVERNOR'S RECOMMENDATION:

The Governor's budget for the F.Y. 2000-01 includes funding in the Department of Health's budget for these activities.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: PREVENTION AND INTERVENTION
Activity: JUVENILE ASSESSMENT CTR HEALTH

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
TRANSFERS	0	0	0	(200)	(200)	(200)	(200)	(400)	
SUBTOTAL STATE OPERATIONS	0	0	0	(200)	(200)	(200)	(200)	(400)	
LOCAL ASSISTANCE	0	200	1,300	850	850	850	850	200	13.3%
Total Expenditures	0	200	1,300	650	650	650	650	(200)	-13.3%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	0	200	0	0	0	0		
STATUTORY APPROPRIATIONS:									
GENERAL	0	200	1,100	650	650	650	650		
Total Financing	0	200	1,300	650	650	650	650		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1110 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES/GOVERNOR - LEA
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
FEDERAL CITATION: Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, sections 4011-4118, as amended, Public Law 103-382, 20 U.S.C. 7111-7118

ACTIVITY PROFILE:

Purpose:

- To assist in establishing, operating and improving programs for violence and drug abuse prevention and education; to prevent the use of drugs, alcohol and tobacco by youth; and to reduce violence. These programs involve parents and are coordinated with related community efforts and resources.

Background:

- Minnesota receives the Safe and Drug-Free Schools and Communities Grant (SDFSC) under Title IV from the federal government. This grant is divided into two different categories: (1) State Education Agency (SEA) and (2) Governor's.
- The Safe and Drug-Free Schools and Communities (SDFSC) Act was passed in 1994. It replaced the Drug-Free Schools Act of 1986. Funding under the 1994 Act was authorized through Title IV of the Improving America's Schools Act. Eighty percent of the grant is allocated to the state education agency program and 20 percent to the Governor's program. The first grant under the 1994 Act was awarded for state fiscal year 1996.

Activity Description:

- The purpose of Title IV is to:
 - Encourage establishment of drug abuse education and prevention programs that are coordinated with related community efforts and resources programs;
 - Provide grants to local and intermediate educational agencies and consortia of agencies to establish, operate, and improve local programs of violence and drug abuse prevention, early intervention, rehabilitation referral, and

education in elementary and secondary school;

- Provide grants to and contracts with community-based organizations or programs of violence and drug abuse prevention, early intervention, rehabilitation referral and education for school dropouts and other high-risk youth; and
- Provide development, training, technical assistance, and coordination activities.

(1) State Education Agency Category

- Specific goals of this program are: 1) assist local agencies in decreasing alcohol, tobacco and other drug use by students; 2) assist local education agencies in assuring a safe and secure learning environment for all students; and 3) increase the capacity of local education agencies to identify program needs and implement and assess programs relating to ensuring safe and drug-free schools and communities.

- Applications are accepted from school districts, regional education agencies, charter schools and other school district consortia. The Department of Education, Children & Families reviews, approves and distributes the funds.

(2) Governor's Safe and Drug-Free Schools and Communities Funds

- These funds are targeted through grants or contracts to parent groups, community action and job training agencies, community-based organizations, and other public and private organizations to address violence and drug abuse problems in schools and communities.
- Emphasis is on programs working with underserved youth, youth who need special services or youth requiring higher than normal resources to assist them to become or to remain drug and violence free.
- The grants are competitive and are coordinated with the Prevention and Intervention (P&I) Grant process through the Office of Drug Policy and Violence Prevention.

STRATEGIES AND PERFORMANCE:

(1) State Education Agency

- Outcome data will be collected from school districts beginning with the 1999-2000 school year.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1110 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES/GOVERNOR - LEA
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
 (Continued)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Total Number of Local School Districts Participating	381	364	364
Districts Filing Individual Applications	257	249	249
Districts Pooling Funds in Consortium	124	115	115
Number of Greatest Need Grants	37	37	37

(2) Governor's Safe and Drug Free Schools

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
High Risk Grants	20	9	18	10	10
Training Grants	3	4	4	4	4
Family Services Grants*	5	2	0	0	0
Law Enforcement Grants	63	12	14	5	10

* Beginning in F.Y. 1997, these grants are included in High Risk in accordance with new federal guidelines.

FINANCING INFORMATION:

- This activity is funded entirely with federal dollars. Funding increased in F.Y. 1997 and has remained stable.
- This activity provides grants to school districts according to an entitlement formula based on public and nonpublic school enrollment within a district. Additional funds, termed "greatest need funds," are allocated to a maximum of 10% of school districts that demonstrate the greatest need for resources to provide services to high-risk youth.
- 91% of state education agency funds are used for subgrants to local education agencies based on enrollment. In accordance with federal law, 5% is used by the state agency for training technical assistance and monitoring. 4% is available for state agency administrative costs.

				<u>Current Law</u>	
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
SEA Funds	\$4,675	\$5,322	\$6,184	\$6,184	\$6,143
GOV Funds	<u>1,629</u>	<u>6,608</u>	<u>1,546</u>	<u>1,546</u>	<u>1,536</u>
TOTAL	\$6,304	\$6,608	\$7,730	\$7,730	\$7,679

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary and fiscal page due to carryover provisions and statewide accounting period closing requirements.

- Governor's Safe and Drug-Free School funds are divided into 3 funding areas:
 - High Risk Families and Youth/Coordinated Services/Family Services Collaboratives (76% of funding)
 - Training, Evaluation, Administrative, and Technical Assistance (16% of funding)
 - Law Enforcement - Education Partnerships (8% of funding)

BUDGET ISSUES:

- District Staff must have training to integrate violence and drug abuse prevention and education into performance packages directed towards a number of graduation standards.
- District Safe and Drug-Free Schools and Communities programs are required by federal authority to implement new Principles of Effectiveness guidelines.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: PREVENTION AND INTERVENTION
Activity: SAFE AND DRUG FREE SCH & COMM

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	9,966	7,906	7,050	7,050	7,050	7,050	7,050	(856)	-5.7%
Total Expenditures	9,966	7,906	7,050	7,050	7,050	7,050	7,050	(856)	-5.7%
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	9,966	7,906	7,050	7,050	7,050	7,050	7,050		
Total Financing	9,966	7,906	7,050	7,050	7,050	7,050	7,050		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1111 MISCELLANEOUS FEDERAL PROGRAMS
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
FEDERAL CITATION: P.L. 101-647, P.L. 90-351, P.L. 104-208, P.L. 104-132

ACTIVITY PROFILE:

Purpose:

- To build the capacity of the state to provide a safe, caring, violence-free environment for all Minnesotans.

Background:

- The department receives several different sources of federal funding for prevention, intervention and criminal justice from the U.S. Department of Justice - Bureau of Justice Assistance:
 - Edward Byrne Memorial State and Local Law Enforcement Assistance Program (BJA) (Omnibus Crime Control and Safe Streets Act of 1968, as amended, Title I; 42 U.S.C. 50 et seq.; Crime Control Act of 1990, Public Law 101-647);
 - Residential Substance Abuse Treatment for State Prisoners (RSAT) (Omnibus Crime Control and Safe Streets Act of 1968, Title I, Section 1001, as amended, Public Law 90-351, 42 U.S.C. 379ff, et seq.);
 - Local Law Enforcement Block Grant (LLEBG) (Local Law Enforcement Block Grants Act of 1995, H.R. 728; Omnibus Fiscal Year 1997 Appropriations Act, Public Law 104-208); and
 - State Identification System (SIS) (Anti-Terrorism and Effective Death Penalty Act of 1996, Public Law 104-132 Section 811(c)(3)).
 - State Incentive Grant (SIG)
- The State Community Crime Prevention Program (M.S.119A.31) provides matching funds for the federal Byrne Memorial Law Enforcement Grant.

Activity Description:

- These programs are administered through the Office of Drug Policy and Violence Prevention. A few of the grants are awarded through the Prevention and Intervention Grant Process once a year.
 - *BJA*: To improve community safety and the functioning of the criminal justice system. Funds may be spent on any of the 26 legislatively authorized purpose areas.

- *RSAT*: To assist states and local units of government in developing and implementing residential substance abuse treatment programs within state and local correction and detention facilities.
- *LLEBG*: To provide funds to local governments to underwrite projects for preventing and controlling crime and improving public safety, and to improve the overall functioning of the criminal justice system.
- *SIS*: To give states the resources to develop or improve their computerized identification systems and integrate those systems with the following FBI systems: National Crime Information center, Combined DNA Identification System, and Automated Fingerprint Identification System.
- *State Incentive Grant*: To coordinate prevention efforts in Minnesota, in order to reduce substance abuse and related problems. In 1998, the state received a \$9 million State Incentive Grant from the Substance Abuse and Mental Health Services Administration/Center for Substance Abuse Prevention. The first year's award is \$2,954,733. Eighty-five percent (85%) of the grant is distributed to local agencies and 15% is utilized for administration of the grant.

The grant has 2 goals:

1. Coordinate, leverage and/or redirect all substance abuse prevention resources within Minnesota that are directed at communities, families, schools, and workplaces in order that resources be directed at effective and promising prevention approaches to reduce the use of marijuana and other drugs by our youth.
2. Develop and implement a statewide prevention strategy grounded in resource findings designed to improve community-based prevention efforts resulting in a reduction of substance abuse among youth.

STRATEGIES AND PERFORMANCE:

Grant Awards	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Byrne	104	160	160	262	264	264
LLEBG	0	62	15	15	20	20
RSAT	1	1	1	2	2	2
SIS	0	1	1	1	1	1

Also see State Community Crime Prevention (Budget Activity 1104).

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1111 MISCELLANEOUS FEDERAL
PROGRAMS
PROGRAM: Prevention/Intervention
AGENCY: Education, Children & Families
(Continued)

FINANCING INFORMATION:

- These programs are financed entirely with federal funds.

<u>Appropriations: Dollars in Thousands</u>					
	<u>Byrne</u>	<u>LLEBG</u>	<u>RSAT</u>	<u>SIS</u>	<u>Total</u>
1992	\$5,702.0	\$0.0	\$0.0	\$0.0	\$5,702.0
1993	7,373.0	0.0	0.0	0.0	\$7,373.0
1994	6,237.0	0.0	0.0	0.0	\$6,237.0
1995	7,821.0	0.0	0.0	0.0	\$7,821.0
1996	8,241.0	0.0	190.9	0.0	\$8,431.9
1997	8,645.0	634.0	213.6	171.7	\$9,667.3
1998	8,780.0	649.0	460.7	172.7	\$10,062.4
1999	8,780.0	700.0	460.7	172.7	\$10,113.4

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- Requests for funding consistently exceed available resources.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that all federal funds included in this activity be transferred to the Department of Public Safety, except the State Incentive Grant.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: MISC FEDERAL PRGS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	9,990	10,861	13,053	12,297	2,710	12,124	2,710	(18,494)	-77.3%
Total Expenditures	9,990	10,861	13,053	12,297	2,710	12,124	2,710	(18,494)	-77.3%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(P) TRANSFER ODPVP TO PUBLIC SAFETY	FED				(9,587)		(9,414)		
Total Change Items					(9,587)		(9,414)		
<u>FINANCING BY FUND:</u>									
<u>STATUTORY APPROPRIATIONS:</u>									
FEDERAL	9,990	10,861	13,053	12,297	2,710	12,124	2,710		
Total Financing	9,990	10,861	13,053	12,297	2,710	12,124	2,710		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1112 COORDINATED SCHOOL HEALTH
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families

FEDERAL CITATION: M.S. 121A.23; Public Health Act, Section 301(A); (AIDS Citation Only)

ACTIVITY PROFILE:

Purpose:

- To promote coordinated efforts among schools, communities and families to measurably improve the health and educational status of Minnesota's children and youth.

Background:

- In 1987, the Centers for Disease Control and Prevention established cooperative agreements with many of the nation's state education agencies to help them implement health education programs designed to prevent HIV infection among the nation's youth. Every state received \$240,000.
- In 1995, Minnesota became one of 13 states across the nation to be funded for a new program in coordinated school health. This program expanded the cooperative partnerships with state education, expanded health education beyond HIV prevention, addressed the other priority risk areas (tobacco use, physical inactivity, poor dietary patterns, unintentional and intentional injuries, abuse of alcohol and/or other drugs) and expanded and strengthened partnerships between the state health and education agencies.
- The Minnesota Department of Health and the Department of Education, Children & Families are developing a plan to build infrastructure and support coordinated school health education.

Activity Description:

- The program has 2 primary sources of guidance:
 - the state legislation mandate (M.S. 121A.23); and
 - the approved work plan from the Centers for Disease Control (CDC).

- There are 3 distinct strategies:
 - to build infrastructure in state and local agencies so policies, procedures and resources are in place to support prevention and to develop comprehensive school health programs;
 - to strengthen the coordinated health education component of the curriculum in unintended injuries, alcohol and other drug use, sexuality/HIV/AIDS, tobacco, diet and physical activity; and
 - to assist school districts in providing effective HIV/AIDS/STD education with coordinated school health programs (M.S.121A.23).
- Currently, the program staff provide limited consultation and work primarily through written materials, conferences and telephone consultation. The staff is also working to support the graduation standards in health and physical education.

STRATEGIES AND PERFORMANCE:

- A coordinated school health resource center is maintained to review, purchase and distribute videos, curricula and other instructional material for use in prevention programs. Over 50% of Minnesota teachers use resources from the center. A 23 member panel representing a cross section of Minnesotans and a student panel review materials for the resource center.
- Data collected from the 1995 school health profile indicates that:
 - 98% of school districts reported teaching about positive dietary practices;
 - 100% of school districts reported teaching about tobacco use prevention;
 - 99% of school districts reported teaching about alcohol/drug prevention;
 - 96% of school districts reported teaching about prevention of sedentary lifestyles; and
 - 100% reported teaching about prevention of HIV/STD/Unintended pregnancy.
- Imparting knowledge about risk behaviors through teaching does not, in and of itself, change behaviors. Therefore, coordinated school health has been working to ensure behavior modification skills are taught in the workshops. Priority is also given to school, community and family partnerships.
- Minnesota coordinated school health has:
 - assisted in the development of Minnesota standards and assessments in health/physical education;
 - assisted schools in developing health related policies;

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1112 COORDINATED SCHOOL HEALTH
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
(Continued)

- trained approximately 500 teachers and other school personnel in standards, assessments and curricula in the identified risk behavior areas;
- developed and disseminated materials and resources;
- monitored prevalence of risk behaviors among students; and
- developed methods for conducting ongoing process, program and impact evaluations.

FINANCING INFORMATION:

- This program is funded entirely with federal aid.
- Federal Aid HIV funding has remained steady at around \$225,000 annually (from 1988-2002). Coordinated school health funding has also remained steady at \$450,000 annually (from 1995-2002).
- The department must apply every year to renew the 5-year CDC cooperative agreement.

Note: Funding levels shown in this table may differ from the expenditure shown on the federal program fiscal summary page due to carryover provisions, administrative funding, and statewide accounting period closing requirements.

BUDGET ISSUES:

- There is no state aid provided for coordinated school health.
- Federal funding is anticipated to 2002.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: COORDINATED SCHOOL HEALTH

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
LOCAL ASSISTANCE	109	325	191	191	191	191	191	(134)	-26.0%
Total Expenditures	109	325	191	191	191	191	191	(134)	-26.0%
FINANCING BY FUND:									
STATUTORY APPROPRIATIONS:									
FEDERAL	109	325	191	191	191	191	191		
Total Financing	109	325	191	191	191	191	191		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1113 DISCONTINUED/NONRECURRING PROGRAMS
PROGRAM: Prevention and Intervention
AGENCY: Education, Children & Families
CITATION:

ACTIVITY PROFILE:

The budget process requires a report of discontinued programs if there is any expenditure in F.Y. 1997, F.Y. 1998, or F.Y. 1999.

In the Early Childhood and Family Education area, there were 6 programs that were appropriated one-time funds and whose expenditures are not reported elsewhere in the budget. These programs are listed below:

	<u>Dollars in Thousands</u>		
	1997	1998	1999
	Expenditures	Expenditures	Expenditures
<u>ECFE Discontinued Programs</u>			
ECFE Infant Development	\$0	\$1,960	\$0
Adolescent Parenting-ECFE	0	799	1
Disaster Relief	0	250	0
Citizenship Promotion	0	975	0
Meadowbrook Collaborative Housing	0	50	0
Child Guide Prevention	<u>0</u>	<u>250</u>	<u>0</u>
ECFE Programs Total	\$-0-	\$4,284	\$1

Administrative expenditures for these program are reported in the agency budget.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: PREVENTION AND INTERVENTION

Activity: DISCONTINUED/NONRECURRING PROG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	4,284	1	0	0	0	0	(4,285)	-100.0%
Total Expenditures	0	4,284	1	0	0	0	0	(4,285)	-100.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	4,284	1	0	0	0	0		
Total Financing	0	4,284	1	0	0	0	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1201 MINNESOTA ECONOMIC OPPORTUNITY GRANT (MEOG)
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.374 - 119A.376
FEDERAL CITATION: Community Services Block Grant (CSBG) P.L. 97-35

ACTIVITY PROFILE:

Purpose:

- To provide low-income citizens the opportunity to obtain the skills, knowledge and motivation to become self-sufficient; to help remove the causes of poverty; and to alleviate the effects of poverty in Minnesota.

Background:

- This budget activity includes the federal community services block grant (CSBG) program and the state Minnesota economic opportunity grant (MEOG) program.
- Funding for the state MEOG program began in 1976. Federal funding for CSBG began in 1981.

State and Federal Program Description:

- A statewide network of community action agencies (CAAs), Indian reservation governments and migrant and seasonal farm worker organizations deliver the programs.
- Most CAAs are locally-governed nonprofit corporations. The unique feature of CAAs is that members of the low-income community must make up 1/3 of each local community action agency's governing board. Local elected officials and representatives from the local private sector comprise the other two-thirds.
- Activities are locally determined to provide a range of services based on local needs and are delivered through models including:
 - intervention programs designed to provide immediate assistance for basic needs to households in economic crisis;
 - family support programs providing assistance in developing personal and economic self-sufficiency; and

- community investment, including economic development initiatives and entrepreneurial projects.

- Issues addressed locally include: nutrition, literacy, transportation, child care, housing, job training, energy conservation, Head Start, youth programs, services to seniors, crisis assistance, advocacy, information and referral, as well as collaboration with public and private health, education and human service organizations.

STRATEGIES AND PERFORMANCE:

- Annually, the CSBG and MEOG leverage \$171 million in other federal, state, local and private funds for services to alleviate the effects of poverty.
- Approximately 200,000 economically disadvantaged households are served annually.
- Approximately 3,000 low income persons achieve self sufficiency annually.
- Last year over 47,000 volunteers provided 1.9 million hours of service through the community action network, an estimated value of \$10 million.

FINANCING INFORMATION:

- Funding is allocated statewide using a formula based on the number of people living in poverty in each grantee's community.
- CAA programs are funded by various sources: state, federal and leveraged funds.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Funding (MEOG)	6,948	7,000	7,000	8,514*	8,514
Federal Funding	4,688	4,711	5,884	5,901	5,900
TOTAL	11,636	11,711	12,884	14,415	14,414

Note: Funding levels shown in this table may differ from the expenditure shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

*Prior to F.Y. 1998 expenditures were reported through the Department of Economic Security.

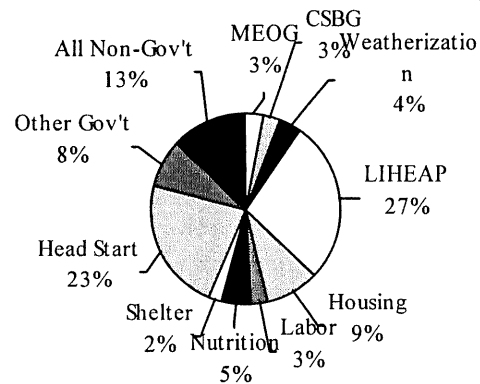
2000-2001 Biennial Budget

GOVERNOR'S RECOMMENDATION:

BUDGET ACTIVITY: 1201 MINNESOTA ECONOMIC
OPPORTUNITY GRANT (MEOG)
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
(Continued)

The Governor recommends an appropriation of \$8.514 million in F.Y. 2000 and \$8.514 million in F.Y. 2001 with carryforward authority within the biennium.

Amount and Source of CAA Funding



BUDGET ISSUES:

- Changes in welfare reform have put increased pressure on these programs to help grantees become self-sufficient.
- Though spending mandates are part of both the federal and state laws that govern MEOG and CSBG expenditures, the flexibility of the funding has also been essential. The need for access to flexible funds has been exemplified by emergency services that CAAs have provided to local residents affected by flooding, tornadoes and other severe weather events that have occurred in Minnesota communities during the past 2 years.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: MINNESOTA ECONOMIC OPPORTUNITY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	15,169	14,415	14,073	14,073	14,073	14,073	(1,438)	-4.9%
Total Expenditures	0	15,169	14,415	14,073	14,073	14,073	14,073	(1,438)	-4.9%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	8,172	8,856	8,514	8,514	8,514	8,514		
STATUTORY APPROPRIATIONS:									
FEDERAL	0	6,997	5,559	5,559	5,559	5,559	5,559		
Total Financing	0	15,169	14,415	14,073	14,073	14,073	14,073		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1202 HOMELESS PROGRAMS
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.43
FEDERAL CITATION: Pub Law 100.77; 42 USC 11301, as amended

ACTIVITY PROFILE:

Purpose:

- To provide shelter, transitional housing, and supportive services to homeless families and individuals in an effort to assist them in obtaining and stabilizing in permanent housing.

Background:

- This budget activity includes the following state and federal housing programs:
 - Transitional Housing Program (State)
 - Emergency Services Program (State)
 - Emergency Shelter Grants Program (ESGP) (Federal)
 - Rural Housing Assistance and Stability Program (RHASP) (Federal)
 - Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) (Federal)

Activity Description:

Transitional Housing Program (THP):

- The Transitional Housing Program was established by the Minnesota legislature in 1984.
- THP funds transitional housing programs, which provide housing and supportive services to homeless individuals and families to enable them to move to independent living in stable, permanent housing. Program participants are required to pay at least 25% of their income for rent and to participate in an individualized permanent housing plan.

Emergency Services Program:

- The Emergency Services Program was established by the Minnesota legislature in May 1997. The 1998 Minnesota legislature appropriated \$300,000 in one-time funding for this program.
- The Emergency Services Program provides funding for the operating costs of shelters and for essential services to homeless families and individuals.

Emergency Shelter Grants Program (ESGP):

- ESGP was authorized in 1986 under the federal Stewart B. McKinney Homeless Assistance Act. The ESGP is administered by HUD which in turn allocates funding to states and local units of government by formula.
- ESGP provides funding to shelters and transitional housing programs for operating costs and essential services. Thirty percent of ESGP funds can also be used for homelessness prevention activities. Funds are matched at the local level with an equal amount of non-ESGP funds, including state, local and private resources.

Rural Housing Assistance and Stability Program (RHASP):

- RHASP was awarded to the state through a nationwide competition in 1994 by the U.S. Department of Housing and Urban Development. Funding is provided through 6 separate contracts that vary in length from 1-3 years. Funding must be reapplied for upon contract expiration.
- RHASP provides supportive services to homeless families and individuals to obtain and stabilize in permanent housing.

Supplemental Assistance for Facilities to Assist the Homeless (SAFAH):

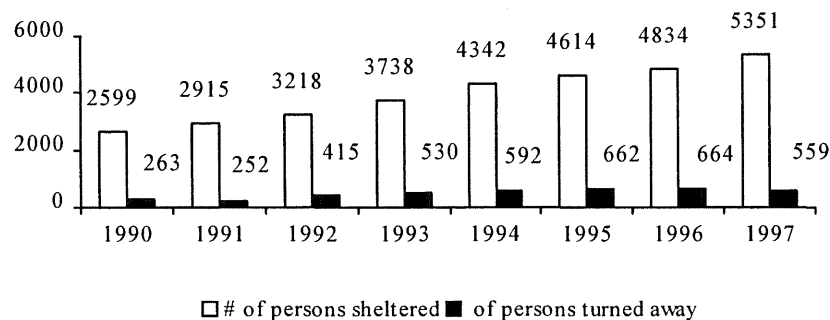
- The SAFAH program was awarded to the state in 1991 through a nationwide competition from the U.S. Department of Housing and Urban Development. Funding is provided through 4 separate contracts that vary in length from 1-3 years. Funding must be reapplied for upon contract expiration.
- SAFAH provides funding to transitional housing programs to provide follow-up services to families with children graduating from transitional housing.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1202 HOMELESS PROGRAMS
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
 (Continued)

STRATEGIES AND PERFORMANCE:

Shelter/Transitional Housing Usage in Minnesota



Transitional Housing Program

- At least 67% of graduating participants moved into independent housing.
- 32% of households receiving public assistance upon entering a program were no longer recipients upon exit.
- The number of persons employed full-time increased 61% from entrance to exit.

Emergency Services Program

- The 1998 Minnesota legislature funded the first state program providing financial assistance for the operating costs of shelters serving the general homeless population. In F.Y. 1999, the department awarded funds to 16 providers.

Emergency Shelter Grants Program

- ESGP funding was provided to 49 programs throughout the state, which provided emergency shelter or services, transitional housing, or homeless prevention services to 23,681 individuals.

RHASP

- The RHASP provided funding to 21 rural community action agencies, Indian reservation governments, and migrant farm workers organizations in 1998. 1,084 individuals were provided with emergency mortgage, rental, or utility assistance to keep them in their existing homes.

SAFAH

- The SAFAH program assisted 305 families with children in 1997. Ninety-five percent were single-parent, female headed households. The average family size was 3.53 persons.
- One year after receiving SAFAH service, 64% of the participants continued to live in the same housing they moved into upon leaving transitional housing.

FINANCING INFORMATION:

	Appropriations: Dollars in Thousands				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
THP	\$860	\$935	\$935	\$1,642	1,942
ESP	-0-	-0-	-0-	-0-	300*
ESGP	879	1,198	873	874	1,271
RHASP	-0-	1,131	877	833	484**
SAFAH	308	329	300	328	181**

* This is one-time funding.

** Is fiscal year portion of 1-3 year total awards

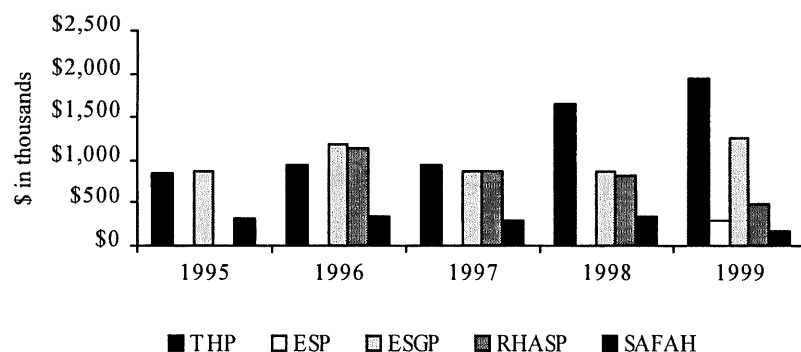
Note: Funding levels shown in this table may differ from the expenditure shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

Prior to F.Y. 1998, expenditures were reported through the Department of Economic Security.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1202 HOMELESS PROGRAMS
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
 (Continued)

Funding History



BUDGET ISSUES:

- The number of persons who are homeless and using shelters or other temporary housing arrangements has been steadily increasing since 1985; however, the composition of the homeless population has changed. In 1985, most of the persons using shelters/transitional housing were men. In 1998, children, most of them in single parent families, now make up just under half of all the persons using shelters. The increase in the numbers of homeless families may be attributed at least in part to the following:
 - Extremely tight housing markets have resulted in increasing rents, lower vacancy rates, fewer landlords accepting housing subsidies such as Section 8, and stricter screening of potential tenants for bad rental or credit histories. Some landlords are now requiring that tenants have incomes 3 times the amount of rent. Until more affordable housing is available, an increasing number of families and individuals are expected to need shelter/transitional housing.

- Prepayment of HUD subsidized housing units and conversion of those units to market rate housing could displace thousands of low income renters statewide.
- The number of persons using shelter who are working has doubled since 1991. A third of all shelter/transitional housing residents are now working, most of them at very low paying jobs.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$1.642 million in F.Y. 2000 and \$1.642 million in F.Y. 2001 for the transitional housing program, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: HOMELESS PROGRAMS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	3,213	4,947	4,345	4,345	4,345	4,345	530	6.5%
Total Expenditures	0	3,213	4,947	4,345	4,345	4,345	4,345	530	6.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	1,640	2,244	1,642	1,642	1,642	1,642		
STATUTORY APPROPRIATIONS:									
FEDERAL	0	1,573	2,703	2,703	2,703	2,703	2,703		
Total Financing	0	3,213	4,947	4,345	4,345	4,345	4,345		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1203 EMERGENCY FOOD PROGRAMS
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.44
FEDERAL CITATION: 7 U.S.C. 612c, 42 U.S.C. 9910a, Sec. 681A

ACTIVITY PROFILE:

Purpose:

- To provide food to low-income individuals and families through food banks, food shelves, on-site meal programs and shelters.

Background:

- This budget activity includes the following state and federal emergency food programs:
 - Minnesota Food Shelf Program (State)
 - Emergency Food Assistance Program (State and Federal)
 - Community Food and Nutrition Program (Federal)

Activity Descriptions:

Minnesota Food Shelf Program (MFSP):

- In 1992, the state began funding food shelves through the Minnesota Food Shelf Program (MFSP). This funding is provided to assist food shelves in purchasing food and to offset their operating costs, enabling them to better serve individuals and families in need.
- Due to the anticipated effects of welfare reform, the 1997 legislature increased funding for the Minnesota Food Shelf Program by 79% for F.Y. 1998 and 1999.
- The department grants MFSP funds to the Minnesota Food Shelf Association (MFSA) for distribution to individual food shelves throughout the state. MFSA allocates funds to food shelves semi-annually based on the number of individuals served by each food shelf during the previous 6-month period.
- Each food shelf is a non-profit organization that distributes food to individuals and families based on need.

The Emergency Food Assistance Program (TEFAP):

- The Emergency Food Assistance Program (TEFAP), a federal program, began in 1981 as a way to utilize excess commodities and provide food to those persons in need. State matching funds are required to access this program.
- In 1995, the Minnesota TEFAP program was changed from periodic mass distributions to ongoing availability through the food shelves, shelters and on-site meal programs.
- TEFAP distributes U.S. Department of Agriculture food commodities through food shelves, on-site meal programs, and shelters to low-income individuals and families. The department contracts with the Minnesota Food Bank Network (MFBN) to distribute USDA commodities. MFBN is comprised of 7 regional Second Harvest food banks, which allows an equitable distribution of commodities to all 87 counties.
- TEFAP funds are used to cover costs associated with the distribution of USDA commodities, including warehousing, transportation, commodity tracking and allocation, and technical assistance.
- TEFAP commodities are allocated to the regional food banks based on population and poverty data of their service areas.
- Individuals are eligible to receive TEFAP commodities if their household income is at or below 185% of the federal poverty level.

Community Food and Nutrition Program:

- The Community Food and Nutrition Program is a federal program under the Community Services Block Grant Act and is provided to the state for the purpose of enhancing nutrition for low-income persons. There is no state funding for this program.
- CFNP funds are awarded to public or private organizations to coordinate existing private and public food assistance resources to better serve low-income populations, to assist low-income communities identify potential sponsors of child nutrition programs and initiate new programs, and to develop innovative approaches to meet the nutritional needs of low-income people.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1203 EMERGENCY FOOD PROGRAMS
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
 (Continued)

STRATEGIES AND PERFORMANCE:

	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
# of food shelf visits (millions)	1.39	1.45	1.41	1.34	1.35	1.36
# of Meals Served at On-Site Food Programs (millions)	NA	NA	NA	9.50	12.96	11.12
Lbs. Of USDA commodities received by Minn. (millions)	5.44	4.25	4.93	1.42	2.72	4.06

- Under the 7 regional food banks, TEFAP distributed USDA commodity food to over 250 food shelves and 500 on-site meal programs and shelters throughout the state.
- In 1997, MFSA funded over 210 food shelves with the state appropriation.
- Across the state, individuals and families in need received over 24 million pounds of food in 1997. Over the past 5 years, with an increase in the amount of food distributed by food shelves, individuals have begun to receive more food per visit. In 1997, an individual received almost 18 pounds per visit, compared to about 13 pounds per visit in 1991.

FINANCING INFORMATION:

- This budget activity is funded with state and federal funds.
- The required state matching funds for TEFAP allowed Minnesota to leverage over \$500,000 in federal funds and approximately 4 million pounds of nutritious food.

Food Programs Appropriations

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
State Funding					
MFSP	\$600	\$700	\$700	\$1,228	\$1,228
Federal Funding					
TEFAP*	480	508	571	574	570
CFNP	65	48	33	34	34
TOTAL	1,145	1,256	1,304	1,835	1,831

* Funding for the State TEFAP administrative match is in the agency budget.

Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- As individuals move from public assistance to work as the result of welfare reform, the wages they are paid are not expected to be enough to support their families, especially in times of crisis. As a result, food shelf use is expected to increase as food shelves continue to meet the needs of the working poor.
- A diverse population challenges food shelves to adapt their services to best assist all those in need. These populations include various cultural groups, senior citizens, and working families with children, each of which require certain services and food needs. Current resources do not meet these challenges.
- Migrant workers provide an essential service to Minnesota's agricultural economy, but the trip to our state often depletes their resources. In an effort to assist these workers, food shelves attempt to meet the nutritional and cultural food needs of the migrant families each summer; however, the need for this assistance exceeds the amount of resources available.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$1.228 million in F.Y. 2000 and \$1.228 million in F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: EMERGENCY FOOD PROGRAMS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	1,892	1,719	1,719	1,719	1,719	1,719	(173)	-4.8%
Total Expenditures	0	1,892	1,719	1,719	1,719	1,719	1,719	(173)	-4.8%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	1,228	1,228	1,228	1,228	1,228	1,228		
STATUTORY APPROPRIATIONS:									
FEDERAL	0	664	491	491	491	491	491		
Total Financing	0	1,892	1,719	1,719	1,719	1,719	1,719		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1204 WEATHERIZATION ASSISTANCE
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: MN Laws 1997, Chap. 162, Art. 3, Sec. 8, M.S. 119A.40, 119A.41, M.S. 239.78, 216B.241, Subd. 2a through MN Laws 1998, Chapt. 200, Art. 1, Sec. 17, Subd. 5,
FEDERAL CITATION: 42 U.S.C. 6861 et seq. Title IV, Part A, The Energy Conservation and production Act P.L. 94-385 as amended.

ACTIVITY PROFILE:

Purpose:

- To increase the energy efficiency of dwellings, reduce household total energy expenditures, and improve the health and safety of low-income individuals and families.

Background:

- This budget activity includes the following programs:
 - Weatherization Assistance Program (WAP) (federal)
 - Low-Income Home Energy Assistance Program (LIHEAP) (federal)
 - Energy and Conservation Improvement Program (Oil) (state)
 - Liquid Petroleum gas account (LP) (state)
 - Petroleum Violation Escrow account (PVE) (state)
 - Northern States Power Company (NSP) and Minnesota Power (MN Power) (private conservation improvement programs)
- The federal weatherization assistance program began in 1978 and is administered by the Department of Energy.
- Federal funding was reduced by 47% in federal F.Y. 1996, resulting in a large decrease in the number of households served since 1996.

Activity Description:

- The program assists low-income households reduce energy costs by decreasing energy consumption in their dwelling unit.

- Eligible household income must be at or below 50% of the state median income and have less than \$25,000 of personal assets.
- A dwelling unit may be a house, a mobile home, an apartment, a group of rooms or a single room occupied as separate living quarters.
- A household may be an individual, a family, or multiple families living in owned or rented individual dwelling units.
- Priority is given to households with elderly or disabled members and families with children.
- The weatherization assistance program (WAP) is delivered throughout Minnesota by a network of 34 subgrantees, including 25 community action agencies, 1 county government, 7 tribal governments, and one private nonprofit agency.
- Program funds are used for the purchase of conservation materials and labor, support costs, training and administration.
- Weatherization services include an energy audit, exterior wall and attic insulation, air infiltration and bypass sealing, heating system efficiency, safety improvements, and client education. Priority is given to correcting health and safety hazards and potentially life-threatening conditions
- Oil funds are used to improve the energy efficiency of residential oil-fired heating plants in low-income households and, when necessary, to provide weatherization services to the home.
- Liquid Propane Gas funds are received through liquid petroleum gas sales, and are used to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

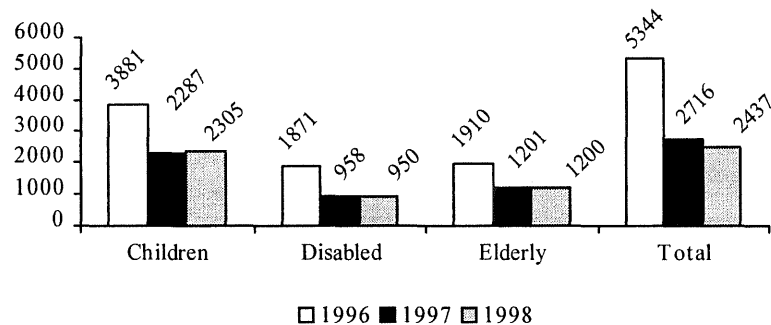
STRATEGIES AND PERFORMANCE:

- The department's "achieved savings assessment program," (ASAP) which monitors fuel use, shows an average heating fuel savings of 26%, resulting in a payback period of less than 10 years. ASAP is a short-term assessment tool that measures the effectiveness of weatherization in homes served by the weatherization program that was developed and is managed by the department.
- In F.Y. 1998, the program served a total of 2,437 households. This compares to F.Y. 1996 when the program served a total of 5,344 households.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1204 WEATHERIZATION ASSISTANCE
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
 (Continued)

Households Served by Type and Total: 1996-1998



* Individual categories do not add up to the total due to households containing members of more than one category.

FINANCING INFORMATION:

- The weatherization program is mostly federally funded, but there are a variety of other funding sources:
 - 5% of the Minnesota LIHEAP allocation are budgeted to the weatherization program.
 - Special revenues from the state heating oil industry funds weatherization services to oil customers.
 - A mill levy on liquid propane funds weatherization services to LP customers.
 - Minnesota has allocated a portion of the State's petroleum violation escrow (PVE) funds to weatherization. These funds are nearly depleted.

- The Minnesota legislature has allocated some general funds to the program over the years.
- State legislation requires utilities to put a portion of their profits into an energy and conservation improvement program for low-income individuals. Conservation improvement program funds are under the control the regulated industry and are not required to pass through the department or the weatherization program. However in the past years, Minnesota Power and NSP have contracted with ECF to provide these services.

	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
<u>State Aid</u>	\$190	\$500	\$0	\$0	\$0
Oil	600	600	588	588	588
LP	487	115	170	150	150
PVE	0	0	1,300	755	0
<u>Federal</u>					
DOE ¹	4,841	5,232	5,422	5,700	5,700
EAP ²	2,053	1,933	2,127	2,127	2,127
<u>Private</u>					
NSP ³	320	310	310	0	0
TOTAL	\$8,491	\$8,690	\$9,917	\$9,320	\$8,565

Note: 1) Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal page due to carryover provisions and statewide accounting period closing requirements.
 2) Prior to F.Y. 1998, expenditures were reported through the Department of Economic Security.

¹ Department of Energy Weatherization funding

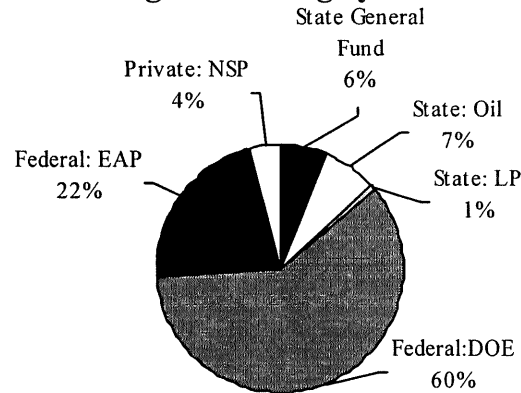
² Department of Human Services Energy funding. A portion of energy assistance funding can be used for weatherization services.

³ This was formerly called CAALIP

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1204 WEATHERIZATION ASSISTANCE
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
(Continued)

Percentage of Funding by Source: 1998



BUDGET ISSUES:

- Low income households have a higher “energy burden” than other households. “Energy burden” is the percent of household income spent on home energy. This burden is composed of three factors: the price of energy, the consumption of energy, and the income level of the household. Because low-income households pay a higher percentage of their household income for heat and energy, they are at greater risk of heat loss, service disconnection and, ultimately, displacement through foreclosure or eviction.
- The electric industry is going through changes as a result of electric industry restructuring. These changes involve increased competition, decreased regulations, increased diversity, potential reduction of energy efficiency programs and potential elimination of universal service. Federal lawmakers are critically examining the need for federal funds to support energy efficiency activities, given promised lower energy costs expected under future electric deregulation.

- Weatherization activities follow Department of Energy rules specifying a dwelling unit cost formula that designates the number of households to receive weatherization. These costs have increased due to health and safety activities and expanded activities on heating systems.
- Oil and liquid propane funds are distributed by fuel type and do not provide a consistent funding base for statewide program activity. Liquid propane funding fluctuates depending upon the sale of liquid propane.
- Weatherization programs provide the leveraging needed to deliver other low-income housing related programs including the Minnesota Housing Finance Agency (MHFA) programs and locally sponsored conservation improvement programs. The weatherization delivery network is necessary to create innovative partnerships with utility companies and local governments. Individual WAP agencies negotiate and contract with utility companies, and target their programs to help promote long-term housing stability.

GOVERNOR'S RECOMMENDATION:

- The Governor does not recommend appropriating funds to this activity.
- The Governor recommends that the department be authorized to sell the “Achieved Savings Assessment Program” to private and public customers in order to recoup the costs of developing and maintaining the program and to support weatherization activities.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: WEATHERIZATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	0	9	3	0	0	0	0	(12)	-100.0%
OPERATING EXPENSES	0	1	0	0	0	0	0	(1)	-100.0%
TRANSFERS	0	0	0	(573)	(573)	(573)	(573)	(1,146)	
SUBTOTAL STATE OPERATIONS	0	10	3	(573)	(573)	(573)	(573)	(1,159)	-8,915.4%
LOCAL ASSISTANCE	0	7,990	8,285	8,272	8,272	8,272	8,272	269	1.7%
Total Expenditures	0	8,000	8,288	7,699	7,699	7,699	7,699	(890)	-5.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	1,054	576	0	0	0	0		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	0	109	156	156	156	156	156		
FEDERAL	0	6,724	7,179	7,179	7,179	7,179	7,179		
GIFT	0	113	377	364	364	364	364		
Total Financing	0	8,000	8,288	7,699	7,699	7,699	7,699		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	0.0	0.2	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	0.0	0.2	0.0	0.0	0.0	0.0	0.0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1205 ENERGY ASSISTANCE PROGRAM (EAP)
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 119A.42, 119A.425
FEDERAL CITATION: 42 USC 8621 Ct Seq Title III, The Low-Income Home Energy Assistance Act, P.L. 103-333 as amended

ACTIVITY PROFILE:

Purpose:

- To help households meet the costs of home energy and undertake a timely and effective energy crisis intervention program.

Background:

- This budget activity includes the Federal Low-Income Home Energy Assistance Program (LIHEAP) and the Emergency Energy Assistance Fuel Fund.
- The Low-Income Home Energy Assistance Program (LIHEAP) is a federal block grant program started in 1981.
- Even though the program is predominantly federally funded, the Minnesota Legislature has allocated some funding to the program over the years.
- The 1997 Minnesota Legislature provided a \$9.0 million contingency appropriation to supplement the federal program. The Governor released the funds after determining that Minnesota's federal LIHEAP funds were reduced from F.Y. 1995 levels.
- LIHEAP funding has been reduced 53% since F.Y. 1985.
- Minnesota received emergency LIHEAP funds in F.Y. 1994 and F.Y. 1997 due to colder than normal winters. The state received emergency funding in F.Y. 1995 due to an abnormally hot summer and in F.Y. 1996 to maintain the program while Congress deliberated over multiple continuing resolutions.

Activity Description:

- The program assists low-income households meet their immediate home heating needs. Household income must not exceed 50% of the state median income, and personal assets must be less than \$25,000. Energy assistance:
 - Pays a percentage of an eligible household's heating costs from the previous year and applies that payment as a credit to the household's energy supplier.
 - Dispatches a furnace technician to correct faulty furnaces or alleviate any health and safety risks.
 - Provides some form of crisis assistance in no-heat, life threatening situations.
- *The Emergency Energy Assistance Fuel Fund* (named "Reach Out for Warmth") was established as a statewide fuel fund account to solicit and distribute contributions to low-income households through the energy assistance program delivery network. The department collects about \$5,000 annually and the EAP network generates \$430,000 annually within their communities. The department is prohibited from taking administrative funds from this account.
- *The 1998 Summer Fill Program* was developed to purchase oil and liquid propane at summer fuel prices. By providing fuel assistance at the potentially lower summer cost, the projection is that eligible households will receive more fuel for each dollar spent. Outcomes of this initiative will not be known until the end of the fiscal year.
- *Referral and income verification assistance* is a service the EAP network provides to investor owned utility companies. The service helps utilities comply with the Public Utility Commissions's disconnection during cold weather" rule and build participation in the "low-income discount electric rates program".
- Fuel type of households served: 53% natural gas, 20% fuel oil, 14% liquid propane, 8% electrical, and 4% wood and other.
- *The EAP Distribution Network* comprises 26 community action agencies, 7 counties, 1 local nonprofit organization, and 7 tribal governments.

STRATEGIES AND PERFORMANCE:

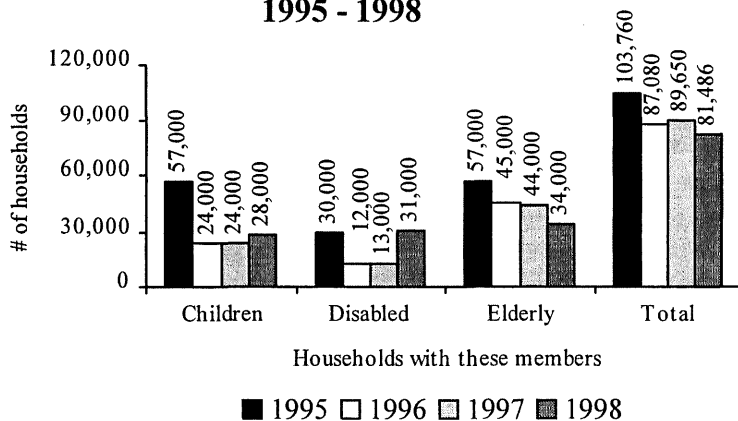
- In F.Y. 1998, the program served 81,400 households at an average primary heat grant of \$316. This compares to F.Y. 1984, when the program served a high of 139,500 households with average primary heat grants of \$465.
- Benefits to households in F.Y. 1998 were lower due to federal funding

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1205 ENERGY ASSISTANCE PROGRAM (EAP)
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
 (Continued)

- Benefits to households in F.Y. 1998 were lower due to federal funding reductions.

**Households Served by Type and Total:
1995 - 1998**



FINANCING INFORMATION:

- Energy Assistance is funded primarily with federal funds. However, state funds have supplemented the federal program.

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State General Aid	0	0	810	500	0
State Reserve	0	0	9,000	0	0
Federal					
Less Transfer	48,509	39,834	36,056	36,742	40,416
Emergency ¹	5,043	7,141	13,710	0	0
Leveraging ²	240	218	261	564	150
TOTAL	53,792	47,193	59,837	37,806	40,566

Note: 1) Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

2) Prior to F.Y. 1998, expenditures were reported through the Department of Economic Security.

BUDGET ISSUES:

- The number of households participating in the program is somewhat dependent on economic conditions, winter weather and fuel prices. Any one of these factors can affect how many people receive assistance or the amount of their assistance.
- The burden of home energy costs placed on low-income households is not improving in Minnesota. The burden on the households is impacted by the price of fuel, the household's income and energy consumption, and the level of assistance the household receives from a multitude of resources.
- Energy industries are in transition. The heating oil and liquid propane markets are changing: 1) Large distributors are buying out smaller family owned companies and changing customer credit policies; 2) Bulk fuel prices fluctuate seasonally based on national markets and impact low-income customers the hardest; and 3) Regulations affecting public utilities are in transition and the industry has begun to restructure. Restructuring could radically change energy delivery and customer service systems.

GOVERNOR'S RECOMMENDATION:

- The Governor does not recommend appropriating funds to this activity.

¹ Federal LIHEAP emergency contingency funds made available to Minnesota to meet the additional home energy assistance needs of Minnesota arising from a natural disaster or other related emergencies which is in addition to the states regular LIHEAP allocation.

² Federal LIHEAP incentive program reward for acquired non-federal home energy resources for low-income households which expand the effect of the states federal LIHEAP funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: STATE ENERGY ASSIST

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
OPERATING EXPENSES	0	8	0	0	0	0	0	(8)	-100.0%
SUBTOTAL STATE OPERATIONS	0	8	0	0	0	0	0	(8)	-100.0%
LOCAL ASSISTANCE	0	39,219	39,792	39,792	39,792	39,792	39,792	573	.7%
Total Expenditures	0	39,227	39,792	39,792	39,792	39,792	39,792	565	.7%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	0	500	0	0	0	0	0		
STATUTORY APPROPRIATIONS:									
FEDERAL	0	38,727	39,792	39,792	39,792	39,792	39,792		
Total Financing	0	39,227	39,792	39,792	39,792	39,792	39,792		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1206 LEAD HAZARD REDUCTION PROGRAM
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
CITATION: M.S. 119A.46

ACTIVITY PROFILE:

Purpose:

- To ensure that all children grow and learn in a safe and healthy environment.

Background:

- The lead abatement program was originally funded in 1993 for a two year period. The program was not funded from 1995 to 1997.
- Exposure to residential sources of lead is the most common environmental health hazard to children under six years of age. All homes built prior to 1978 probably contain some levels of lead paint. The Third National Health and Nutrition Examination Survey estimates 8.9% of the population aged 1 to 5 years have blood levels of 10 micrograms of lead per deciliter of blood (mg/dl) or greater (high risk of lead poisoning), and 1.1% have blood levels of 20 mg/dl or greater (lead poisoned). Of 32,375 children screened in Minnesota, 4,183 had blood levels greater than 10 mg/dl. This screening included roughly 10% of children in Minnesota ages 0-4.

Activity Description:

- The program is used to train "swab teams" to remove lead-based paint for secondary prevention of lead-based poisoning. The funds are used to supplement federal funding activities.
- "Swab team services" include removing lead dust, moving loose lead paint and paint chips, and providing health education or assistance as necessary to meet the resident's immediate needs while lead abatement is being completed on their residence.
- The current funding supports the lead hazard reduction program in two Hennepin County communities.

- 25% of the funding is for a grant to the city of St. Louis Park to conduct lead testing and cleanup in residential neighborhoods contaminated by an industrial lead site. This supplements their existing federal lead abatement funds.
- 75% of the funding is for the nonprofit organization Sustainable Resources Center. They are currently operating the CLEARcorps lead hazard reduction project and are willing to expand their geographic service territory.

STRATEGIES AND PERFORMANCE:

- Sustainable Resources Center (SRC) is using their state funding (\$150,000) to supplement lead hazard reduction activities at an average of \$2,000 each for 75 households. SRC's total average lead hazard reduction cost per house is \$4,000, not including landscaping or outside lead hazard reduction activities. SRC is also using the state funds to leverage other funds for the project including: the Bush Foundation, the Minneapolis Foundation, the CLEARcorps National Project of Service to America Volunteers, and supplies and paint donated by paint manufacturers. Residential houses eligible for the lead hazard reduction services are identified by the Minneapolis Health Department.

FINANCING INFORMATION:

- This program is funded entirely with state aid.

	Dollars in Thousands					
	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Aid	\$400	\$-0-	\$-0-	\$-0-	\$200	\$100

BUDGET ISSUES:

- Utilizing the EPA (1987) and ECF models as a basis for cost calculations, Minnesota spends about \$12 million per year as a consequence of childhood lead exposure.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends discontinuing this activity.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: LEAD HAZARD

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	0	200	100	100	0	100	0	(300)	-100.0%
Total Expenditures	0	200	100	100	0	100	0	(300)	-100.0%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(B) ELIMINATE LEAD ABATEMENT PROGRAM	GEN				(100)		(100)		
Total Change Items					(100)		(100)		
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	0	200	100	100	0	100	0		
Total Financing	0	200	100	100	0	100	0		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1207 ADULT BASIC EDUCATION
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 124D.52-124D.53
FEDERAL CITATION: 0326 Adult Education

ACTIVITY PROFILE:

Purpose:

- To provide education opportunities for adults who lack basic academic skills and whose low educational levels are barriers to employment and to productive participation in their families and in our society.

Background:

- State funded adult basic education (ABE) began in July 1969. The federal program began in 1974.
- According to the 1990 census, 514,000 Minnesotans age 20 and over have not graduated from high school. In addition, many other adults are unable to read, write, compute, or speak English.
- Under a new state law, the local district ABE levy ends in F.Y. 2000 and is replaced by an equivalent amount of state aid.
- Due to welfare reform and growing ABE waiting lists for services, the 1997 Legislature increased the funding for this program by 45% in the 1998-99 biennium.
- A one-time citizenship promotion program was funded during 1998-1999 biennium to assist legal immigrants to attain U.S. citizenship.

Activity Description:

- Adult education options include the following:
 - **GED** (general education development certificate): High School Equivalency program.
 - **Adult Diploma:** Program for adults over 21 leading to a high school diploma.
 - **English as a Second Language (ESL):** For learners whose language is other than English.
 - **Family Literacy:** Features instruction for adults in literacy and parenting; children receive education services as well.
 - **Basic Skills Education:** For learners who need to brush-up on some specific basic skills, such as math or reading.

- **Workplace Education:** Basic skills instruction using work related content, often delivered at the learner's work site.
- **U.S. Citizenship:** Programs for legal non-citizens to attain English and civic knowledge necessary for U.S. citizenship.

- Adults are eligible to participate when they are at least 16 years old, are not enrolled in school (formally withdrawn or dropped out), and function below the high school completion level in basic skills. Compulsory attendance law allows students to drop-out at age 16. ABE is not an "alternative system"; it is a last chance.
- State ABE aid is available to public school districts alone or in groups of districts (consortia) and other eligible non-profit providers. All eligible agencies submit an application to the department for program design approval and funding.
- **Federal Requirements:** Under a new federal ABE law, the Adult Education and Family Literacy Act, federal 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 include:
 - A minimum of 82.5% must be used for local program grants and contracts.
 - A maximum of 10% may be used for institutionalized adults.
 - A maximum of 5% may be used for statewide administration.
 - A maximum of 12.5% may be used for state leadership activities including staff development.
- The federal law requires the state to coordinate the delivery of ABE services and data sharing with employment and training programs located in the Department of Economic Security.

STRATEGIES AND PERFORMANCE:

- In 1997, over 6,000 adults earned their high school equivalency. Since the average high school graduate earns about \$6,500 more per year than a drop-out, the additional taxable income generated is approximately \$30 million per year.
- A short term investment in ABE yields returns of reduced welfare, social services and corrections spending. Of the 38,000 adults served for 12 hours or more during F.Y. 1997:
 - 6,670 obtained their GED, which accounted for 11% of all high school credentials awarded in Minnesota;

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1207 ADULT BASIC EDUCATION
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
(Continued)

- 8,832 gained employment or job advancement;
 - 615 left public assistance;
 - 2,934 entered post-secondary education and/or vocational training;
 - 404 earned their high school diploma.
- Provided citizenship instruction and ESL assistance to over 3,000 non-citizens through the citizenship promotion program.
 - Enrollment remained relatively stable from 1992 until 1997 when larger ABE programs began providing more hours for existing students and serving new clients from waiting lists. Some waiting lists still remain.

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Average Age	32yrs	33yrs	33yrs	32yrs	28yrs
Unemployed	50%	56%	48%	46%	45%
Employed	26%	37%	31%	34%	33%
Welfare Recipients	38%	46%	32%	39%	45%
Disabled	10%	13%	10%	10%	16%
Racial/Ethnic Minority	48%	52%	52%	55%	47%
Refugee/Immigrant/ESL	27%	24%	24%	35%	32%

FINANCING INFORMATION:

- Through F.Y. 1999, funding was derived from three sources: state general aid, local levy, and federal aid. However, beginning in F.Y. 2000, the local ABE levy will be replaced by state aid.
- Approved ABE programs receive state aid as a reimbursement of services rendered. Learner contact hours are reported to the state and a formula of full time equivalencies (FTE) specified in law is applied. One FTE equals 240 contact hours for Level I learners (those at an elementary or ESL level) and 408 contact hours for Level II learners (those at a secondary level). One FTE generates 65% of the general education foundation aid.

BUDGET ISSUES:

- An increasing high school dropout rate and growing immigrant resettlement into Minnesota add to the higher demand for ABE services.
- The implementation of the FTE formula-based funding system has put small ABE programs in jeopardy of closing, thus reducing the access to ABE in rural areas. Small ABE programs are costlier to operate due to cost-efficiency factors such as one-to-one instruction (low teacher-pupil ratios) and traveling teacher costs. Funding shifts to assist small programs will result in less resources available for larger programs.
- As demands for program accountability increase, the need for an electronic reporting and data management system grows. The department is currently piloting electronic student progress reporting systems, but successful implementation is dependent on available resources for this effort.
- Funding for U.S. citizenship programs expires in F.Y. 1999, placing greater service demands on the ABE delivery system.
- The new federal ABE law shifts funds from ABE staff development and training to learner instruction resulting in a reduction of funding for these purposes. There is currently no state funding used for these purposes.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends that the formula allowance for adult basic education aid be converted from 65% of the general education formula allowance to an equivalent dollar amount of \$2,295 for F.Y. 2000 and to \$2,338 for F.Y. 2001 and later years.
- The Governor recommends an aid entitlement of \$19.863 million for F.Y. 2000 and \$22.843 million for F.Y. 2001.
 - Based on these entitlements the Governor recommends an appropriation of \$19.104 million in F.Y. 2000 (\$1.227 million for F.Y. 1999 and \$17.877 million for F.Y. 2000) and \$22.544 million in F.Y. 2001 (\$1.986 million for F.Y. 2000 and \$20.558 million for F.Y. 2001).

State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)

Activity: 1207 - Adult Basic Education
Program: Self-Sufficiency and Lifelong Learning

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	16,670	17,422	19,863	22,843		
	2. Statutory Excess/(Shortfall)	(3,740)	(5,000)				
	3. Appropriated Entitlement	12,930	12,422				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)		198				
	5. State Aid Entitlement under Current Law	12,930	12,620	19,863	22,843	17,156	67%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	12,930	12,620	19,863	22,843	17,156	67%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	4,106	4,404	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	4,106	4,404	0	0	(8,510)	-100%
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	17,036	17,024	19,863	22,843	8,646	25%
	a. Subtotal - Governor's Revenue Change	0	0	0	0		
	b. Governor's Revenue Recommendation	17,036	17,024	19,863	22,843	8,646	25%
<i>plus</i>							
FEDERAL FUNDS	12.a. Special Projects and Teacher Training	835	600	600	600	(235)	-16%
	b. Adult Basic Education Aid	3,272	3,276	3,276	3,276		
<i>equals</i>							
ALL FUNDS TOTAL	13. Total -- All Funds, Current Law	21,143	20,900	23,739	26,719	8,415	20%
	14. Total -- All Funds, Governor's Recommendation	21,143	20,900	23,739	26,719	8,415	20%
Appropriations Basis for State Aid							
	Prior Year (10%)	837	1,293	1,227	1,986		
	Current Year (90%)	11,641	11,176	17,877	20,558		
	Transfers per M.S. 127A.41, subdivision 9		198				
	Total State Aid - General Fund	12,478	12,667	19,104	22,544		

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1208 ADULT GRADUATION AID
PROGRAM: Self Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
STATE CITATION: M.S. 124D.54

ACTIVITY PROFILE:

Purpose:

- To provide adults age 21 and above with options and opportunities to earn their high school diploma.

Background:

- The state first funded the adult graduation program in the 1989-90 biennium with an appropriation of \$982,000. Prior to 1989, adult participation was low and resources were provided through the adult basic education (ABE) program.

Activity Description:

- Adults age 21 and over who have not completed high school may complete their secondary education under this program. The individual must also 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 Workforce Investment Act.
- Eligible individuals may enroll in area learning centers, post-secondary courses if eligible through post secondary enrollment options, public alternative programs, or any public high school.
- Enrollment is currently limited to two school years or until the adult learner completes the course work required for graduation whichever is less. At the completion of the program, the individual receives a high school diploma.
- Adults who seek a high school credential make decisions to pursue a diploma or a general educational development (GED) based on consideration of how long each program will take them to complete and whether or not the diploma program is available through their district of residence.

STRATEGIES AND PERFORMANCE:

- Participation in the program has steadily increased since its implementation from 722 in 1991 to 1,120 in 1998, a 55% increase.
- Individuals who receive their high school diploma earn on the average of \$6,500 more per year than a dropout.

FINANCING INFORMATION:

- The aid amount for each eligible pupil equals 65% of the General Education formula allowance times 1.3 times the Average Daily Membership (ADM) for the pupil. Pupils may not be counted by the district for any other purpose other than adult graduation aid.

BUDGET ISSUES:

- Participation is expected to increase due to high K-12 dropout rates.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends that the formula allowance for adult high school graduation aid be converted from 65% of the general education formula allowance to an equivalent dollar amount of \$2.295 million for F.Y. 2000 and to \$2.338 million for F.Y. 2001 and later years.
- The Governor recommends an aid entitlement of \$4.451 million for F.Y. 2000 and \$4.896 million for F.Y. 2001.
 - Based on these entitlements the Governor recommends an appropriation of \$4.264 million in F.Y. 2000 (\$258,000 for F.Y. 1999 and \$4.006 million for F.Y. 2000) and \$4.852 million in F.Y. 2001 (\$445,000 for F.Y. 2000 and \$4.407 million for F.Y. 2001).

**State of Minnesota
2000-01 Biennial Budget
(Dollars in Thousands)**

Activity: 1208 - Adult Graduation
Program: Self Sufficiency & Lifelong Learning

	Budget Activity Summary	Estimated		Gov.'s Recommendation		Biennial Change	
		F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001	2000-01/ 1998-99	
						Dollars	Percent
AID	1. Statutory Formula Aid	2,584	4,046	4,451	4,896		
	2. Statutory Excess/(Shortfall)	0	(1,500)				
	3. Appropriated Entitlement	2,584	2,546				
	4. Adjustment(s)						
	a. Excess Funds Transferred In / (Out)	0	59				
	5. State Aid Entitlement under Current Law	2,584	2,605	4,451	4,896	4,158	80.13%
	6. Governor's Recommended Aid Change(s)			0	0		
	7. Governor's Aid Recommendation	2,584	2,605	4,451	4,896	4,158	80.13%
<i>plus</i>							
LEVY	8. Local Levy under Current Law	0	0	0	0		
	9. Governor's Recommended Levy Change(s)			0	0		
	10. Governor's Levy Recommendation	0	0	0	0		
<i>equals</i>							
REVENUE	11. Current Law Revenue (Total of Aid & Levy)	2,584	2,605	4,451	4,896	4,158	80.13%
	a. Subtotal - Governor's Revenue Change			0	0		
	b. Governor's Revenue Recommendation	2,584	2,605	4,451	4,896	4,158	80.13%
Appropriations Basis for State Aid							
	Prior Year (10%)	224	258	258	445		
	Current Year (90%)	2,326	2,292	4,006	4,407		
	Transfers per M.S. 127A.41, subdivision 9	0	59				
	Total State Aid - General Fund	2,550	2,609	4,264	4,852		

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 1209 GED TEST REIMBURSEMENT
PROGRAM: Self-Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
CITATION: M.S. 124D.55

ACTIVITY PROFILE:

Purpose:

- To provide increased access for eligible individuals to complete the test of general educational development (GED) by paying a portion of the student's GED testing fees.

Background:

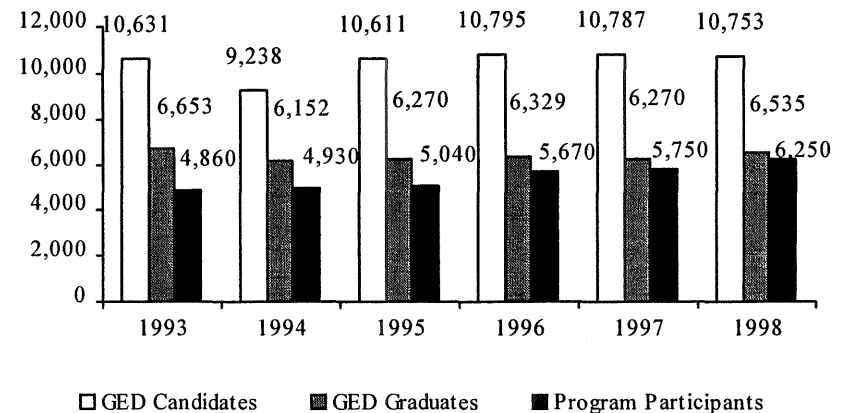
- State funding for the GED testing reimbursement program began in 1992 when the state began to pay the lesser of \$20 or 60% of the fee charge to an eligible individual for the full battery of the GED test.

Activity Description:

- To be eligible for the program, an individual must meet 3 criteria:
 - be a Minnesota resident and have been so for at least 90 days;
 - not be currently enrolled in a program leading to a high school diploma; and
 - not have testing fee paid by another agency.
- The GED examination consists of a battery of 5 tests that measure the major and lasting outcomes associated with a high school education. Each of the 5 tests (writing skills, social studies, science, interpreting literature and the arts, and mathematics) use a multiple choice question format; the writing skills test also requires an essay.
- Successful completion of the GED test battery results in the awarding of a State of Minnesota GED Diploma by the Department of Education, Children & Families. A high school diploma or GED is required by many employers, and virtually all of Minnesota post-secondary educational institutions accept the GED for admission purposes.

STRATEGIES AND PERFORMANCE:

All Candidates for the Test, All Graduates Passing the Test & Eligible Participants in the Reimbursement Program



- The number of participants is growing each year because more individuals are meeting the eligibility criteria.
- Individuals who receive their high school diploma or GED earn about \$6,500 more per year than a dropout.

FINANCING INFORMATION:

- This budget activity is funded entirely with state aid.
- In F.Y. 1998, the average GED test fee was \$45. This is expected to increase to \$50 or more in F.Y. 1999.
- At the end of each fiscal quarter, each of the 65 Minnesota Testing Centers submits to the department 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 established locally prior to the start of the fiscal year.

2000-2001 Biennial Budget

BUDGET ACTIVITY: 1209 GED TEST REIMBURSEMENT
PROGRAM: Self-Sufficiency and Lifelong Learning
AGENCY: Education, Children & Families
(Continued)

- Testing fees are determined locally and reflect the individual testing center's costs of administering the program.

(\$000)	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
State	\$95.4	\$100.5	\$100.5	\$113.4	\$120	\$125	\$125
Expenditures							

BUDGET ISSUES:

- The costs to lease GED testing materials have increased by approximately 167% since 1997 and are projected to increase in the next biennium as new GED tests are designed and implemented.
- Program participation is increasing. Given the current appropriation level, increased participation will cause a greater demand for the reimbursement of funds and result in prorated reimbursement. Participation costs for testing centers include test materials, space rental and test administrator's salary. This reimbursement program covers these operational costs and helps defray the test fee for the GED candidates. Some testing centers, especially in greater Minnesota where "economy of scale issues" significantly impact program costs, will discontinue their role as testing centers because they are losing money on this service. Loss of any greater Minnesota testing center will result in testing access problems for GED candidates in the rural areas.

GOVERNOR'S RECOMMENDATION:

- The Governor recommends an appropriation of \$125,000 for F.Y. 2000 and \$125,000 for F.Y. 2001, with carryforward authority within the biennium.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: SELF SUFFICIENCY & LIFELONG LR

Activity: GED TESTS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
LOCAL ASSISTANCE	120	125	125	125	125	125	125	0	.0%
Total Expenditures	120	125	125	125	125	125	125	0	.0%
<u>FINANCING BY FUND:</u>									
<u>DIRECT APPROPRIATIONS:</u>									
GENERAL	120	125	125	125	125	125	125		
Total Financing	120	125	125	125	125	125	125		

2000-2001 Biennial Budget

PROGRAM: 13 Discontinued/Non-Recurring Programs
AGENCY: Education, Children & Families

PURPOSE:

The budget process requires a report of discontinued education aids or grants if there is any expenditures in F.Y. 1997, F.Y. 1998 or F.Y. 1999.

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
<u>K-12 State Discontinued Programs</u>			
District Level Compensatory Revenue	0	0	14,700
Ortonville Grant-Technology Integration	0	200	0
General Education Subtotal	0	200	14,700
Special Education-Summer	2,586	0	0
First Grade Readiness	3,482	4,929	6,500
Vocational School Planning	59	0	0
School Interpreters	86	0	0
Nett Lake Insurance & Unemployment	62	41	60
Angle Inlet School	25	25	25
Low Income Concentration	1,231	1,000	0
Student Suspension/Expulsion	20	0	0
Central MN Learning Center	0	130	0
Matching Grants-Homeless	0	200	900
Nett Lake Media Specialist	0	35	34
Victims of Torture	0	60	60
Adolescent Parenting (K-12 bill)	0	470	30
In-School Behavior Intervention Grants	0	0	300
Third Party Billing System	0	0	200
Providing Technical Assistance	0	0	50
Education Performance Improvement	0	871	229
Special Programs Subtotal	7,551	7,761	8,388
Southwest Star Concept School	0	193	0
Lifework Learning Sites	0	457	543
Design & Implementation Grants	0	0	450
Lifework Development Subtotal	0	650	993
Cooperation-Combination	2,134	450	42
Special Consolidation	48	3	0
Facilities Planning-Lakefield etal	19	0	0
Preston Fountain	70	0	0
Program Startup-#622 etal	200	0	0

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Milan Reorganization	36	0	0
INFORMS Grants	400	0	0
Telecommunications Access	15,297	10,526	10,006
Transformation through Technology	2,700	1,000	0
Education Technology Clearinghouse	250	0	250
After School Programs	991	0	0
Electronic Curriculum	860	1,638	0
Technology Integration Grants	3,244	0	0
Hibbing Grant	0	250	0
Isle Planning Grant	0	0	100
Flood Losses	0	2,000	12,775
Library Site Technology	0	3,471	29
Technology Transformation	0	11,738	2,262
Computer Refurbishment	0	1,277	4,473
Collaborative Arts	0	1,000	0
Gopher Software	0	300	0
Additional Operating Capital	0	24,420	0
Monticello Storm Losses	0	0	100
Carlton Planning Grant	0	0	10
Caledonia Planning Grant	0	0	40
Coordinated Facilities	0	0	550
Enhanced Pairing Combination Aid	0	0	135
U of M Bell Museum	0	500	0
Clearinghouse of Best Practices	0	0	2,000
After School Enrichment	637	0	0
Regional Library Telecommunication	317	0	0
Facilities & Technology Subtotal	27,203	60,571	34,771
Capital Equipment	6,748	0	0
Capital Facilities	11,530	0	0
School Restructuring	300	0	0
West St. Paul-Grad Std Alternative	20	167	0
Year Round School	852	1,800	455
Laboratory Schools	0	2,500	0
Homework Helpline	0	30	100
Gifted & Talented Grants	0	1,373	1,627
Graduation Rule Implementation	0	9,499	0
Professional Teaching Standards	0	300	100
Early Intervention Reading	0	500	0
Graduation Rule Resource Grants	0	0	3,500
Youth Athletic Demonstration Program	0	0	100
Unlimited Possibilities Plan	0	0	100
Model Distance Learning Grant	0	0	250
So Central MN Talented Youth	0	20	20
Education Excellence Subtotal	19,450	16,189	6,252
Crow River & Meeker & Wright SPED Coop	0	100	0
Nett Lake Community Center	74	70	0
St. Paul Accountability	100	0	0
Model School for Truants	15	40	40
PSEO Replacement	255	12	0

2000-2001 Biennial Budget

PROGRAM: 13 Discontinued/Non-Recurring Programs
AGENCY: Education, Children & Families

(Continuation)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Aquila Community Together Project	0	30	30
HIV Education Training Sites	0	200	0
Partners for Quality School Improvement	0	470	30
Violence Prevention through Plays	0	75	75
Centennial Class Size Project	0	180	180
MN International Center	0	80	80
Community Health Center	0	30	0
McGregor Grant	0	50	0
Crooked Lake Elementary School	0	500	0
Targeted Needs Transportation	65,723	75,195	7,671
Willmar Grant	0	200	0
Rent Equity Credit	346	35	0
Ag Preserve Credit	161	154	270
Indian Scholar Gift-Curry	0	57	50
Alcohol Impaired Driver	465	0	0
International Center	40	0	0
Interagency Planning	75	0	0
Interagency Human Services	25	0	0
Other Programs Subtotal	67,279	77,378	8,426
Targeted Breakfast	0	490	547
Nutrition Programs Subtotal	0	490	547
Library Pilot Project	0	25	0
Regional Library Systems 98	0	0	250
Library for Blind Online Catalog	0	0	60
Library Programs Subtotal	0	25	310
TOTALS	121,483	78,243	9,283
Federal Discontinued Programs			
Articulate Language Instruction	127	0	0
Language Assistance	222	0	0
NEH Grant-Articulate Language	83	0	0
Federal Programs Subtotal	432	0	0

**2000-01 Biennial Budget
Agency Budget Brief
(\$ in thousands)**

Agency: Education, Children & Families, Department of **Fund:** General

	Dollars in Thousands			
	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>Biennium</u>
<u>AGENCY BASE-YEAR (F.Y. 1999)</u>				
Appropriations (F.Y. 1999)		\$ 24,301	\$ 24,301	\$ 48,602
<u>BASE ADJUSTMENT</u>				
One-Time Appropriations (Litigation)		\$ (1,300)	\$ (1,300)	\$ (2,600)
2000-01 Salary & Benefit Inflation		461	917	1,378
Statewide Administration System		31	31	62
Building Lease Increase		1,748	1,748	3,496
Furniture Lease Purchase		297	297	594
Transfer of Administration Funding from Aids Budget		4,914	4,914	9,828
State Board of Education Sunset		(45)	(210)	(255)
Uniform Pension Bill Reduction		(57)	(57)	(114)
<u>BASE LEVEL (for 2000 and 2001)</u>		\$30,350	\$30,641	\$60,991
<u>CHANGE ITEMS</u>				
MN Library for the Blind Renewal		25	-0-	25
Clearpath Upgrade and Hardware Replace.		715	100	815
Electronic Student Transcripts		142	98	240
Technology/Program Finance Staff		342	342	684
Litigation Costs	4,200	2,000	-0-	2,000
Transfer Administrative Funding for the Office of Drug Policy to DPS		(328)	(335)	(663)
Subtotal	\$ 4,200	\$2,896	\$205	\$3,101
GOVERNOR'S RECOMMENDATION		\$33,246	\$30,846	\$64,092

Brief Explanation of Budget Decisions:

This plan includes the following base adjustments:

- \$1,747,800 each year for the rent cost increase due to the relocation of the agency to a new site. The relocation of the agency was approved by the 1998 Legislature and a rent base adjustment was approved for F.Y. 1999. This base adjustment is for F.Y. 2000 and F.Y. 2001.

- \$297,000 each year for lease purchase of furniture required by the relocation of the agency. This funding was used to purchase modular furniture and components due to the reduction in the number of private offices at the new site.
- An increase in agency budget due to the transfer of administrative funding from the state aid bills into the agency budget. According to Minnesota Laws 1997, 1st Special Session, Chapter 4, Article 10, Section 3, Subd. 2, (j), the agency is required to transfer all funding used for administrative purposes from the state aids budget into the agency budget. The majority of the administrative funds that are transferred to the agency budget are from programs that were recently transferred into the department from other state agencies. The transfer of administrative funding into the agency budget does not represent an increase in the agency budget for administrative purposes but only a change in where the funding is located for budgetary purposes. (See table that follows for details on the transfers.)
- Other base adjustments include: \$1.378 million for anticipated salary and benefit cost increases, \$62,000 for statewide administration system costs increases, a \$255,000 reduction due to the sunset of the State Board of Education, a \$2.6 million dollar reduction for one-time litigation appropriations, and a reduction of \$114,000 for Uniform Pension Bill Reductions.

GOVERNOR'S RECOMMENDATION(S):

- The Governor recommends that the name of the agency be changed to the Department of Education, Children & Families to signal the Administration's commitment to focus its energies more clearly on the classroom.

The Governor recommends the agency's base budget and the following initiatives:

- *Clearpath Enterprise Server*: \$715,000 in F.Y. 2000 and \$100,000 in F.Y. 2001 to upgrade the server and replace aging computer servers in the agency. This upgrade is required due to the increase in electronic data reporting by schools on student achievement and other related student data and district financial data.

**2000-01 Biennial Budget
Agency Budget Brief**

Agency: Education, Children & Families, Department of
(Continuation)

- *Electronic Data Exchange (EDI)*: \$142,000 in F.Y. 2000 and \$98,000 in F.Y. 2001 to develop an EDI Internet server to facilitate the transfer of student transcripts between school districts and between districts and higher education institutions.
- *Litigation Costs*: \$4.2 million in F.Y. 1999 and \$2.0 million in F.Y. 2000 for litigation costs associated with education adequacy/desegregation lawsuits. The \$4.2 million F.Y. 1999 deficiency payment is included in the governor's deficiency bill. If mediation efforts currently underway are successful, some of these funds may not be needed.
- *Technology/Program Finance Positions*: \$342,000 each year to permanently fund 6 information technology/program finance positions to assure data integrity and continued operation of aid calculation and payment systems and develop a comprehensive technology/data management operating and strategic management plan.
- *Minnesota Library of the Blind and Physically Handicapped*: \$25,000 in F.Y. 2000 to renew the capacity of the library to meet customer needs in an effective manner. Funds will be used for technology upgrades to the computer system.

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Administrative Funding - FY 1998-99
(\$ in 000s)

	Actual (includes Admin. Funding)			Administrative Funding			Actual Less Administrative Funding		
	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 1998	F.Y. 1999	F.Y. 1998-99	F.Y. 1998	F.Y. 1999	F.Y. 1998-99
Family & Early Childhood Programs									
Violence Prevention Grants	1,276	1,727	3,003	43	60	103	1,233	1,667	2,900
After School Enrichment	4,888	4,926	9,814	128	166	294	4,760	4,760	9,520
Abused Children Program	1,016	1,118	2,134	101	173	274	915	945	1,860
Drug Policy & Violence Prevention	2,699	2,922	5,621	267	364	631	2,432	2,558	4,990
Children's Trust Fund	22	247	269	22	22	44	0	225	225
Minnesota Economic Opportunity Grants	8,588	9,448	18,036	416	592	1,008	8,172	8,856	17,028
Transitional Housing	1,720	2,039	3,759	80	95	175	1,640	1,944	3,584
Emergency Food Assistance Program	47	153	200	47	153	200	0	0	0
Food Bank/Food Shelves	1,239	1,262	2,501	11	34	45	1,228	1,228	2,456
Head Start	18,523	19,242	37,765	286	479	765	18,237	18,763	37,000
Residential Oil	569	588	1,157	12	15	27	557	573	1,130
Early Childhood Family Education	15,616	14,126	29,742	10	10	20	15,606	14,116	29,722
Learning Readiness	10,316	10,405	20,721	8	12	20	10,308	10,393	20,701
Family Collaboratives	7,492	7,014	14,506	153	216	369	7,339	6,798	14,137
Child Care Administration	572	496	1,068	572	496	1,068	0	0	0
ESL for Citizenship	987	13	1,000	12	13	25	975	0	975
Early Childhood Infant Grant Dev	1,986	14	2,000	26	14	40	1,960	0	1,960
Child Care Assistance-BSF	41,465	54,287	95,752	50	100	150	41,415	54,187	95,602
Total: Family and Early Childhood	119,021	130,027	249,048	2,244	3,014	5,258	116,777	127,013	243,790
K-12 Programs									
Teacher Education	450	450	900	450	450	900	0	0	0
Science-Math Grant	1,332	1,332	2,664	1,332	1,332	2,664	0	0	0
Learn & Earn	1,000	1,000	2,000	50	50	100	950	950	1,900
Education & Employment Transition	4,800	4,800	9,600	400	400	800	4,400	4,400	8,800
Youthworks	1,838	1,838	3,676	50	50	100	1,788	1,788	3,576
MN School to Work Student Organization	375	375	750	375	375	750	0	0	0
Total: K-12	9,795	9,795	19,590	2,657	2,657	5,314	7,138	7,138	14,276
Total	128,816	139,822	268,638	4,901	5,671	10,572	123,915	134,151	258,066

Note: This table includes supplemental salary funding that was appropriated to the department for F.Y. 1998 and F.Y. 1999.

These supplemental funds were transferred to from the agency's administrative account to all the accounts within the agency that included administrative salary expenses.

F.Y. 2000-01 BIENNIAL BUDGET
EDUCATION, CHILDREN & FAMILIES
Administrative Funding - FY 2000-01
(\$ in 000s)

	Actual (includes Admin. Funding)			Administrative Funding			Actual Less Administrative Funding		
	F.Y. 2000	F.Y. 2001	F.Y. 2000-01	F.Y. 2000	F.Y. 2001	F.Y. 2000-01	F.Y. 2000	F.Y. 2001	F.Y. 2000-01
Family & Early Childhood Programs									
Violence Prevention Grants	1,502	1,502	3,004	52	52	104	1,450	1,450	2,900
After School Enrichment	4,907	4,907	9,814	147	147	294	4,760	4,760	9,520
Abused Children Program	1,084	1,084	2,168	139	139	278	945	945	1,890
Drug Policy & Violence Prevention (for transfer to DPS)	2,816	2,816	5,632	321	321	642	2,495	2,495	4,990
Children's Trust Fund	247	247	494	22	22	44	225	225	450
Minnesota Economic Opportunity Grants	9,024	9,024	18,048	510	510	1,020	8,514	8,514	17,028
Transitional Housing	1,730	1,730	3,460	88	88	176	1,642	1,642	3,284
Emergency Food Assistance Program	102	102	204	102	102	204	0	0	0
Food Bank/Food Shelves	1,251	1,251	2,502	23	23	46	1,228	1,228	2,456
Head Start	18,760	18,760	37,520	385	385	770	18,375	18,375	36,750
Residential Oil	0	0	0	0	0	0	0	0	0
Early Childhood Family Education	19,483	19,263	38,746	10	10	20	19,473	19,253	38,726
Learning Readiness	10,405	10,405	20,810	10	10	20	10,395	10,395	20,790
Family Collaboratives	7,004	7,004	14,008	179	179	358	6,825	6,825	13,650
Child Care Administration	239	239	478	239	239	478	0	0	0
ESL for Citizenship	0	0	0	0	0	0	0	0	0
Early Childhood Infant Grant Dev	0	0	0	0	0	0	0	0	0
Child Care Assistance-BSF	20,751	20,751	41,502	0	0	0	20,751	20,751	41,502
Total: Family and Early Childhood	99,305	99,085	198,390	2,227	2,227	4,454	97,078	96,858	193,936
K-12 Programs									
Teacher Education	450	450	900	450	450	900	0	0	0
Science-Math Grant	1,352	1,352	2,704	1,352	1,352	2,704	0	0	0
Learn & Earn	1,000	1,000	2,000	50	50	100	950	950	1,900
Education & Employment Transition	4,807	4,807	9,614	407	407	814	4,400	4,400	8,800
Youthworks	1,841	1,841	3,682	53	53	106	1,788	1,788	3,576
MN School to Work Student Organization	375	375	750	375	375	750	0	0	0
Total: K-12	9,825	9,825	19,650	2,687	2,687	5,374	7,138	7,138	14,276
Total	109,130	108,910	218,040	4,914	4,914	9,828	104,216	103,996	208,212

Note: This table includes supplemental salary funding that was appropriated to the department for F.Y.1998-99. It does not include the proposed F.Y. 2000-01 salary supplement. These supplemental funds were transferred to from the agency's administrative account to all the accounts within the agency that included administrative salary expenses.

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2000-01 Biennial Budget

PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

PROGRAM PROFILE:

- The purpose of the Teaching and Learning program is to provide leadership and service in the design and implementation of a standards based and results driven system of education. This program directs its efforts to the transformation of public education by improving the quality of learning opportunities, increasing student achievement, and leading Minnesota's school technology effort.
- Activities in the Teaching and Learning program provide assistance to institutions serving learners at the preschool and kindergarten through twelfth grade levels and adults. Focusing on learning, this program serves a wide spectrum of clients, including school districts and other organizations with direct and indirect education missions.
- 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, those in need of basic English language skills, and learners with handicapping conditions or disabilities.
- Teaching and Learning is divided into 7 budget activities:
 - Learner Improvement
 - Learner Options
 - Special Education
 - Indian Education
 - Board of Teaching
 - Minnesota Academic Excellence Foundation
 - SciMath MN
- The activities included in this program provide the following:
 - Administer state grant and aid programs to school districts, counties, nonprofits and community organizations, and other service providers to achieve program outcomes.
 - Develop and implement administrative rules and administer federal and state laws and regulations.
 - Provide training and technical assistance to service providers and local government staff.
 - Promote cooperation and collaboration among service providers.
 - Collect data to determine program need and effectiveness.

STRATEGIES AND PERFORMANCE:

Factors directly impacting this program include the following:

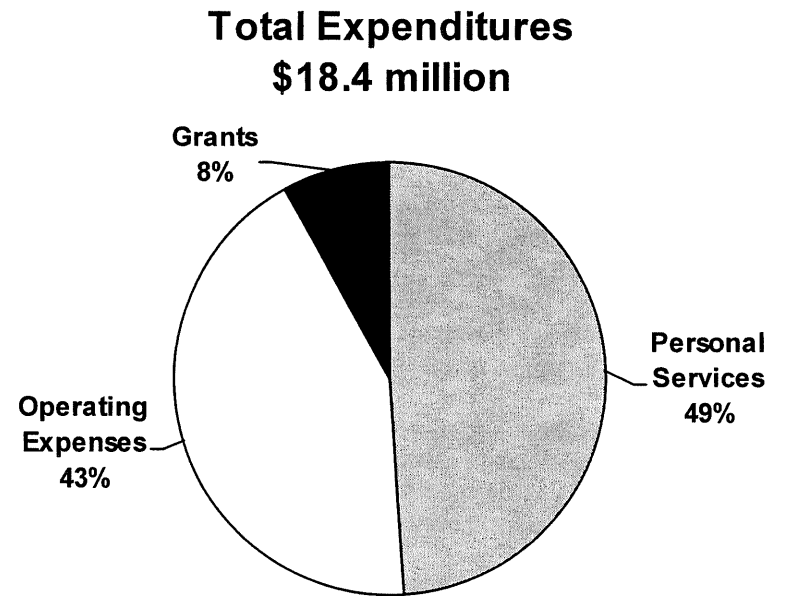
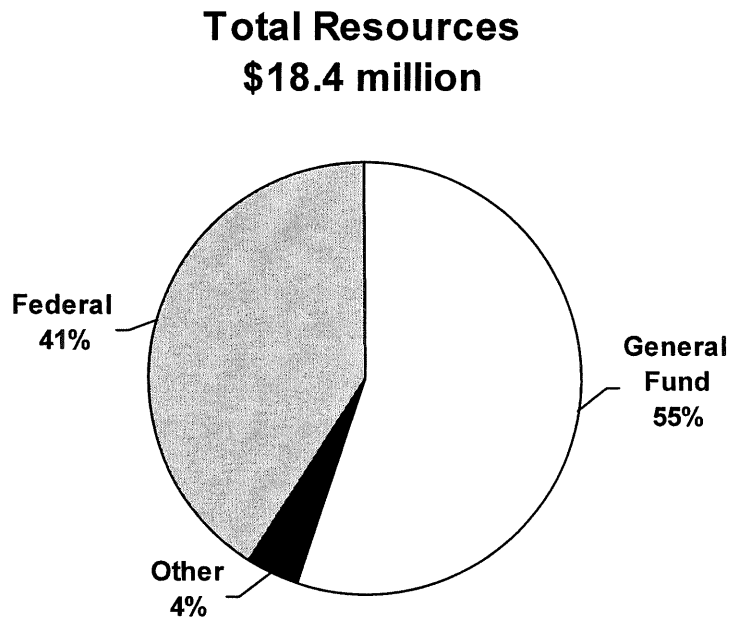
- **Minnesota's Graduation Standards:** The state now requires students to pass basic standards tests in reading, writing and mathematics in order to graduate from high school, and challenges them to meet high standards in 10 areas ranging from science to the arts. A new indicator of high standards in academic achievement will be available in 2000, when all high school students begin taking a statewide comprehensive test.
- **The reauthorization of federal categorical programs and other changes in federal policies, laws and rules:** All federal categorical programs are revised to align with the standards-based system of education. This results in changes in funding levels and formulas, procedural requirements, and program priorities.
- **Accountability:** The need 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 Graduation Standards have provided a basis for accountability for school districts and schools.
- **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.
- **Inclusive Education Program:** How to assure the success of all learners, to improve student understanding and acceptance of the varied rich cultures, to increase parental choice, and to provide inclusive education opportunities for children are issues in this program.
- **Restructuring Teacher and Administrator Preparation and Licensure:** The emphasis on a restructured learning system, and the focus on the graduation standards will require teachers and administrators to have different and higher level competencies than those currently included in the licensure and preparation models.

Strategies and Performance indicators addressing the factors impacting this program are found at the activity level.

FINANCING INFORMATION:

See graphs following the program narrative.

Minnesota Department of Education, Children & Families
Fiscal Summary - Teaching and Learning Program
F.Y. 2000 Agency Request



State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY ACTIVITY:</u>									
LEARNER IMPROVEMENT	12,388	5,699	9,417	7,761	7,761	7,773	7,773	418	2.8%
LEARNER OPTIONS	1,913	2,116	2,833	2,841	2,841	2,853	2,853	745	15.1%
SPECIAL EDUCATION	2,732	2,828	4,320	4,331	4,331	4,344	4,344	1,527	21.4%
INDIAN EDUCATION	571	484	572	563	563	574	574	81	7.7%
BOARD OF TEACHING	796	708	752	687	687	692	692	(81)	-5.5%
MN ACADEMIC EXCELLENCE FND	738	749	1,103	836	836	844	844	(172)	-9.3%
SCIENCE & MATH INITATIVES	1,732	1,388	1,472	1,358	1,358	1,364	1,364	(138)	-4.8%
Total Expenditures	20,870	13,972	20,469	18,377	18,377	18,444	18,444	2,380	6.9%

FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	15,183	8,289	11,560	9,979	9,979	10,110	10,110		
TRUNK HIGHWAY	21	21	21	21	21	21	21		
STATUTORY APPROPRIATIONS:									
GENERAL	30	30	30	30	30	30	30		
SPECIAL REVENUE	277	259	893	673	673	609	609		
FEDERAL	5,276	5,294	7,689	7,604	7,604	7,604	7,604		
GIFT	83	79	276	70	70	70	70		
Total Financing	20,870	13,972	20,469	18,377	18,377	18,444	18,444		

FTE BY EMPLOYMENT TYPE:									
FULL TIME	126.6	125.0	149.0	149.0	149.0	149.0	149.0		
PART-TIME, SEASONAL, LABOR SER	4.5	4.4	0.0	0.0	0.0	0.0	0.0		
OVERTIME PAY	0.1	0.2	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	131.2	129.6	149.0	149.0	149.0	149.0	149.0		

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2000-01 Biennial Budget

BUDGET ACTIVITY: 1401 Learner Improvement
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to:

- increase the capacity for all PreK-12 learners to achieve Minnesota graduation standards by reporting and monitoring student and system success;
 - increase the capacity of local educational agencies (LEAs) staff to improve learning; and
 - establish a data-driven, standards-based, accountability system supported by the continuous-improvement process.
- Services are delivered through a variety of regulatory, consultative, informational and educational programs to ensure that Minnesota learning standards are clearly and explicitly articulated, deployed in every school district, and results are published for the public.
 - Customers of this activity include federal and state agencies and organizations as well as LEAs, teachers and administrators, students and parents/guardians, the State Board of Education, executive and legislative branches and the greater Minnesota community.
 - This activity administers many state and federal programs. Major programs include Integration Programs, Magnet School Grants, Modifying Graduation Standards, Statewide Testing, Advanced Placement and International Baccalaureate Programs, and School Technology Programs.
 - This activity is composed of 3 sections: Policy Development and Reporting, System Services, and School Technology.

Policy Development and Reporting coordinates the development of legislation and rule so that an aligned, comprehensive system of education is created and maintained, and coordinates the procedures for reporting of student and system success. Major programs within the Policy Development and Reporting section include the following:

- **Graduation Standards (M.S. 120B.02) and statewide testing (M.S. 120B.30)** develops statewide learning standards; designs tests and other assessment tools

for statewide accounting of student learning; regulates state testing and reporting procedures for all students and LEAs; monitors statewide test security and coordinates rule making.

- **Desegregation and Inclusive Education Programs (M.S. 124D.892);** (State Board Rule 3500.000 and Chap. 3535) designs policy for desegregation and inclusive education programs with other state agencies, community councils, boards and organizations and state policy makers for all LEAs; monitors, investigates complaints and reports LEA compliance; designs and delivers technical assistance and staff development; and disburses categorical aids related to this function.
- **Post Secondary Laboratory Schools** provides funding, establishes a collaborative of grant sites with interested school districts to develop teaching techniques that enhance students' learning experiences in implementing the Minnesota Graduation Standards; impacts training candidates for teacher licensure; provides new models of the laboratory concepts.
- **Gifted and Talented Education** provides access to appropriate programs for students identified as gifted or talented in grades K through 12; establishes processes for identifying gifted and talented students; provides challenging learning experiences; provides staff development to assist teachers in delivering curriculum and instruction which meet the needs of gifted and talented learners.

System Services mobilizes and coordinates a statewide regional delivery system of curriculum, instruction and assessment services; provides monitoring of system accountability reports (M.S. 120B.31, subd. 1) and staff development reports (M.S. 122A.60) and provides direct technical service to all LEAs. Teams within the System Services section include:

- **Minnesota Educational Effectiveness Program (MEEP)** provides regional coordination of the state's technical assistance and staff development efforts for implementing the graduation standards; facilitates data-driven change in districts and school sites; assists district staff in applying knowledge of effective education practice; facilitates district and school site teams to create environments which support excellence and growth; and assists districts to develop open and collaborative relationships with parents and their communities.
- **Best Practice Networks (BPN)** provides a coordinated, statewide, regionally-based network of "best practice" educators in reading, writing, math and science who have been trained to implement the Minnesota learning standards with effective practice; provides a technology-based on-going dialogue of assistance to all LEA's teachers statewide; and provides education in the classroom as well as direct technical assistance at host- LEAs desiring staff training.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1401 Learner Improvement
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of
(Continuation)

- **Personnel Licensing** in coordination with the State Board of Teaching and the State Board of Education sets standards and policy for all teacher and educational administrator licenses; conducts background checks, licensure renewal reviews and certification checks on all licensed Minnesota education personnel; issues licenses; reviews post-secondary preparation programs; and disburses related categorical aids.
- **School Technology** provides a coordinated, statewide effort to facilitate development of technology infrastructure for schools and communities; establishes technology literacy standards for students; provides professional development activities for school staff so that technology is integrated into teaching and learning; facilitates virtual learning opportunities for students via satellite, Internet, Interactive Television (ITV) and other technology; and promotes continuous improvement in the use and application of technology.

STRATEGIES AND PERFORMANCE:

Policy Development and Reporting:

- **Rulemaking** - The graduation standards rule was completed. The desegregation rulemaking will be completed in December 1998. The Inclusive Education Rule is currently under amendment as prescribed by law.
- **Statewide Testing and Reporting** - 60,000 Basic Standards Tests in Reading and Mathematics were administered in 1997 and 75,000 were administered in 1998; 60,000 3rd grade and 60,000 5th grade Minnesota Comprehensive Assessments were administered in 1998.
- **Post-Secondary Laboratory Schools** - 6 post-secondary laboratory schools have been established in 8 public school sites serving K-12 students as well as providing on-site instruction and residency for post-secondary students preparing to be certified as licensed educators.

System Services:

- **MEEP** - To implement the phases of the standards-based system, Graduation Standards Technicians from every school district were trained and 10,000 classroom teachers from districts throughout the state were trained annually.

- **Best Practice Networks** - Four Best Practice Networks in reading, written composition, mathematics and science continue to provide assistance to classroom teachers throughout each region of the state. Each network has trained 300 educators, all combined totaling 1,200 educators, to assist other classroom teachers in utilizing best teaching practices to increase student learning.
- **Personnel Licensing** - 111,995 professionals held education related licenses in F.Y. 1998; 5,530 new credentials were issued in F.Y. 1998 and 27,133 renewals were processed in F.Y. 1998, which represents a 7.33% increase in the past 5 years.

Technology:

- **Technology Planning** - Provided training to all districts on technology planning. In the past year, approval was given for approximately 345 district plans.
- **Telecommunication Access** - Through the Telecommunication Access Grants, all school districts (353) have access to Internet and video capability.
- **Interactive Television** - Provide technical assistance to 247 greater Minnesota school districts who share access to courses via ITV. This program provides for approximately 4,000 courses each year.
- **Computer to Student Ratio** - In the past 2 years, the computer to student ratio for multimedia computers has been lowered from about 1.8 to 1.6.
- **Technology Learning Academy** - 47 Technology Learning Academy sites have been established. To date, 550 courses are offered at sites. About 8,000 teachers have taken training through the effort.

FINANCING INFORMATION:

Revenue:

The Board of Teaching generates non-dedicated revenue from teacher licensure fees set by the board. See Budget Activity 1405, Board of Teaching, for further information.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with the base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: LEARNER IMPROVEMENT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	2,790	2,729	3,811	3,905	3,905	3,981	3,981	1,346	20.6%
OPERATING EXPENSES	5,143	2,472	4,396	3,566	3,566	3,502	3,502	200	2.9%
SUBTOTAL STATE OPERATIONS	7,933	5,201	8,207	7,471	7,471	7,483	7,483	1,546	11.5%
LOCAL ASSISTANCE	4,455	498	1,210	290	290	290	290	(1,128)	-66.0%
Total Expenditures	12,388	5,699	9,417	7,761	7,761	7,773	7,773	418	2.8%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	10,943	4,499	7,300	5,815	5,815	5,891	5,891		
TRUNK HIGHWAY	21	21	21	21	21	21	21		
STATUTORY APPROPRIATIONS:									
GENERAL	30	30	30	30	30	30	30		
SPECIAL REVENUE	113	89	638	468	468	404	404		
FEDERAL	1,281	1,060	1,427	1,427	1,427	1,427	1,427		
GIFT	0	0	1	0	0	0	0		
Total Financing	12,388	5,699	9,417	7,761	7,761	7,773	7,773		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
GENERAL	30	30	30	30	30	30	30		
SPECIAL REVENUE	110	130	305	305	305	305	305		
FEDERAL	0	3,422	4,961	4,925	4,925	4,925	4,925		
NONDEDICATED									
CAMBRIDGE DEPOSIT FUND	1,309	1,399	1,340	1,545	1,545	1,545	1,545		
Total Revenues Collected	1,449	4,981	6,636	6,805	6,805	6,805	6,805		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: LEARNER IMPROVEMENT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	51.2	49.7	61.5	61.5	61.5	61.5	61.5
PART-TIME, SEASONAL, LABOR SER	1.9	1.8	0.0	0.0	0.0	0.0	0.0
OVERTIME PAY	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	53.1	51.7	61.5	61.5	61.5	61.5	61.5

2000-01 Biennial Budget

BUDGET ACTIVITY: 1402 Learner Options
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to assist school districts as they implement state and federally funded programs which support increased education services to improve student achievement.

This activity:

- provides guidance to school districts in policy development, implementation of state and federal programs, and coordination of resources;
- implements continuous quality school wide improvement systems relying on student performance and updated data collection and analysis;
- prepares state plans, grants, and/or applications for the acquisition of resources to carry out program and agency policies and priorities; and
- provides active support for the needs of target populations through publications, parent involvement, and representation on advisory committees, and intra- and inter-state activities.

Customers and aids programs administered by this activity are addressed below.

STRATEGIES AND PERFORMANCE:

State and Federal programs: These are programs that provide supplemental assistance to students who are educationally disadvantaged and/or provide supplemental assistance in staff development or other programs that are aligned with the Minnesota graduation standards.

- **Title I Grants to local education agencies (LEAs)(Title I, Part A):**
 - Provides funds and support for supplemental services to students who are most at risk of not meeting the state's high content and performance standards.
 - Targets students, PreK-Grade 12, who are below grade level, are in the greatest need of service, and are living in areas with the highest concentrations of poverty.

- **Even Start (Title I, Part B):**

- Assists districts and other eligible entities (i.e. community-based organizations) in providing family-centered education programs by integrating early childhood education and adult education for parents into a unified family literacy program.
- Targets children, between the ages of 0 and 7, who live in a Title I attendance area and who have at least 1 parent in need of adult basic education.

- **Migrant Education (Title I, Part C):**

- Provides education and support services to children of migratory agricultural workers.
- Targets preschool aged children and those persons up through age 21 who are entitled to a free public education through grade 12.

- **Neglected and Delinquent Youth (Title I, Part D):**

- Provides instructional support services to neglected and delinquent youth through institutions operated by local school districts.
- Targets children from kindergarten through grade 12.

- **Title II, Eisenhower Professional Development Program:**

- Improves the skills of teachers and the quality of instruction in mathematics and science.
- Funds the pre-service and in-service of teachers and other instructional personnel, recruitment or retraining of minority teachers, telecommunications technology, integration of higher order thinking skills into the mathematics and science curricula.

- **Title VI, Innovative Program Strategies:**

- Supports innovative programs in 8 areas: technology, acquisition and use of instructional materials, education reform, higher-order thinking skills for disadvantaged students, literacy programs, gifted and talented, school reform consistent with Goals 2000, and school improvement/school wide activities under Title I.

- **Title VII:**

- Provides technical assistance to districts to improve services to students of limited English proficiency.
- Targets students of limited English proficiency as well as their parents.

- **Limited English Proficiency (LEP) Programs:**

- State program which provides financial aid to school districts for staff to serve the language needs of limited English proficient students.
- Targets students, K-12, who are declared by a parent or guardian as having first learned another language than English, come from a home where a language other than English is usually spoken, usually speak a language other than English and score below the average district score for students

2000-01 Biennial Budget

BUDGET ACTIVITY: 1402 Learner Options
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of
(Continuation)

of the same age on a nationally normed English reading or English language arts achievement test.

■ **Emergency Immigrant Education (Title VII, Part C):**

- Assists with high quality instruction to immigrant children as they make the transition to American society.
- Targets youth, ages 3-21, who were not born in any state and have not been attending one or more schools in any one or more of the states for more than 3 academic years.

■ **Byrd Honors Scholarships:**

- Provides 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.

■ **Homeless Children and Youth:**

- Ensures that each homeless child or youth will have access to a free, appropriate education.
- Provides tutoring, remedial education services, and other educational services as needed to homeless youth aged 3 through 18.

■ **Family Connections Aid:**

- Offers funds to develop family connections programs which emphasize learning and development based on learner outcomes.
- Programs recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching process and the learning and development process.
- Designed as a local-state partnership with at least a \$1 match from the district for every \$2 from the state.

■ **Goals 2000:**

- This program provides assistance to develop and implement Minnesota's content and performance standards and assessment system, to align curricula and instruction with the standards, and to coordinate state and federal programs at the state and local levels so all students attain the state's high standards.

■ **Enrollment Options Program:**

- These are programs that allow a learner to choose the school or education program that best meets the learner's individual needs even if that means crossing district boundaries. These programs are designed to encourage students who are not succeeding in the current educational system, or who have withdrawn from school, to complete their high school education.
- Options include alternative programs, area learning centers, charter schools, open enrollment, post-secondary enrollment options, and adult basic education.
- Targets youth aged 5 through 20, or 21 for students with disabilities.
- Promotes and disseminates information about the tax credit and deduction program.
- Disseminates information about home school.
- Minnesota had 37 charter schools with about 4,500 students in operation for F.Y. 1999 and saw continued growth in the number of charter schools proposed.
- 21,316 students enrolled in a non-resident district through the open enrollment program in F.Y. 1999.
- 7,254 students challenged their academic talents and interests through the Post Secondary Enrollment Options program in F.Y. 1999.
- Minnesota had 63 public alternative programs operating at 82 sites and 22 contracted alternative programs at 22 different sites in F.Y. 1999.
- 69 Area Learning Centers were open for 492 sites in F.Y. 1999.

In the past fiscal year (F.Y. 1998) the Learner Options staff has provided technical assistance by answering 32,900 telephone calls; providing 127 workshops on state and federal programs throughout the state; developing and providing 57 different brochures and other explanatory materials to service providers; processing 1,621 state and federal grants; and by providing technical assistance to 205 sites through site visits and consultation. These workload measures are fairly consistent year to year.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: LEARNER OPTIONS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,380	1,505	1,867	1,877	1,877	1,889	1,889	394	11.7%
OPERATING EXPENSES	533	611	966	964	964	964	964	351	22.3%
SUBTOTAL STATE OPERATIONS	1,913	2,116	2,833	2,841	2,841	2,853	2,853	745	15.1%
Total Expenditures	1,913	2,116	2,833	2,841	2,841	2,853	2,853	745	15.1%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	376	404	487	497	497	509	509		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	74	69	51	49	49	49	49		
FEDERAL	1,463	1,643	2,295	2,295	2,295	2,295	2,295		
Total Financing	1,913	2,116	2,833	2,841	2,841	2,853	2,853		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
FEDERAL	8,136	103,039	104,501	104,347	104,347	104,347	104,347		
Total Revenues Collected	8,136	103,039	104,501	104,347	104,347	104,347	104,347		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	25.7	26.8	32.5	32.5	32.5	32.5	32.5		
PART-TIME, SEASONAL, LABOR SER	0.1	0.9	0.0	0.0	0.0	0.0	0.0		
OVERTIME PAY	0.1	0.0	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	25.9	27.7	32.5	32.5	32.5	32.5	32.5		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1403 Special Education
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to provide advocacy, leadership, technical assistance, and resource allocation to Minnesota schools for the design and implementation of a full array of instruction and services for students (age birth through 21) with disabilities and their families.

- The primary issues addressed by the activity are the following:
 - improve learning results for students with disabilities;
 - improve parent involvement and their working relationship with schools;
 - improve collaborative efforts with related state and local agencies; and
 - disburse state and federal funds according to enacted policies.
- This activity administers many state and federal programs, including: Special Education (state), Part B of P.L. 105-17 (IDEA), Children with Disabilities, American Sign Language, Lay Advocates, Options Plus, Deaf Blind Project, CSPD Personnel Preparation, and Inclusive School Communities.

STRATEGIES AND PERFORMANCE:

The activity addresses the primary issues as follows:

- To improve learning results:
 - Recommend policies (statutes and rules) to address specific needs and to integrate programs for students with disabilities with those for all students.
 - Design and disseminate procedures and standards.
 - Provide training, grants, and technical assistance to direct service providers in implementing procedures that are in compliance with state and federal policies, continuous improvement procedures, and classroom instruction.
 - Collaborate with teacher training programs to improve the skills of instructional staff. Involve service providers in the design of recommendations for policies, procedures, and standards.
- To improve parental involvement:
 - Recommend policies (statutes and rules) to address specific parental needs and rights.

- Provide training, grants and technical assistance to parents and parent organizations.
- Involve parents in the development of recommendations for policies, procedures, and standards.
- To improve collaboration:
 - Participate in the development and implementation of interagency working agreements with, among others, the Departments of Corrections, Health, Human Services, and Economic Security.
 - Recommend policies (statutes and rules) and design and implement procedures to eliminate state level barriers to and enhance collaboration among local service providers.
- To disburse state and federal funds:
 - Review and approve district applications.
 - Authorize the disbursement of state and federal aids.
 - Monitor district expenditures.
 - Apply for federal funding.
 - Provide data reports and summaries.

In addition to goals adopted for all students, the following unique goals have been adopted for students with disabilities:

- Individual learners will demonstrate measurable, continuous progress in the development of skills and strategies which generalize to a variety of academic and non-academic environments.
- Individual learners will demonstrate the ability to establish positive social relationships with others.
- Individual learners will develop a healthy physical self-awareness.
- Individual learners will develop a healthy emotional self-awareness.
- Individual learners will demonstrate the ability to make school-to-adulthood transitions.

Data relating to goal 1 will not be available until F.Y. 2001. Baseline data have been collected, as of the end of the 1997-98 school year, for goals 2 through 5.

A system goal has been adopted for programs serving students with disabilities: all local special education administrative units will implement a continuous program evaluation and improvement process related to student learning.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: SPECIAL EDUCATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,595	1,677	1,881	1,892	1,892	1,905	1,905	239	6.7%
OPERATING EXPENSES	1,137	1,151	2,439	2,439	2,439	2,439	2,439	1,288	35.9%
SUBTOTAL STATE OPERATIONS	2,732	2,828	4,320	4,331	4,331	4,344	4,344	1,527	21.4%
Total Expenditures	2,732	2,828	4,320	4,331	4,331	4,344	4,344	1,527	21.4%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	403	422	444	455	455	468	468		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	5	20	24	24	24	24	24		
FEDERAL	2,324	2,386	3,852	3,852	3,852	3,852	3,852		
Total Financing	2,732	2,828	4,320	4,331	4,331	4,344	4,344		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
FEDERAL	0	50,850	66,276	66,278	66,278	66,278	66,278		
Total Revenues Collected	0	50,850	66,276	66,278	66,278	66,278	66,278		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	26.9	27.3	30.0	30.0	30.0	30.0	30.0		
PART-TIME, SEASONAL, LABOR SER	1.4	0.9	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	28.3	28.2	30.0	30.0	30.0	30.0	30.0		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1404 Indian Education
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to improve the educational status of American Indians (16,971 in public schools and approximately 2,000 in tribal and alternative schools) in the state of Minnesota.

- The programs and services of the Indian Education activity provide American Indian learners (K through graduate school) with greater access to educational opportunities and supportive environments. The enhanced opportunities and environment provided by these programs are designed to facilitate learning appropriate for and supportive of the Indian learners unique educational and culturally related academic needs.
- The Indian Education activity is also a source of technical assistance and referral for public school districts, other educational institutions, state agencies, the business sector and social service agencies.

The Indian Education activity manages 6 grant programs:

- American Indian Language and Culture
- Post Secondary Preparation Program
- Minnesota Indian Teacher Training Program
- Minnesota Indian Scholarship Program
- Support for Indian Education
- Tribal Equalization - Tribal Early Childhood Family Education (ECFE) portion is done in collaboration with Office of Community Services.

The Indian Education activity provides to schools, learners and communities, programs or technical assistance in the following areas:

- Indian Adult Basic Education - in collaboration with Adult Education
- Home School Liaisons - in collaboration with Special Education
- Parent Advisory Committee
- Positive Indian Parenting Program - funded by the Blandin Foundation

Consultations and meetings are held to promote community involvement and partnerships in the Indian Education activity. Those involved are:

- The American Indian Education and Minnesota Indian Scholarship Committee
- Minnesota Indian Affairs Council
- Minnesota Chippewa Tribe
- Education directors from the 11 tribal nations and public schools

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, Children & Families, a resolution adopted by the parent committee stating whether the parent committee concurs with the district's education program for American Indian children.

STRATEGIES AND PERFORMANCE:

The Indian Education activity performance indicators include:

- 23,567 students PreK through adult education (Indian and Non-Indian) receive educational and cultural services through 6 grant programs and an education component;
- 980 students in post-secondary institutions receive funding through the Minnesota Indian Scholarship Program;
- technical assistance is provided to 800+ teachers, administrators, parents, parent committees, school board members and school staff; and
- serves as liaison to urban Indian programs, Bureau of Indian Affairs, other Minnesota state agencies, national organizations, other states and Minnesota's 12 tribal governments.

While public policy and programs in Minnesota have made a positive impact on educational opportunities for Indian students, the dropout rate, low achievement scores and lack of participation in school activities are generally the highest of any group in Minnesota. To be successful, the Indian Education activity must provide not only its current programs, but it must continue to collaborate with the agency, parents, communities and LEAs in working for systemic change.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: INDIAN EDUCATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	475	393	466	476	476	487	487	104	12.1%
OPERATING EXPENSES	96	91	106	87	87	87	87	(23)	-11.7%
SUBTOTAL STATE OPERATIONS	571	484	572	563	563	574	574	81	7.7%
Total Expenditures	571	484	572	563	563	574	574	81	7.7%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	524	449	537	533	533	544	544		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	0	4	0	0	0	0	0		
FEDERAL	28	30	30	30	30	30	30		
GIFT	19	1	5	0	0	0	0		
Total Financing	571	484	572	563	563	574	574		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	8.9	7.8	9.0	9.0	9.0	9.0	9.0		
PART-TIME, SEASONAL, LABOR SER	0.2	0.0	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	9.1	7.8	9.0	9.0	9.0	9.0	9.0		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1405 Board of Teaching
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The Board of Teaching (M.S. 122A.07-09) 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 an 11-member board appointed by the governor to 4 year terms:
 - 6 classroom teachers
 - 1 higher education teacher preparation faculty
 - 1 school administrator
 - 3 public members, 2 of whom are present or former school board members.
- Serves Minnesota public schools, teachers, students, and the public at large through ensuring well-prepared and qualified teachers for Minnesota's K-12 classrooms.

STRATEGIES AND PERFORMANCE:

- Establishes and maintains standards for preparation and licensure of new and continuing Minnesota teachers.
 - Researches and establishes standards for licensure of teachers.
 - Examines and approves teacher preparation programs.
 - Implements licensure assessment system.
 - Researches and coordinates beginning teacher programs.
 - Receives and investigates complaints relative to M.S. 122A.20 and the Code of Ethics for Minnesota Teachers.
 - Suspends or revokes teaching licenses for cause.
 - Collaborates with the Board of Education with regard to administrative licensure.
 - Processes appeals resulting from denial of licensure and schedules contested case hearings.
 - Collaborates with the Personnel Licensing Team in the issuance of initial and renewing licenses.

FINANCING INFORMATION:

Grants Summary:

Through a competitive application process, the Board of Teaching awarded pilot site mentorship/teacher induction grants to 7 school partnerships totaling \$420,000 plus expenses (Special Session Laws of 1997, Chapter 4, Article 5, Section 28, subd. 5).

Revenue:

The Board of Teaching generates non-dedicated revenue from teacher licensure fees set by the Board. This revenue returns to the General Fund to recover the cost of operations of the Board of Teaching. It also includes the operations of the Personnel Licensing section of the Department of Education, Children & Families, which issues, as required by statute, all licenses granted under the authority of the Board of Teaching. Both activities receive General Fund appropriations.

	Dollars in Thousands				
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Type of Revenue:					
Non-dedicated - Gen'l	\$1,309	\$1,399	\$1,340	\$1,545	\$1,545

BUDGET ISSUES:

The department anticipates continued work toward Board of Teaching priorities and initiatives during the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: BOARD OF TEACHING

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	161	132	139	142	142	147	147	18	6.6%
OPERATING EXPENSES	308	245	228	160	160	160	160	(153)	-32.3%
SUBTOTAL STATE OPERATIONS	469	377	367	302	302	307	307	(135)	-18.1%
LOCAL ASSISTANCE	327	331	385	385	385	385	385	54	7.5%
Total Expenditures	796	708	752	687	687	692	692	(81)	-5.5%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	762	657	707	687	687	692	692		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	5	1	0	0	0	0	0		
FEDERAL	29	50	45	0	0	0	0		
Total Financing	796	708	752	687	687	692	692		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	2.5	2.0	2.0	2.0	2.0	2.0	2.0		
Total Full-Time Equivalent	2.5	2.0	2.0	2.0	2.0	2.0	2.0		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1406 Minnesota Academic Excellence Foundation
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The Minnesota Academic Excellence Foundation (MAEF), by charter from the Minnesota legislature (M.S. 124D.94) and through partnerships of education, business and government at the state and community-based levels, is the primary advocate for recognizing and promoting the importance of academic excellence in Minnesota's pre-kindergarten, elementary and secondary students, schools and communities.

The MAEF Board of Directors, appointed by the governor to represent government, business and education stakeholder groups, establishes the policies and procedures needed to successfully implement MAEF's systemic education improvement initiatives, program activities and legislative charge. Additionally, the Board must secure partnerships with the private sector to match public funding required to accomplish MAEF objectives and impact goals.

Through technical assistance, direct service and the provision of incentives and contracts for performance, MAEF's strategic actions focus on:

- accountability in education delivery for high standards of learning,
- engagement of students as active and responsible partners,
- value-added partnerships which leverage results and establish customer-supplier relationships.

STRATEGIES AND PERFORMANCE:

MAEF's strategies for achieving its goals are based on 3 priorities:

- Facilitating systemic improvement in education delivery to increase student learning and advance educator practice.
- Creating values in society which demand higher levels of learning for all students and expect and support higher levels of results from schools.
- Facilitating innovative, high-performing, results-focused partnerships between business, education, government and other sectors at the national, state and community levels.

As the public continues to expect higher levels of student learning, increased school accountability and improved measurement and reporting mechanisms, MAEF initiatives will address these needs in the following ways:

- **Academic League**, which advances student learning and community engagement and support for local learning through booster clubs, TIPLINE, and advisory committees.
- **Partners for Quality** (formerly Schools of Excellence), which directly assists schools and districts in continuously improving the performance of their learning. MAEF provides training and technical assistance via workshops, seminars, a clearinghouse and volunteer business partners to classroom, school and district sites.
- **WHAT WORKS? ASK THE STUDENTS!** and **WHAT WORKS? ASK THE PARENTS!** which provide schools, classrooms and community groups with methods for increasing student and parental/family involvement and satisfaction in education delivery.
- **Minnesota Governor's Scholars** initiative, which provides Minnesota with a team of young leaders prepared to make positive change in their communities. Students learn and use the principles of ethical leadership, quality improvement, project planning and deployment, problem and policy analysis, community development and organization and culturally sensible approaches to solving and preventing problems.
- **Educator incentives and recognitions**, which advance educator practice and recognize and reward exemplary results. MAEF provides technical assistance to sponsors in the delivery of a variety of educator programs.
- **Community organization and advocacy activities**, such as forums, rallies, discussion groups, workshops and special events. An example of advocacy and outreach is Gathering of Champions which annually recognizes Minnesota's top 17,000 (2%) students as Academic All-Stars in a program and ceremony for the students and their families at the Minnesota State Fair.

FINANCING INFORMATION:

Revenue: The Minnesota Academic Excellence Foundation generates non-dedicated revenue from fees paid by program participants. The Minnesota Academic Excellence Foundation, as charged by M.S. 124D.94, is authorized to collect fees. The fee revenues are used to support the delivery of programs, services and materials to students, families and educators.

Type of Revenue:	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Non-dedicated - Gen'l	\$70	\$127	\$131	\$125	\$128

BUDGET ISSUES:

The department anticipates continued work toward Minnesota Academic Excellence Foundation priorities and initiatives in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: MN ACADEMIC EXCELLENCE FND

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	248	261	307	307	307	315	315	54	9.5%
OPERATING EXPENSES	303	256	569	335	335	335	335	(155)	-18.8%
SUBTOTAL STATE OPERATIONS	551	517	876	642	642	650	650	(101)	-7.3%
LOCAL ASSISTANCE	187	232	227	194	194	194	194	(71)	-15.5%
Total Expenditures	738	749	1,103	836	836	844	844	(172)	-9.3%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	621	596	653	634	634	642	642		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	53	75	180	132	132	132	132		
GIFT	64	78	270	70	70	70	70		
Total Financing	738	749	1,103	836	836	844	844		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
SPECIAL REVENUE	70	127	131	125	125	128	128		
GIFT	86	92	180	70	70	70	70		
Total Revenues Collected	156	219	311	195	195	198	198		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	5.4	5.4	8.0	8.0	8.0	8.0	8.0		
PART-TIME, SEASONAL, LABOR SER	0.9	0.8	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	6.3	6.2	8.0	8.0	8.0	8.0	8.0		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1407 SciMath MN
PROGRAM: 14 Teaching and Learning
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

SciMath MN is a public/private partnership to improve K-12 mathematics and science education in Minnesota schools through standards-based systemic reform. SciMath MN was formed in 1993 as both an independent non-profit and a state supported partnership which works closely with the Department of Education, Children & Families (ECF) (Minnesota Laws of 1993, Chapter 335, Article 7, Section 28, Subd. 4).

- SciMath MN is governed by an independent board of directors which includes individuals from education, business, government and the community. In addition to its legislative allocation, SciMath MN receives funding from federal agencies and local companies and foundations.
- SciMath MN works closely with ECF, but its mission and programs differ significantly because of its public/private nature and its ability to:
 - secure corporate and foundation support and involvement;
 - engage colleges and universities directly in K-12 reform efforts;
 - convene the kind of broad-based coalitions needed to solve systemic issues such as revising teacher licensure or achieving equity in math and science achievement;
 - serve as a voice for science and math education in statewide policy debates; and
 - conduct public relations activity in order to engage parents and employers.

In order to promote standards-based systemic reform for K-12 science and math education, SciMath MN conducts programs with the following goals:

- Policy: 1) advocate for standards-based policy and practice for K-12 science and math education; 2) build networking infrastructure and leadership capacity for teacher, schools, and state organizations; 3) conduct research and support model programs for gender and race equity in science and math education; and 4) provide international benchmarks for performance for school science and mathematics.
- Professional Development: 1) create or support model standards-based teacher professional development programs; 2) build the capacity of teacher professional organizations to serve local districts and regions; 3) create or provide curriculum and professional development resources for standards-based teaching and learning; 4) establish or enhance statewide networks for teacher

development; and 5) fund and support model research projects in standards-aligned teacher education programs.

- Public Awareness: 1) equip teachers of mathematics and science to be local advocates for standards-based science and math; 2) create or disseminate model public awareness materials to advocate standards-based reform and to enable others to advocate for standards-based reform; 3) engage employers, post-secondary education, parents and other stakeholders in the effort to align all parts of the system; 4) use educational technology to build teacher capacity and to advance the public understanding of standards; and 5) provide access to national resources and networks for Minnesota science and mathematics educators.

STRATEGIES AND PERFORMANCE:

- One of the strongest statewide coalitions in the country.
- Raised over \$450,000 in private sector contributions and \$700,000 in federal dollars.
- Produced the state curriculum frameworks in math and science.
- Trained more than 500 teachers across the state in use of the Internet and several thousand teachers in use of the curriculum frameworks.
- Sponsored Minnesota participation in unique international benchmarking Third International Math and Science Study (TIMSS).
- Developed award-winning public relations programs.
- Established a statewide network of more than 8,000 individuals.
- Engaged 80% of state's teacher preparation institutions in collaborative efforts to change and improve.
- Awards grant contracts to education organizations or other providers of education-related services in order to conduct or support SciMath MN initiatives.

FINANCING INFORMATION:

Grants Summary:

Per Minnesota Laws 1997, First Special Session, Chapter 4, Article 5, Section 28, Subd. 6, \$40,000 of SciMath MN's biennial state appropriation was designated as a flow-through grant to the South Central Minnesota Talented Youth Program. SciMath MN has no discretion over the selection of the organization to receive funding or activities of this program.

BUDGET ISSUES:

The department anticipates continued work towards SciMath MN priorities and initiatives in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- TEACHING & LEARNING

Activity: SCIENCE & MATH INITIATIVES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	195	192	402	428	428	434	434	268	45.1%
OPERATING EXPENSES	719	812	509	369	369	369	369	(583)	-44.1%
SUBTOTAL STATE OPERATIONS	914	1,004	911	797	797	803	803	(315)	-16.4%
LOCAL ASSISTANCE	818	384	561	561	561	561	561	177	18.7%
Total Expenditures	1,732	1,388	1,472	1,358	1,358	1,364	1,364	(138)	-4.8%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	1,554	1,262	1,432	1,358	1,358	1,364	1,364		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	27	1	0	0	0	0	0		
FEDERAL	151	125	40	0	0	0	0		
Total Financing	1,732	1,388	1,472	1,358	1,358	1,364	1,364		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	6.0	6.0	6.0	6.0	6.0	6.0	6.0		
Total Full-Time Equivalent	6.0	6.0	6.0	6.0	6.0	6.0	6.0		

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2000-01 Biennial Budget

PROGRAM: 15 Lifework Development

AGENCY: Education, Children & Families, Department of

PROGRAM PROFILE:

- The purpose of the Lifework Development program is to provide leadership for Minnesotans to become responsible citizens, economic players, and life-long learners.
- Lifework development is an approach that will reform Minnesota's concept of learning and renew expectations for education, community service and workforce preparation by allowing all learners to make effective and efficient transitions from education to employment. This is accomplished by integrating lifework planning/career awareness, work and service-based learning, contextual learning and occupational information programs into a seamless system of education for all Minnesota learners.
- Lifework Development is divided into 2 budget activities:
 - Lifework Development
 - Councils and Foundations
- The activities included in this program provide the following:
 - Administer state grant and aid programs to school districts, counties, nonprofits and community organizations, and other service providers to achieve program outcomes.
 - Develop and implement administrative rules and administer federal and state laws and regulations.
 - Provide training and technical assistance to service providers and local government staff.
 - Promote cooperation and collaboration among service providers.
 - Collect data to determine program need and effectiveness.

STRATEGIES AND PERFORMANCE:

Factors directly impacting this program include the following:

- **Increase the number of learners with community leadership and citizenship skills through community service opportunities:** Young people and adults with these skills have higher levels of civic and community involvement and lower levels of anti-social behavior.
- **Increase the number of learners with real-life hands-on experiences:** Research demonstrates that learners are more successful when they can apply academic skills to real life experiences. In addition, there are increasing expectations from business and industry that workers have work-readiness

skills and hands-on experiences.

- **Accelerate the career exploration process of K-12 learners:** Learners with focused education career plans have a higher high school graduation rate, are more likely to complete a post-secondary education program in a timely fashion, and have higher life-long incomes.
- **Transform Secondary Vocational Education from low technology to highly technical, computer based programs:** 85% of all new jobs require significant technical skills. In addition, current jobs are being upgraded and industry is being retooled to utilize higher technologies.
- **Increase learner's knowledge of their abilities and skills and their capacity to transfer them to a variety of workplace, lifelong learning, and community service opportunities:** The vast majority of jobs that will exist in 20 years are currently non-existent. In addition, it is estimated that people currently entering the workforce for the first time will have up to seven careers.

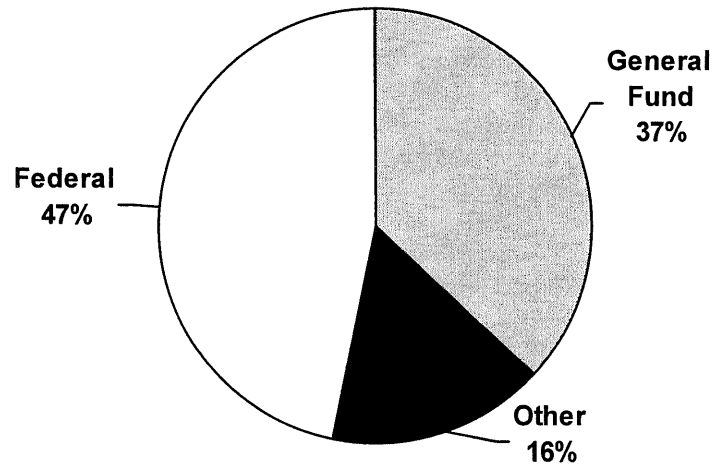
Strategies and Performance indicators addressing the factors impacting this program are found at the activity level.

FINANCING INFORMATION:

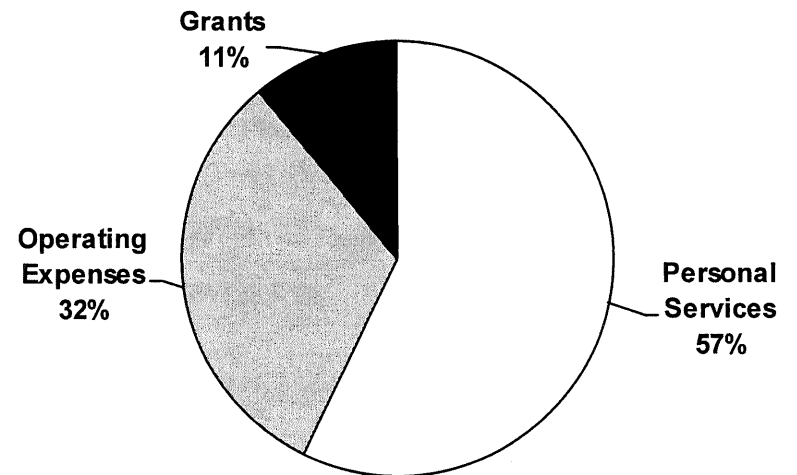
See graphs following the program narrative.

Minnesota Department of Education, Children & Families
Fiscal Summary - Lifework Development Program
F.Y. 2000 Agency Request

Total Resources
\$4.5 million



Total Expenditures
\$4.5 million



State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- LIFEWORk DEVELOPMENT

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY ACTIVITY:									
LIFEWORk DEVELOPMENT	2,530	3,659	4,059	4,022	4,022	4,056	4,056	360	4.7%
COUNCILS AND FOUNDATIONS	224	460	539	466	466	466	466	(67)	-6.7%
Total Expenditures	2,754	4,119	4,598	4,488	4,488	4,522	4,522	293	3.4%

FINANCING BY FUND:							
DIRECT APPROPRIATIONS:							
GENERAL	715	1,344	1,787	1,653	1,653	1,673	1,673
STATUTORY APPROPRIATIONS:							
GENERAL	1	1	0	0	0	0	0
SPECIAL REVENUE	603	648	702	735	735	749	749
FEDERAL	1,416	2,124	2,100	2,100	2,100	2,100	2,100
AGENCY	1	0	0	0	0	0	0
GIFT	18	2	9	0	0	0	0
Total Financing	2,754	4,119	4,598	4,488	4,488	4,522	4,522

FTE BY EMPLOYMENT TYPE:							
FULL TIME	25.2	35.9	44.0	46.5	46.5	46.5	46.5
PART-TIME, SEASONAL, LABOR SER	3.6	3.7	0.9	0.9	0.9	0.9	0.9
Total Full-Time Equivalent	28.8	39.6	44.9	47.4	47.4	47.4	47.4

2000-01 Biennial Budget

BUDGET ACTIVITY: 1501 Life Work Development
PROGRAM: 15 Life Work Development
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to provide leadership and coordination of resources and programs that promote workforce preparation.

This activity includes the following:

- Promotes cooperation, collaboration, and partnering among government agencies, PreK-12 education institutions, higher education institutions, business, labor, and community-based organizations with families and communities.
- Provides training and technical assistance, through a variety of methods, for local service providers for program improvement.
- Provides information to local service providers, professional associations, parents and communities about the opportunities available through the various programs and councils of Lifework Development.
- Assesses and evaluates data to determine program needs and effectiveness. One significant project is the Minnesota High School Follow-up Study which is designed to assess the student's high school experience in relation to the Graduation Standards and future life plans.
- Develops administrative procedures and monitors implementation of federal and state laws/rules.

This activity administers many state and federal programs. Major programs include Secondary Vocational Education, Education and Employment Transitions (Apprenticeship, Entrepreneurship, Employer Rebates, etc.), School-To-Work Initiative, Youth Works, AmeriCorps, Service Learning Serve America, Learn and Earn, Work Study Student Compensation, Transitions for Students with Disabilities, Agricultural Education, and Tech Prep.

STRATEGIES AND PERFORMANCE:

- Develop benchmarks for School-To-Work performance indicators and for secondary vocational education standards and measures.

- Coordinate leadership in the transformation of vocational education and the articulation of secondary and post-secondary programs, and the integration of service-learning with the graduation standards.
- Develop tools and processes for the enhancement of governance and operations of school-to-work partnerships.
- Implement public awareness campaigns on School-To-Work initiative, unified state plan for national and community service, and other lifework development programs.
- Develop and implement self-assessment tools for secondary vocational education, School-To-Work partnerships, service-learning, and peer review processes for Secondary Vocational Education plans, Tech Prep and School-to-Work partnership plans.
- Conduct on-site monitoring visits with Youth Works/AmeriCorp, Service-Learning, Vocational Education programs, and School-To-Work partnerships for fiscal management and compliance with state and federal program requirements.

FINANCING INFORMATION:

Revenue Summary:

The Minnesota Career Information System (MCIS) generates dedicated special revenue from fees paid by subscribers for use of the MCIS system. MCIS is required by M.S. 124D.505 to be a fee supported system. This computer based system is available at more than 530 sites in Minnesota. Sites include middle and secondary schools, public libraries, community-based organizations, workforce centers, technical and community colleges and public and private colleges.

Type of Revenue	Dollars in Thousands				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Dedicated Special Revenue	\$553	\$649	\$700	\$700	\$700

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: AGENCY -- LIFEWORK DEVELOPMENT
Activity: LIFEWORK DEVELOPMENT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,460	2,039	2,426	2,515	2,515	2,549	2,549	599	13.4%
OPERATING EXPENSES	1,064	1,441	1,504	1,378	1,378	1,378	1,378	(189)	-6.4%
SUBTOTAL STATE OPERATIONS	2,524	3,480	3,930	3,893	3,893	3,927	3,927	410	5.5%
PAYMENTS TO INDIVIDUALS	0	0	9	9	9	9	9	9	100.0%
LOCAL ASSISTANCE	6	179	120	120	120	120	120	(59)	-19.7%
Total Expenditures	2,530	3,659	4,059	4,022	4,022	4,056	4,056	360	4.7%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	514	946	1,253	1,187	1,187	1,207	1,207		
STATUTORY APPROPRIATIONS:									
GENERAL	1	1	0	0	0	0	0		
SPECIAL REVENUE	603	648	702	735	735	749	749		
FEDERAL	1,394	2,062	2,100	2,100	2,100	2,100	2,100		
GIFT	18	2	4	0	0	0	0		
Total Financing	2,530	3,659	4,059	4,022	4,022	4,056	4,056		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
GENERAL	26	0	0	0	0	0	0		
SPECIAL REVENUE	553	649	700	700	700	700	700		
FEDERAL	0	17,763	14,221	14,213	14,213	14,213	14,213		
GIFT	14	1	38	0	0	0	0		
Total Revenues Collected	593	18,413	14,959	14,913	14,913	14,913	14,913		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: AGENCY -- LIFEWORK DEVELOPMENT
Activity: LIFEWORK DEVELOPMENT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	25.2	35.8	42.9	45.4	45.4	45.4	45.4
PART-TIME, SEASONAL, LABOR SER	3.6	3.7	0.9	0.9	0.9	0.9	0.9
Total Full-Time Equivalent	28.8	39.5	43.8	46.3	46.3	46.3	46.3

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2000-01 Biennial Budget

BUDGET ACTIVITY: 1502 Councils and Foundations
PROGRAM: 15 Lifework Development
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to provide support to the following councils and foundations.

- The Governor's Workforce Development Council was created by the 1995 legislature to recommend policy and implementation strategies for workforce issues, transitions from education to employment, and vocational education. The Council's membership is appointed by the governor with representatives from business, education, labor, and state agencies.
- The Minnesota Commission on National and Community Service promotes and supports community service, service-learning and civic responsibility in all streams of service (K-12 to Senior Corps Programs) through resource development, public relations, training, evaluation and continuous improvement of programs. The Commission, appointed by the governor, represents the non-profit and volunteer sectors, business, organized labor, education, state and federal agencies.
- The School-To-Work (STW) Student Organization Foundation promotes vocational student organizations and applied leadership opportunities in Minnesota public schools through public-private partnerships. Student organizations integrate classroom, workplace, and communities into curriculum areas and educational experiences. The 23 member Foundation Board has been meeting since January 1998 and hired an Executive Director as of June 1998.

STRATEGIES AND PERFORMANCE:

- Lifework Development serves as the fiscal agent for the governor's Workforce Development Council and assists the Department of Economic Security with the staffing and support for the Youth Development Committee. Bi-monthly meetings are held to establish policy, make recommendations, and conduct the business of the Council. They have developed and adopted position papers on topics such as "Graduation Standards and the School-to-Work Initiative" and

"Education Articulation".

- Lifework Development serves as the fiscal agent and provides the staffing for the Minnesota Commission on National and Community Service. Monthly Commission meetings are held to provide guidance and implementation of the strategic unified state 3-year plan and the state and federal grant for Youth Works/AmeriCorps.
- The STW Student Organization Foundation serves as the body for coordinating joint activities and outreach among student organizations. The Foundation holds the eleven different secondary and post-secondary student organizations to the following performance indicators: 1) a strong base to develop leadership, team work, citizenship and interpersonal skills; 2) rigorous standards for skills and applied learning experiences; 3) collaborative projects with community, labor, business and industry, parents, government and educational institutions; 4) structure, motivation, and support for students to take primary responsibility for their own success; 5) opportunities for students to prepare for leadership roles in business, community, and family; 6) opportunities for diverse learners to accomplish common goals; and 7) promote a balance between work and family, personal, group and career skills.

FINANCING INFORMATION:

Grants Summary:

Grants totaling \$383,792 were awarded by the Student Organization Foundation to the 11 secondary and post-secondary student organizations. The state statute (M.S. 124D.34) creating the Foundation states that it is responsible to identify and secure appropriate public and private funding for the basic staffing of the foundation and the individual student organizations at the state level and seek private resources to supplement the available public money.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: AGENCY -- LIFEWORK DEVELOPMENT
Activity: COUNCILS AND FOUNDATIONS

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	0	4	60	60	60	60	60	56	87.5%
OPERATING EXPENSES	14	(22)	31	31	31	31	31	53	588.9%
SUBTOTAL STATE OPERATIONS	14	(18)	91	91	91	91	91	109	149.3%
LOCAL ASSISTANCE	210	478	448	375	375	375	375	(176)	-19.0%
Total Expenditures	224	460	539	466	466	466	466	(67)	-6.7%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	201	398	534	466	466	466	466		
STATUTORY APPROPRIATIONS:									
FEDERAL	22	62	0	0	0	0	0		
AGENCY	1	0	0	0	0	0	0		
GIFT	0	0	5	0	0	0	0		
Total Financing	224	460	539	466	466	466	466		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	0.0	0.1	1.1	1.1	1.1	1.1	1.1		
Total Full-Time Equivalent	0.0	0.1	1.1	1.1	1.1	1.1	1.1		

2000-01 Biennial Budget

PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of

PROGRAM PROFILE:

- The purpose of the Management and Support Services program is to provide general support and management services for the Teaching and Learning, Lifework Development, and Community Services programs. Activities under the Management and Support Services program are essential for the efficient and effective delivery of services to Minnesota's education system, counties, nonprofits and community organizations, and other service providers.
- The Management and Support Services program is divided into 5 budget activities:
 - Program Finance and Management Assistance
 - Monitoring and Compliance
 - Information Technologies
 - Leadership and Administration
 - State Board of Education.
- The activities included in this program provide the following:
 - Administer state grant and aid programs to school districts, counties, nonprofits and community organizations, and other service providers to achieve program outcomes.
 - Provide training and technical assistance to service providers and local government staff.
 - Ensure equal educational opportunities, due process for students, and federal funds are used appropriately.
 - Provide statewide policy leadership for Minnesota's education system.
 - Ensure accurate, timely and comparable data for use by federal, state, and local governments.

STRATEGIES AND PERFORMANCE:

Factors directly impacting this program include the following:

- **Finance System Change:** The finance system for education is being adjusted to give districts and agencies greater flexibility over the use of resources.

- **Education Facilities:** Learning sites must be safe, healthy, accessible, and conducive to learning.
- **District Organization:** As Minnesota's demographics change, schools and agencies need to reorganize to deliver the necessary programs and improve how education and services are provided to learners and their families.
- **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 state and local level for management decision making.
- **Due Process and Accountability:** School districts are becoming increasingly accountable for equal educational opportunities for learners, and similarly responsible for due process, which may be quite legalistic in nature. Local school personnel have a corresponding need for guidance and training regarding their responsibilities, as well as flexibility from state laws and rules to allow for local decision making whenever possible.

Strategies and performance indicators addressing the factors impacting this program are found at the activity level.

FINANCING INFORMATION:

See graphs following the program narrative.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY ACTIVITY:</u>									
PROGRAM FINANCE & MGMT ASSIST	2,741	2,752	3,004	3,032	3,032	3,093	3,093	369	6.4%
MONITORING & COMPLIANCE	1,826	2,491	3,323	3,280	3,280	3,228	3,228	694	11.9%
INFORMATION & TECHNOLOGY	4,139	3,229	3,392	3,199	4,398	3,274	3,814	1,591	24.0%
LEADERSHIP & ADMINISTRATION	7,751	8,887	15,850	10,240	12,240	10,322	10,322	(2,175)	-8.8%
STATE BOARD OF EDUCATION	204	207	210	165	165	0	0	(252)	-60.4%
Total Expenditures	16,661	17,566	25,779	19,916	23,115	19,917	20,457	227	.5%

<u>CHANGE ITEMS:</u>	<u>FUND</u>			
(B) CLEARPATH UPGRADE & HARDWARE REPLACE	GEN		715	100
(B) ELECTRONIC DATA EXCHANGE STUDENT RECORDS	GEN		142	98
(B) LITIGATION COSTS	GEN	4,200	2,000	
(B) TECHNOLOGY/PROGRAM FINANCE POSITIONS	GEN		342	342
Total Change Items		4,200	3,199	540

<u>FINANCING BY FUND:</u>							
<u>DIRECT APPROPRIATIONS:</u>							
GENERAL	12,081	12,605	18,335	14,140	17,339	14,180	14,720
<u>STATUTORY APPROPRIATIONS:</u>							
GENERAL	11	263	223	11	11	11	11
SPECIAL REVENUE	1,499	1,905	2,276	2,333	2,333	2,358	2,358
FEDERAL	1,460	2,149	2,870	2,810	2,810	2,746	2,746
AGENCY	1,610	644	2,075	622	622	622	622
Total Financing	16,661	17,566	25,779	19,916	23,115	19,917	20,457

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	141.5	164.3	178.5	175.1	180.1	174.1	179.1
PART-TIME, SEASONAL, LABOR SER	7.6	6.8	2.5	2.5	2.5	2.5	2.5
OVERTIME PAY	0.4	0.3	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	149.5	171.4	181.0	177.6	182.6	176.6	181.6

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2000-01 Biennial Budget

BUDGET ACTIVITY: 1601 Program Finance and Management Assistance
PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to:

- provide leadership and support to policy makers in developing and evaluating finance policy;
- implement finance programs;
- provide financial management assistance to local agencies and school sites;
- provide leadership to assure facilities are safe and accessible;
- provide management assistance in the evaluation of organizational alternatives;
- ensure accountability in the use of resources.

The customers of this activity include state executive and legislative policy makers, state agencies, local school board members, local agency and site administrators, county auditors, private auditors and financial consulting firms serving schools, professional organizations, federal agencies, the media and the general public.

This activity is composed of 2 sections: Program Finance and Management Assistance.

Program Finance provides the following services:

- Analyze finance systems for policy makers; manage the preparation of the Education, Children & Families Aids budget; and support the legislative process.
- Translate the laws into funding formulas and administrative procedures; administer numerous finance programs; set the property tax levy limitations totaling about \$2 billion annually and administer the school district levy process; and disburse and report for about \$4 billion in annual state aid and tax credits through a metered payment system.

Management Assistance provides the following services:

- Provide state administration of the required school district accounting and financial management systems; provide individualized management assistance to districts and approve plans for removing excess debt. Conduct audits of school district revenues, especially for pupil units and transportation expenses; report on the financial health of school districts; and provide financial data for state aid and other purposes.

- Administer the pupil transportation system, including eligibility and reporting for transportation revenue, and training for school bus safety; and administer the post-secondary enrollment options (PSEO), federal impact aid, and credit enhancement programs.
- Assist with planning for new school facilities, review all major construction plans, and comment on appropriateness before bond issues are submitted for voter approval; assist school districts in developing consolidation agreements and facilitating school district consolidation; manage state funding programs for health and safety in schools and for capital loan construction projects; manage all state grants for school district facilities and organization/facilities planning; and coordinate state Fire Marshal inspections of schools.

STRATEGIES AND PERFORMANCE:

Program Finance:

- All state aid payments, levy limitations and budget forecasts were completed accurately and according to statutory deadlines.
 - Total state aid payments increased from \$2.4 billion in F.Y. 1991 to \$3.0 billion in F.Y. 1995, and are projected to be \$3.8 billion in F.Y. 1999.
 - The number of state aid and levy categories administered in whole or in part by the section has increased from 132 in F.Y. 1991 to 192 in F.Y. 1995, and to 205 in F.Y. 1999.
- Approximately 100 fiscal notes are completed annually.

Management Assistance:

- Completed approximately 70 review and comments of school construction projects each year. Over the last 3 calendar years, over 70% of those have been approved by the voters.
- Wrote, edited and distributed the new monthly School Business Bulletin to all school districts in the state informing them of statutory changes, UFARS updates, facility issues, transportation issues and best practices in school business affairs.
- Received audits from all public K-12 educational organizations required to conduct audits for review and reconciliation with UFARS data in accordance with the agency effort to improve data quality.
- Received over 6,000 school districts health and safety project applications over the Internet and approved in accordance with the law.
- Administered all capital grants in accordance with the law.

BUDGET ISSUES:

Recent department audits by the legislative auditor and a study of the information technology area identified the need for the department to increase staffing in the education program finance area and the information technology area.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: PROGRAM FINANCE & MGMT ASSIST

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,924	1,981	2,223	2,272	2,272	2,333	2,333	401	9.5%
OPERATING EXPENSES	526	497	496	478	478	478	478	(37)	-3.7%
SUBTOTAL STATE OPERATIONS	2,450	2,478	2,719	2,750	2,750	2,811	2,811	364	7.0%
LOCAL ASSISTANCE	291	274	285	282	282	282	282	5	.9%
Total Expenditures	2,741	2,752	3,004	3,032	3,032	3,093	3,093	369	6.4%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	2,730	2,679	2,931	2,959	2,959	3,020	3,020		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	11	0	0	0	0	0	0		
FEDERAL	0	73	73	73	73	73	73		
Total Financing	2,741	2,752	3,004	3,032	3,032	3,093	3,093		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	33.7	34.2	38.0	38.0	38.0	38.0	38.0		
Total Full-Time Equivalent	33.7	34.2	38.0	38.0	38.0	38.0	38.0		

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

PROGRAM: AGENCY -- MGMT. & SUPPORT SERV

ACTIVITY: INFORMATION & TECHNOLOGY

IT Change Item: TECHNOLOGY/PROGRAM FINANCE POSITIONS

ITEM DESCRIPTION AND PURPOSE:

Permanently fund 6 technical and finance positions in the education program funding and technology areas. These positions are dedicated to work with existing systems to assure data integrity and to assure continued operations. The positions will minimize risks to the complex aid and levy calculations programs, aid payment systems, project sequencing and timing, technical architecture and model management.

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	0	0	0	0	0	0
Personnel	342	342	342	342	342	342
Services	0	0	0	0	0	0
Software	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Training	0	0	0	0	0	0
Total	342	342	342	342	342	342

RATIONALE:

Recent department audits by the legislative auditor and a study of the information technology area indicated the need for the department to increase staffing in the education program finance area and the information technology area to avoid extreme dependence on the highly technical skills of one or two people. Some of the education finance and related information technology positions may have only one person who has the high level of technical expertise required to run the computer programs and/or payment systems. While the department has taken steps to avoid dependence on a single staff member, additional staff is required in the information technology and education finance areas to assure that required administrative functions are adequately covered. As part of this initiative, the department will develop a comprehensive technology/data management operating and strategic management plan.

The dependence on technology and data management has increased the level of skills required by staff who administer and manage state programs. Therefore, the need to provide cross training and support to assure that complex software applications are not dependent on a few key individuals is required. Staff duties would include project sequencing and timing, technical architecture and model management/documentation. Technical support would be provided to the technology infrastructure to support the financial and related student/program data reporting and collections through the Internet and the Intranet.

The planning process portion of this initiative will examine the department's long-term investments designed to meet the needs of administrative requirements in an efficient and financially prudent manner. This planning process is critical for the agency to make thoughtful, prudent and strategically sound staff allocations and to prepare future technology/finance budget initiatives. The plan will be provided to the Office of Technology and the Department of Finance.

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development						
Operations						
Modification						
Retirement						

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES
IT Change Item: Technology/Program Finance Positions
(Continuation)

OFFICE OF TECHNOLOGY ANALYSIS:

The department is currently beginning to develop its strategic plan for technology. The plan must address department-wide deficiencies, data redundancy issues and "silo" applications.

OT Master Plan: Goal 2-Efficient and effective government. This project would add critical staff necessary for the department to maintain its complex information systems. Recommendation: Continue to address all OT requirements and complete department-wide planning. OT supports funding if there is a commitment to address department-wide issues. ECF is requested to provide a written update of their strategic plan to the Department of Finance and the Office of Technology by April 1, 2000.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$342,000 in F.Y. 2000 and \$342,000 in F.Y. 2001 for this initiative. Approval of staffing requests or reallocation of base budget for FY 2002/2003 is contingent on ECF's completion and implementation of their strategic plan for technology.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1602 Monitoring and Compliance
PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to administer programs that assure:

- students have equal educational opportunities,
- students and parents have access to due process under law, and
- federal funds are used appropriately.

This activity provides services required by federal and/or state laws, such as:

- Special education monitoring, mediation, hearing and complaint systems for all public schools.
- Monitoring of school lunch and adult/child food care programs at more than 1000 sites.
- Veterans education program approvals.
- Numerous Equal Educational Opportunity functions such as civil right monitoring of vocational programs, complaint system for gender equity in public and private school athletic programs, anti-hazing, assurance of nondiscrimination, sexual harassment, and others.
- Student expulsion appeal system.
- Other school-related compliance functions such as oversight of the Minnesota State High School League, dangerous weapons report, school health waivers, student discipline, truancy, investigation of breaches of test security in statewide assessment system.

Because of the centralized position of this activity in the Department of Education, Children & Families (ECF), it serves a wide clientele including parents, students with disabilities, school administrators, other state and federal agencies (such as the Minnesota Department of Human Rights and U.S. Office of Civil Rights). This is one of few ECF activities that directly serves students through its complaint or appeals systems.

The range and volume of monitoring and compliance programs has steadily increased over the past 3 years due in large part to increasing accountability and legal challenges directed at schools. This pattern is expected to continue.

STRATEGIES AND PERFORMANCE:

- Regulation and standard setting is often used to address issues because of the legalistic nature of the various programs. ECF has been involved in 14 lawsuits over special education since 1994.
- Monitoring findings are examined annually from a statewide perspective to track progress from year to year, and tracked individually to see if local agencies make improvements required by corrective action plans. This information is shared with other ECF activities for training and policy-making purposes (notably, special education and nutrition programs).
- Monitoring efforts now include examination of quality as well as compliance in order to provide more balanced feedback to local practitioners. One-fourth of the state's school districts are monitored annually for special education.
- Complaints are analyzed annually to determine trends and training needs for state and local staff. F.Y. 1998 had an all-time high of 115 formal complaints.
- Veterans education reviews are used by educational institutions to modify and expand local programs to meet the needs of military veterans and other adult students. There were 201 on-site reviews done in F.Y. 1998.
- Nutrition programs were monitored in 143 schools and 112 child care sites.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: AGENCY -- MGMT. & SUPPORT SERV
Activity: MONITORING & COMPLIANCE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,232	1,732	2,089	2,130	2,130	2,092	2,092	401	10.5%
OPERATING EXPENSES	594	759	1,234	1,150	1,150	1,136	1,136	293	14.7%
SUBTOTAL STATE OPERATIONS	1,826	2,491	3,323	3,280	3,280	3,228	3,228	694	11.9%
Total Expenditures	1,826	2,491	3,323	3,280	3,280	3,228	3,228	694	11.9%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	147	177	256	260	260	266	266		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	271	274	295	308	308	314	314		
FEDERAL	1,408	2,040	2,772	2,712	2,712	2,648	2,648		
Total Financing	1,826	2,491	3,323	3,280	3,280	3,228	3,228		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
SPECIAL REVENUE	282	325	215	308	308	314	314		
Total Revenues Collected	282	325	215	308	308	314	314		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	19.1	29.1	34.9	34.9	34.9	34.9	34.9		
PART-TIME, SEASONAL, LABOR SER	2.8	3.0	2.2	2.2	2.2	2.2	2.2		
Total Full-Time Equivalent	21.9	32.1	37.1	37.1	37.1	37.1	37.1		

2000-01 Biennial Budget

BUDGET ACTIVITY: 1603 Information Technologies
PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to ensure accurate, timely and comparable management of information as required by local school boards, the Department of Education, Children & Families (ECF), the State Board of Education, the executive and legislative branches of Minnesota government, and the federal government.

- Customers of this activity include department staff, school district administrative staff, Regional Management Information Center (RMIC) staff, county agencies and service providers, the Minnesota legislature, the U.S. Department of Education, the Office of Civil Rights and the public.
- The Information Technology activity is composed of 2 teams: Data Management and System Development.

The Data Management Team provides the following services:

- Coordinates the department's data collection and automated reporting systems.
- Manages the department-wide Minnesota Automated Reporting Student System (MARSS), and the Staff Automated Reporting (STAR) data collection systems. All school districts report data via these 2 systems to ECF.
 - Data from MARSS are used to 1) allocate about \$4 billion in revenue to school districts each year, 2) make drug education and federal special education (child count) funding available to the state of Minnesota, and 3) distribute Title 1 funds and other federal funds that use Title 1 in the funding formula. MARSS now serves as the department's primary source for research and policy development on student achievement.
 - The STAR system collects data on school district licenses and nonlicensed staff.
 - Coordinates the development of the department's data warehouse. This effort supports the need to provide integrated information that shows the linkages and impact of factors that influence a child's achievement. Currently, the department stores its data in operational databases that do not provide the user with the ability to integrate information. The data warehouse will provide access to integrated information in a more user-friendly environment.

The Systems Development team provides the following services:

- Provides technical and programming support for a data processing infrastructure which is used to store data, perform calculations, export data to other systems and report information regarding more than 40 application systems associated with every school and district in the state of Minnesota. In this capacity the system is used to manage and distribute about \$4 billion a year. This infrastructure also supports the annual licensing (new and renewal) of 28,000 teachers, the calculation of another \$2+ billion in property tax levies, and other agency programs.
- Supports a complex and diverse set of technologies including a UNISYS Clearpath Enterprise Server (mainframe) and an IBM AS/400. Included are network resources for approximately 550 internal staff, document imaging solutions, E-mail and scheduling services and hosting the agency website.

STRATEGIES AND PERFORMANCE:

- Developed and implemented guiding principles for data collection to improve state and local data collection processes for school districts and began work with the Office of Community Services to improve their data collection, analysis and reporting processes.
- Adopted and implemented a data privacy security policy to ensure the safe and secure electronic transfer of data both externally and internally.
- Conducted annual MARSS basic workshops for all new MARSS coordinators or local service provider staff.
- Developed and implemented standards for software contacts and products and distributed the "Certification of MARSS Software and Decertification List" to school districts to ensure the quality of the data school districts report.
- Conducted semi-annual software vendor meetings to discuss current items impacting MARSS, STAR, Graduation Standards reporting changes and certification of MARSS software used by districts, cooperatives, and other service providers.

BUDGET ISSUES:

Recent department audits by the legislative auditor and a study of the information technology area have identified the need for the department to increase staffing in the education program finance area and the information technology area.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: INFORMATION & TECHNOLOGY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,831	2,528	2,845	2,716	3,128	2,791	3,203	958	17.8%
OPERATING EXPENSES	2,308	701	547	483	1,270	483	611	633	50.7%
SUBTOTAL STATE OPERATIONS	4,139	3,229	3,392	3,199	4,398	3,274	3,814	1,591	24.0%
Total Expenditures	4,139	3,229	3,392	3,199	4,398	3,274	3,814	1,591	24.0%

<u>CHANGE ITEMS:</u>	<u>FUND</u>				
(B) CLEARPATH UPGRADE & HARDWARE REPLACE	GEN			715	100
(B) ELECTRONIC DATA EXCHANGE STUDENT RECORD	GEN			142	98
(B) TECHNOLOGY/PROGRAM FINANCE POSITIONS	GEN			342	342
Total Change Items				1,199	540

<u>FINANCING BY FUND:</u>							
DIRECT APPROPRIATIONS:							
GENERAL	2,887	2,566	2,787	2,780	3,979	2,843	3,383
STATUTORY APPROPRIATIONS:							
GENERAL	0	200	212	0	0	0	0
SPECIAL REVENUE	326	427	368	394	394	406	406
FEDERAL	10	36	25	25	25	25	25
AGENCY	916	0	0	0	0	0	0
Total Financing	4,139	3,229	3,392	3,199	4,398	3,274	3,814

<u>REVENUE COLLECTED:</u>					
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State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: INFORMATION & TECHNOLOGY

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	0	246	166	0	0	0	0
SPECIAL REVENUE	4	55	0	0	0	0	0
FEDERAL	0	53	0	25	25	25	25
AGENCY	916	0	0	0	0	0	0
Total Revenues Collected	920	354	166	25	25	25	25
FTE BY EMPLOYMENT TYPE:							
FULL TIME	33.4	45.4	48.2	45.8	50.8	45.8	50.8
PART-TIME, SEASONAL, LABOR SER	1.7	2.2	0.3	0.3	0.3	0.3	0.3
OVERTIME PAY	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	35.3	47.7	48.5	46.1	51.1	46.1	51.1

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

PROGRAM: AGENCY -- MGMT. & SUPPORT SERV

ACTIVITY: INFORMATION & TECHNOLOGY

IT Change Item: CLEARPATH UPGRADE & HARDWARE REPLACE

ITEM DESCRIPTION AND PURPOSE:

Upgrade the Clearpath Enterprise Server and replace two dedicated network servers in the department which are greater then 4 years old.

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	335	40	40	40	600	170
Personnel	0	0	0	0	0	0
Services	0	0	0	0	0	0
Software	380	60	60	60	715	100
Supplies	0	0	0	0	0	0
Training	0	0	0	0	30	30
Total	715	100	100	100	1,345	300

Cost of the Project totals \$715.0 in F.Y. 2000. This includes replacing 2 existing Network Servers and acquiring software and hardware support contracts and maintaining those support contracts for fiscal years 2001-2003.

RATIONALE:

The upgrade and replacement of servers impacts the department's ability to conduct daily business and meet the informational needs of decision-makers and customers. The capabilities of the Enterprise Server have enabled department staff, school district clients and the public to submit data and access information more efficiently and provide customized results as situations require.

The Enterprise Server is fully utilized at various times creating delays and inefficiencies. The load is expected to increase substantially as legislatively mandated school-level financial accounting is implemented in F.Y. 1998-99. Greater use of Open Data Based Connectivity reporting packages and the exchange of data with other systems such as the Data Warehouse Server and Food and Nutrition Server will contribute to greater load requirements on the existing system. To continue reliable service and provide a platform for growth in the use of current and future technologies, an upgrade to the Clearpath Enterprise Server is needed. Replacement of Clearpath is expected in F.Y. 2004.

The department currently has 12 Network Servers. These perform critical functions such as file sharing, print sharing, web hosting, and e-mail and scheduling. There is no money built into the base division budget to replace these servers as they become obsolete. Two servers are currently identified as needing replacement.

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development	X					
Operations		X	X	X	X	X
Modification				X		
Retirement				X		

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

IT Change Item: Clearpath Upgrade & Hardware Replace
(Continuation)

OFFICE OF TECHNOLOGY ANALYSIS:

The department is currently beginning to develop its strategic plan for technology. The plan must address department-wide deficiencies, data redundancy issues and "silo" applications.

OT Master Plan: Goal 2-Efficient and effective government. This project would upgrade the existing Clearpath Enterprise server and replace two network servers. Recommendation: Continue to address all OT requirements and complete department-wide planning. OT supports funding if there is a commitment to address department-wide issues. ECF should explore all options including leasing as they look at Clearpath replacement in FY 2003.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$715,000 in F.Y. 2000 and \$100,000 in F.Y. 2001 for the Clearpath upgrade and hardware replacement initiative.

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

PROGRAM: AGENCY -- MGMT. & SUPPORT SERV

ACTIVITY: INFORMATION & TECHNOLOGY

IT Change Item: ELECTRONIC DATA EXCHANGE STUDENT RECORD

ITEM DESCRIPTION AND PURPOSE:

Develop an Electronic Data Interchange (EDI) internet server at ECF to facilitate the transfer of student transcripts between school districts and between school districts and higher education institutions. Currently it takes 6 to 8 weeks to transfer records by mail.

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	50	0	0	0	0	0
Personnel	92	98	98	98	98	98
Services	0	0	0	0	0	0
Software	0	0	0	0	0	0
Supplies	0	0	0	0	0	0
Training	0	0	0	0	0	0
Total	142	98	98	98	98	98

RATIONALE:

Minnesota school districts currently transfer paper student transcripts via the mail. The transfer of student records to the new enrolling district usually takes around 6-8 weeks after the student has enrolled. This delay may result in the student not being placed in the appropriate classes or receiving the appropriate services. Beginning in the fall of 1998, school districts are required to record a student's progress towards the Graduation Standard's Profile of Learning. Timely communication of student achievement information to another district is critical to the success of the graduation standards effort.

The EDI Student Records Transfer Project will facilitate the transfer of student transcripts between school districts and higher education institutions by translating their student transcripts to the EDI Standards via an EDI Internet Server. The school district will send the transcripts to the server. The server will translate the files using EDI Student Transcript Standards and send it to the receiving district or higher education institution in a format that can be imported into their student administration software. The National Center for Education Statistics (NCES) is currently developing a WWW/EDI Server that performs the tasks. It is Minnesota's intent to work with NCES to pattern this project after the NCES project.

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

IT Change Item: Electronic Data Exchange Student Record

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development						
Operations	X	X	X	X	X	X
Modification						
Retirement						

Expenditures reflect the cost to implement and maintain the EDI Server at ECF. Included in the expenditures are cost for hardware, training, staffing costs for 1 FTE, materials and travel. In F.Y.2000, approximately \$50,000 is to be used for computer hardware (servers) and the remaining amount for staff. After F.Y.2000, the funding request is for staffing related costs and related computer support costs.

The EDI Student Records Transfer Project will facilitate the transfer of student transcripts between school districts and higher education institutions by translating their student transcripts to the EDI Standards via an EDI Internet Server.

OFFICE OF TECHNOLOGY ANALYSIS:

The department is currently beginning to develop its strategic plan for technology. The plan must address department-wide deficiencies, data redundancy issues and "silo" applications.

OT Master Plan: Goal 2-Efficient and effective government. This project would transfer student transcripts between school districts and higher education institutions. Minnesota intends to utilize standards developed by the National Center for Education Statistics (NCES). Recommendation: Continue to address all OT requirements and complete department-wide planning. OT supports funding if there is a commitment to address department-wide issues.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$142,000 in F.Y. 2000 and \$98,000 in F.Y. 2001 for the EDI student record transfer initiative. ECF should develop an agreement with the U of M, MnSCU and the Minnesota Private College Council for support relating to EDI record transfer to Minnesota higher education institutions.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1604 Leadership and Administration
PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to provide statewide policy leadership for the Minnesota education system, which includes school districts, communities, counties, community organizations, and other service providers to support lifelong learning and safe and healthy lifestyles for all Minnesotans.

This activity is divided into 5 areas: Office of the Commissioner and Executive Team, Communications, Intergovernmental Affairs, Agency Finance and Management Services, and Human Resources.

Office of the Commissioner and Executive Team:

- 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.
- Serves as spokesperson to support, strengthen and sustain children and families and provides statewide leadership for early childhood and family support services and programs, safe and healthy lifestyles and lifelong opportunities for Minnesotans of all ages.
- Makes recommendations to the governor regarding executive branch policy proposals and serves as the primary link to the legislature to advocate on behalf of executive branch proposals.
- Communicates with customers, stakeholders, and various publics through news conferences or other communication methods.
- Ensures that programs required by the federal and state governments are provided.
- Allocates agency resources.
- Assigns objectives to agency program areas and works in conjunction with agency managers to carry out objectives.
- Works to provide a safe, caring and results-oriented workplace for agency employees.

Communications:

- Manages internal and external communications, including media relations, public relations, and mass communications with agency stakeholders. Advises all areas of the agency on communications planning and strategy.
- Produces *Connections*, 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 policies and programs for children and families.

Intergovernmental Affairs:

- Coordinates the development of legislative proposals for the agency and acts as the primary communications link with state legislators, legislative staff, and other state and local agencies.
- Interprets state and federal laws and rules for public and nonpublic school officials, education groups, the media, parents, and the general public.
- Provides information and guidance to the Washington office and the congressional delegation to maximize funding for the state's program and service delivery.

Agency Finance and Management Services:

- Manages the financial and business affairs of the department; manages preparation of the annual spending plan and the biennial budget for agency operations; provides reimbursement to education agencies and service providers; provides financial oversight and reporting for federal programs; processes employee and vendor payments; manages the contract and grant agreement process.
- Provides office support services for the department including facilities, use of office space, copy services, mail distribution services, purchasing services, and inventory records.

Human Resources:

- Provides personnel services, including recruitment and selection of employees, job classifications, compensation and employee benefit administration.
- Provides programs and other opportunities for professional development of all members of the department.
- Provides employee assistance, health and wellness, health and safety, and other related employee activities.
- Provides labor relations services including contract negotiations, contract and plan interpretation, and grievance processing.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1604 Leadership and Administration
PROGRAM: 16 Management and Support Services
AGENCY: Education, Children & Families, Department of
(Continuation)

STRATEGIES AND PERFORMANCE:

In the past biennium, the Leadership and Administration areas:

- Established a mission effectiveness office to ensure internal and external data driven decision making.
- Began collection of data on a core set of system indicators tied to the goals of the agency that will allow the department to measure progress toward achieving its goals.
- Provided leadership to the development and implementation of statewide student accountability systems such as statewide testing.
- Provided leadership for the implementation and promotion of state programs in accordance with Minnesota laws and legislative intent.
- Improved access to information and assistance to Minnesotans on a statewide basis through the development of agency websites.
- Implemented and provided public training and assistance for education tax credit programs, charter schools, residential academies, and collaborative partnerships.
- Successfully relocated all 550 ECF employees to a new site. Relocation of the agency was necessary because of significant life-safety issues with the Capitol Square Building.
- Designed and implemented a new automated payment system to increase accuracy and speed in making payments and reporting of payments to school districts and other service providers in the state.
- Implemented an agency-wide effort to redefine the agency's operating policies and procedures to increase staff efficiency and reduce administrative burden.

BUDGET ISSUES:

The department's dependence on technology and data management has increased the level of skill required by staff who administer and manage state programs. To respond to and better plan for this changing environment, the department will undertake a strategic planning process to examine its short and long-term technology and staffing needs.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: LEADERSHIP & ADMINISTRATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	3,006	3,018	3,207	3,163	3,163	3,245	3,245	183	2.9%
OPERATING EXPENSES	4,131	5,249	12,011	6,445	8,445	6,445	6,445	(2,370)	-13.7%
OTHER EXPENSES	584	608	622	622	622	622	622	14	1.1%
SUBTOTAL STATE OPERATIONS	7,721	8,875	15,840	10,230	12,230	10,312	10,312	(2,173)	-8.8%
LOCAL ASSISTANCE	30	12	10	10	10	10	10	(2)	-9.1%
Total Expenditures	7,751	8,887	15,850	10,240	12,240	10,322	10,322	(2,175)	-8.8%

<u>CHANGE ITEMS:</u>	<u>FUND</u>		
(B) LITIGATION COSTS	GEN	4,200	2,000
Total Change Items		4,200	2,000

<u>FINANCING BY FUND:</u>							
DIRECT APPROPRIATIONS:							
GENERAL	6,113	6,976	12,151	7,976	9,976	8,051	8,051
STATUTORY APPROPRIATIONS:							
GENERAL	11	63	11	11	11	11	11
SPECIAL REVENUE	891	1,204	1,613	1,631	1,631	1,638	1,638
FEDERAL	42	0	0	0	0	0	0
AGENCY	694	644	2,075	622	622	622	622
Total Financing	7,751	8,887	15,850	10,240	12,240	10,322	10,322

<u>REVENUE COLLECTED:</u>					
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State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: LEADERSHIP & ADMINISTRATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	11	12	29	29	29	29	29
SPECIAL REVENUE	2,032	2,311	1,945	2,134	2,134	2,134	2,134
FEDERAL	205,200	6	0	0	0	0	0
AGENCY	636	616	1,977	622	622	622	622
GIFT	220	8	0	0	0	0	0
NONDEDICATED							
GENERAL	1	1	0	0	0	0	0
Total Revenues Collected	208,100	2,954	3,951	2,785	2,785	2,785	2,785
FTE BY EMPLOYMENT TYPE:							
FULL TIME	53.4	53.6	55.4	55.4	55.4	55.4	55.4
PART-TIME, SEASONAL, LABOR SER	3.1	1.6	0.0	0.0	0.0	0.0	0.0
OVERTIME PAY	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	56.7	55.4	55.4	55.4	55.4	55.4	55.4

F.Y. 2000-01 BUDGET CHANGE ITEM

AGENCY: Education, Children & Families, Department of
PROGRAM: 16 Management and Support Services
ACTIVITY: 1604 Leadership and Administration

ITEM TITLE: Litigation Costs for Minneapolis NAACP and St. Paul Lawsuit

	<u>2000-01 Biennium</u>		<u>2002-03 Biennium</u>		
	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>
Expenditures: (\$000s)					
General Fund					
- State Operations	\$4,200	\$2,000	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

☐ New Activity ☒ Supplemental Funding ☐ Reallocation

GOVERNOR'S RECOMMENDATION:

The Governor recommends a deficiency appropriation of \$4.2 million in F.Y. 1999 and an appropriation of \$2 million in F.Y. 2000.

RATIONALE:

The Attorney General's Office (AGO) is currently defending the state in three education lawsuits:

- Minneapolis Branch of the NAACP v. State of Minnesota
- Independent School District No. 625, Saint Paul v. State of Minnesota
- Xiong v. State of Minnesota

The three suits allege that the state is denying students in the Minneapolis and St. Paul school districts the right to an adequate education in violation of the Education Clause of the Minnesota Constitution. Two of the cases, Xiong and the NAACP, have been combined into one suit. All parties have recently agreed to enter into mediation.

Even with mediation, work on the lawsuits must continue, although at a slower pace. The current appropriation for the suit is nearly depleted and adequate funding is not available to support the required work on the cases through the end of the current fiscal year. This request also plans for the possibility that mediation is unsuccessful. If mediation efforts are successful, a portion of these funds would not be needed and would cancel.

The scope and complexity of the lawsuits are great. To date, massive amounts of documents have been reviewed, large numbers of depositions have been taken, and site visits have been made to many schools. The cost of defending the state in these suits exceeds original estimates. The costs of national and local expert witnesses, outside counsel, data collection, photocopying and supplies, research materials, deposition and transcript are all greater than originally projected

FINANCING:

The existing budget for the F.Y. 1998-99 biennium is \$3,466,000:

	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Base Amount in AGO Budget	\$ 433,000	\$ 433,000
Litigation Funding Through Education, Children & Families Appropriation	1,300,000	1,300,000
Total Funding Available	\$1,733,000	\$1,733,000

The Office of the Attorney General is requesting an additional \$4.2 million appropriation in F.Y. 1999 and \$2 million in F.Y. 2000.

The AGO is requesting that a provision be included to allow carryover of funds from F.Y. 1999 into F.Y. 2000 and F.Y. 2001 biennium. The AGO estimates that an appropriation of \$2 million is needed in F.Y. 2000 if mediation efforts are unsuccessful. The \$4.2 million F.Y. 1999 deficiency payment is included in the Governor's deficiency bill.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1605 State Board of Education
PROGRAM: 16 Management & Support Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

Established in 1919, the State Board of Education (SBE) is a layperson governing and policymaking body appointed by the governor and confirmed by the senate (M.S. 127A.60). The State Board is comprised of 9 citizen members - 1 from each congressional district and 1 at-large member. In addition there is 1 non-voting student member, elected annually by the State Student Council Association. By statute, the Commissioner is an ex-officio member and serves as secretary of the State Board of Education.

The primary activities of the State Board of Education include the following:

- Providing statewide policy leadership for the Minnesota educational system. This includes assuring a quality educational program for more than 830,000 Minnesota public school students, 47,500 teachers and administrators, and 353 school districts and other education delivery agencies.
- Providing governance for Minnesota's 353 public school districts and other educational delivery agencies by adopting statutorily based rules and promulgating guidelines by which the Department of Education, Children & Families (ECF) and the local school districts carry out statutory responsibilities.
- Serving as a decision maker regarding sponsorship of charter schools, various grant programs and appeal processes.
- Promoting local decision-making and flexibility, accountability and innovation at the local level by granting waivers to current SBE rules.
- Serving as a citizen bridge between state policymakers and the educational system's stakeholders by providing year-round public forums to gain on-going public input and engage in consensus building on key education initiatives and reform efforts.
- Serving as the governing board for and thereby providing policy direction, guidelines, standards and program evaluation for the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind (MSAD/MSAB).
- Establishing priorities and policy statements to guide the development of the biennial legislative package and its adoption and submission to the governor and the legislature.
- Providing lay governance and direction for the Department of Education,

Children & Families by establishing priorities, developing annual and long-range goals, and approving and adopting major initiatives with the department.

STRATEGIES AND PERFORMANCE:

The State Board has increased its efficiency by which it accomplishes its goals and objectives.

The following are some indicators of efficiency measures that the State Board has initiated or improved upon in recent years:

- planned and held several series of public meetings around the state to gain extensive public input on major SBE initiatives;
- held regularly scheduled meetings with other state agencies, advisory councils and key educational organizations to discuss important issues;
- convened monthly study sessions at the board meeting to provide a regular public forum for examining critical education issues with major stakeholders and experts in the field;
- established a more coordinated team approach to policymaking with the Department of Education, Children & Families management to provide more consistent state level leadership;
- altered committee meeting schedule for Faribault Residential Academies to make it more efficient and conducive to site-based decision-making;
- fully implemented a coordinated systematic process for granting rule waivers to promote flexibility, allow innovation and increase the efficiencies and effectiveness of the educational system.

BUDGET ISSUES:

The 1998 legislature sunset the State Board of Education (Laws 1998, Chapter 398, Article 5, Section 56), effective 12-31-99 (midyear of F.Y. 2000). The legislature also established 2 task forces to address governance and transition issues. Both of these task forces are required to submit reports to the 1999 legislature. The F.Y. 2000-01 budget request includes estimated expenditures for the State Board of Education for the period 7-1-99 through 12-31-99 and remaining financial obligations through F.Y. 2000. The Agency's base has been reduced by \$255,000 to reflect the board's sunset.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- MGMT. & SUPPORT SERV

Activity: STATE BOARD OF EDUCATION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	140	133	150	110	110	0	0	(173)	-61.1%
OPERATING EXPENSES	64	74	60	55	55	0	0	(79)	-59.0%
SUBTOTAL STATE OPERATIONS	204	207	210	165	165	0	0	(252)	-60.4%
Total Expenditures	204	207	210	165	165	0	0	(252)	-60.4%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	204	207	210	165	165	0	0		
Total Financing	204	207	210	165	165	0	0		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	1.9	2.0	2.0	1.0	1.0	0.0	0.0		
Total Full-Time Equivalent	1.9	2.0	2.0	1.0	1.0	0.0	0.0		

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2000-01 Biennial Budget

PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

PROGRAM PROFILE:

- The purpose of the Office of Community Services program is to maximize collaborative efforts of communities, counties, school districts and family service providers in support of lifelong learning and safe and healthy lifestyles for all Minnesotans.
- Community Services brings together programs previously administered by 6 different state government agencies. Community Services is divided into 6 budget activities:
 - Children and Family Support
 - Community and Systems Change
 - Prevention and Intervention
 - Self-Sufficiency and Lifelong Learning
 - Food and Nutrition
 - Library Development and Services.
- The activities included in this program provide the following:
 - Administer state grant and aid programs to school districts, counties, nonprofits and community organizations, and other service providers to achieve program outcomes.
 - Develop and implement administrative rules and administer federal and state laws and regulations.
 - Provide training and technical assistance to service providers and local government staff.
 - Promote cooperation and collaboration among service providers.
 - Collect data to determine program need and effectiveness.

STRATEGIES AND PERFORMANCE:

Factors directly impacting this program include the following:

- **Self-Sufficiency/Welfare Reform:** Federal and State Welfare Reform efforts have an impact on a variety of activities within Community Services. To further the success of welfare reform – that is getting people back to work – the

state must provide services that enable people to work and become self-sufficient. The program has and continues to focus its efforts on providing assistance to child care, energy, adult basic education and economic opportunity programs.

- **Early Childhood:** In recognition of research that identifies the period from birth to 3 as critical to healthy growth and development and to later success in school and life, the state has put increasing resources into early childhood programs that are housed in Community Services. The focus on prevention and early intervention investments helps save much greater costs of remediation later.
- **Health Promotion and Violence Prevention and Intervention:** The increasing rise in juvenile violence and school shootings has focused an increasing awareness in this area and the need for prevention and intervention with youth of all ages. These programs usually involve interagency collaboration at the state and local level. The program will need to continue to focus on promoting programs that focus on interagency collaboration.

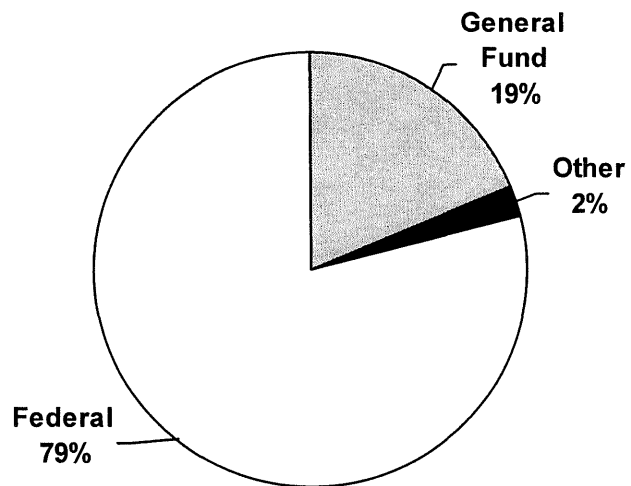
Strategies and performance indicators addressing the factors impacting this program are found at the activity level.

FINANCING INFORMATION:

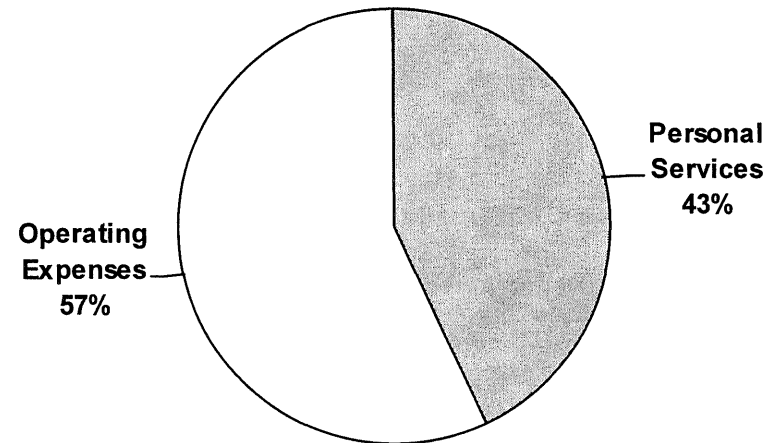
See graphs following the program narrative.

Minnesota Department of Education, Children & Families
Fiscal Summary - Community Services Program
F.Y. 2000 Agency Request

Total Resources
\$22.8 million



Total Expenditures
\$22.8 million



State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Program Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY ACTIVITY:									
CHILDREN & FAMILY SUPPORT	1,876	2,481	4,550	11,184	11,184	6,133	6,133	10,286	146.3%
COMMUNITY SYSTEMS CHANGE	1,107	1,101	1,381	1,281	1,281	1,294	1,294	93	3.7%
PREVENTION & INTERVENTION	1,834	2,174	2,982	2,700	1,845	2,718	1,856	(1,455)	-28.2%
FOOD & NUTRITION	3,546	2,725	3,860	3,027	3,027	2,927	2,927	(631)	-9.6%
LIBRARY DEVELOPMENT & SERVICES	1,244	1,375	1,612	1,554	1,579	1,586	1,586	178	6.0%
SELF SUFFICIENCY/LIFELONG LRNG	495	3,331	4,146	3,902	3,902	3,924	3,924	349	4.7%
Total Expenditures	10,102	13,187	18,531	23,648	22,818	18,582	17,720	8,820	27.8%

CHANGE ITEMS:	FUND				
(A) TRANSFER ODPVP TO PUBLIC SAFETY	FED			(527)	(527)
(A) TRANSFER ODPVP TO PUBLIC SAFETY	GEN			(328)	(335)
(B) MN LIBRARY FOR THE BLIND-RENEWAL	GEN			25	
Total Change Items				(830)	(862)

FINANCING BY FUND:							
DIRECT APPROPRIATIONS:							
GENERAL	2,828	4,361	5,404	4,578	4,275	4,678	4,343
STATUTORY APPROPRIATIONS:							
GENERAL	62	15	128	128	128	128	128
SPECIAL REVENUE	326	362	356	345	345	349	349
FEDERAL	6,711	8,217	12,508	18,559	18,032	13,389	12,862
GIFT	175	232	135	38	38	38	38
Total Financing	10,102	13,187	18,531	23,648	22,818	18,582	17,720

FTE BY EMPLOYMENT TYPE:							
FULL TIME	121.2	148.6	171.2	171.2	160.4	171.2	160.4
PART-TIME, SEASONAL, LABOR SER	7.4	10.2	0.7	0.7	0.7	0.7	0.7
Total Full-Time Equivalent	128.6	158.8	171.9	171.9	161.1	171.9	161.1

2000-01 Biennial Budget

BUDGET ACTIVITY: 1701 Children & Family Support
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to improve developmental outcomes for Minnesota's young children and their families and to prepare children from birth to age 5 to enter school ready to learn.

This activity:

- Works to improve the quality of early childhood care and education services.
- Promotes principles of parent education, involvement and parental choice.
- Provides training opportunities for child care staff, family child care providers, Head Start staff, and public school staff in early childhood programs such as Early Childhood Family Education (ECFE), Learning Readiness and Early Childhood Screening.
- Assists with the development of special child care services, such as care for infants, school-age children, sick children, children with special needs, and care for children during evenings, nights and weekends.
- Provides evaluation activities to monitor service delivery and program outcomes for early childhood programs such as ECFE, Learning Readiness, and Head Start.

This activity is divided into 3 sections: Early Childhood, Child Care Assistance, and Child Care Development.

This activity administers many state and federal programs. Major programs include Early Childhood Family Education (ECFE); Learning Readiness; Way to Grow; ECFE Tribal School; Early Childhood Screening and Development; Interagency Early Intervention/Part C; Early Childhood Special Education; Child Care Assistance; and Child Care Development.

STRATEGIES AND PERFORMANCE:

In F.Y. 1998:

- Child Care Assistance staff supervised 87 county Social Service Agencies through written bulletins, implementation memos and policy inquiry responses

and telephone contact. Staff supervised include financial reporting staff, income maintenance staff, program supervisors and line staff and employment services staff.

- Child Care assistance staff provided on-site training for new child care workers and continuing workers about the changes in child care due to welfare reform and participated in interagency or inter-program coordination meetings to improve program connections and service delivery to families.
- Child Care Development staff supervised 23 Child Care Resource and Referral (CCR&R) programs and administered 275 grants/contracts, including conducting site visits and providing training and technical assistance.
- Early Childhood and Family Education staff managed the review and selection process for 105 ECFE Infant Development grant proposals and 167 Early Childhood Technology proposals, 350 Learning Readiness plans, and assisted with 21 Head Start - ECFE Birth to Three grant proposals. Staff continue to provide technical assistance and administer these grants.
- Staff coordinated 2 series of 1-day regional in-service sessions in 13 sites throughout the state for ECFE/Learning Readiness/Early Childhood Special Education staff and others interested in this topic.
- Products developed include an early childhood website, fact sheets for individual programs, and a videotape on ECFE used with collaborative partners and for outreach at shelters, hospitals, and other organizations.

BUDGET ISSUES:

To comply with federal reporting requirements and manage the child care assistance and develop programs effectively, the department plans a one-time expenditure of approximately \$5.8 million from the federal Child Care Development fund for the development and implementation of a statewide data management system for Child Care Assistance. Ongoing costs are approximately \$700,000 annually for this system.

General Fund support for child care administration has been reduced from F.Y. 1998-99 levels to reflect current law. Federal administrative funding has increased.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: CHILDREN & FAMILY SUPPORT

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,157	1,347	1,713	2,083	2,083	2,102	2,102	1,125	36.8%
OPERATING EXPENSES	719	1,116	2,827	9,101	9,101	4,031	4,031	9,189	233.0%
SUBTOTAL STATE OPERATIONS	1,876	2,463	4,540	11,184	11,184	6,133	6,133	10,314	147.3%
LOCAL ASSISTANCE	0	18	10	0	0	0	0	(28)	-100.0%
Total Expenditures	1,876	2,481	4,550	11,184	11,184	6,133	6,133	10,286	146.3%

<u>FINANCING BY FUND:</u>							
DIRECT APPROPRIATIONS:							
GENERAL	401	965	909	543	543	562	562
STATUTORY APPROPRIATIONS:							
SPECIAL REVENUE	60	72	39	39	39	39	39
FEDERAL	1,415	1,444	3,602	10,602	10,602	5,532	5,532
Total Financing	1,876	2,481	4,550	11,184	11,184	6,133	6,133

<u>REVENUE COLLECTED:</u>							
DEDICATED							
SPECIAL REVENUE	0	50	0	0	0	0	0
FEDERAL	37,032	57,305	81,096	70,948	101,648	70,189	100,314
GIFT	0	730	720	0	0	0	0
Total Revenues Collected	37,032	58,085	81,816	70,948	101,648	70,189	100,314

<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	21.4	24.4	30.3	30.3	30.3	30.3	30.3
PART-TIME, SEASONAL, LABOR SER	1.7	1.7	0.7	0.7	0.7	0.7	0.7
Total Full-Time Equivalent	23.1	26.1	31.0	31.0	31.0	31.0	31.0

2000-01 Biennial Budget

BUDGET ACTIVITY: 1702 Community Systems Change
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to assist communities in developing and implementing strategies to work together in providing coordinated services, resources and programs for all Minnesota families and individuals.

- Collaborates with state agencies and organizations to free local and regional cooperative efforts from “systems barriers,” such as duplication, repetition, and cumbersome regulation.
- Fosters local cooperation and collaboration and helps agencies in communities work together to improve results for Minnesota’s children and families.
- Promotes broad systematic change in the service delivery system.
- Provides training opportunities for staff of family services collaboratives, community education, Adults with Disabilities, and Hearing Impaired programs.
- This activity administers many state and federal programs. Major programs include: Family Services Collaboratives, Community Education, Adults With Disabilities, and Hearing Impaired Adults.

STRATEGIES AND PERFORMANCE:

In F.Y. 1998:

- Family Services Collaborative staff supervised 62 Family Service Collaboratives through on-site technical assistance visits, daily telephone contacts, hosted 60 monthly joint collaborative focus team meetings, 2 yearly workshops, an annual Collaborative conference, and produced a quarterly interagency collaborative newsletter.
- Community Education staff (which includes Adults with Disabilities and the Hearing Impaired program staff), provide technical support and leadership for

all 353 public school districts’ Community Education programs. Interaction with professional and community members occurred in the following ways:

- Conducted over 20 2-day site visits throughout the state.
- Conducted regional in-services for over 480 staff and advisory council members.
- Conducted general Community Education, Youth Development, and Program for Adults with Disabilities workshops at statewide meetings.
- Participated in spring and fall regional meetings throughout the state for over 250 participants.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: COMMUNITY SYSTEMS CHANGE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	717	748	920	917	917	930	930	179	10.7%
OPERATING EXPENSES	374	263	432	364	364	364	364	33	4.7%
SUBTOTAL STATE OPERATIONS	1,091	1,011	1,352	1,281	1,281	1,294	1,294	212	9.0%
LOCAL ASSISTANCE	16	90	29	0	0	0	0	(119)	-100.0%
Total Expenditures	1,107	1,101	1,381	1,281	1,281	1,294	1,294	93	3.7%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	543	527	661	612	612	625	625		
STATUTORY APPROPRIATIONS:									
GENERAL	50	15	50	50	50	50	50		
SPECIAL REVENUE	0	1	16	0	0	0	0		
FEDERAL	498	468	619	619	619	619	619		
GIFT	16	90	35	0	0	0	0		
Total Financing	1,107	1,101	1,381	1,281	1,281	1,294	1,294		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
GENERAL	179	15	50	50	50	50	50		
SPECIAL REVENUE	0	0	16	0	0	0	0		
FEDERAL	0	5,949	6,164	6,164	6,164	6,164	6,164		
GIFT	249	18	0	0	0	0	0		
Total Revenues Collected	428	5,982	6,230	6,214	6,214	6,214	6,214		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: COMMUNITY SYSTEMS CHANGE

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	14.0	14.0	16.7	16.7	16.7	16.7	16.7
PART-TIME, SEASONAL, LABOR SER	0.6	0.6	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	14.6	14.6	16.7	16.7	16.7	16.7	16.7

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2000-01 Biennial Budget

BUDGET ACTIVITY: 1703 Prevention and Intervention
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to serve as a catalyst for statewide approaches to the prevention of and appropriate response to child abuse, violence and drug abuse through identifying causes, recommending policies, and coordinating statewide and community strategies.

This activity is divided into 3 sections: Safe and Healthy Communities, Coordinated School Health, and Safe and Drug Free Schools.

Safe and Healthy Communities

- This activity focuses on the prevention and response to child abuse, violence, crime and drug abuse through both state and federal programs:
 - *State Aids programs.* Abused Children, Family Visitation Center grants, Children's Trust Fund, Male Responsibility, Community Crime Prevention Grants, After-School Enrichment Grants, Violence Prevention Education, and Chemical Abuse Prevention Grants.
 - *Federal Aids programs.* Community Based Family Resource and Support Grant, Victims of Crime Act, Byrne Memorial Law Enforcement Grants, State Identification Systems, Residential Substance Abuse Treatment for State Prisoners and Local Law Enforcement Block Grant.
 - *The Office of Drug Policy and Violence Prevention (ODPVP)*, located in the Safe and Healthy Communities Unit administers the Prevention and Intervention grant funding process. This process allows community non-profit groups and local government agencies the ability to apply for a variety of state and federal funds through a single, coordinated application.

Coordinated School Health

- Promotes coordinated efforts among schools, communities and families to measurably improve the health and educational status of Minnesota's children and youth. This is an interagency initiative with the Minnesota Department of Health.

Safe and Drug Free Schools

- Assists school districts in establishing, operating and improving programs for violence and drug abuse prevention and education; to prevent the use of drugs, alcohol and tobacco by youth; and to reduce violence. This activity is coordinated with related community efforts and resources. This program administers the federal Safe and Drug Free Schools and Communities grant.

STRATEGIES AND PERFORMANCE:

- Overall, the activity provided:
 - 328 training sessions to community agency, school and law enforcement personnel.
 - 1,948 hours of training was provided on a wide variety of topics ranging from law enforcement/criminal justice issues to developing school curriculum for meeting graduation standards through health education.
 - 6,792 technical assistance contacts were provided to community agency, school and criminal justice personnel on topics such as evaluation, program development and strategic planning.
- The Office of Drug Policy and Violence Prevention processes over 600 grant applications a year through the Prevention and Intervention Grant Process. Requests for funding totaled \$58 million.
- Safe and Drug-Free School and Communities (SDFSC) staff managed Basic SDFSC grants involving 353 school districts and Greatest Need SDFSC grants in 37 districts. Management included both fiscal and program components.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the transfer of the Office of Drug Policy and Violence Prevention to the Department of Public Safety.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: PREVENTION & INTERVENTION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,095	1,207	1,821	1,837	1,206	1,855	1,217	(605)	-20.0%
OPERATING EXPENSES	672	943	1,161	863	639	863	639	(826)	-39.3%
SUBTOTAL STATE OPERATIONS	1,767	2,150	2,982	2,700	1,845	2,718	1,856	(1,431)	-27.9%
LOCAL ASSISTANCE	67	24	0	0	0	0	0	(24)	-100.0%
Total Expenditures	1,834	2,174	2,982	2,700	1,845	2,718	1,856	(1,455)	-28.2%
<u>CHANGE ITEMS:</u>	<u>FUND</u>								
(A) TRANSFER ODPVP TO PUBLIC SAFETY	FED				(527)		(527)		
(A) TRANSFER ODPVP TO PUBLIC SAFETY	GEN				(328)		(335)		
Total Change Items					(855)		(862)		
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	626	710	977	873	545	891	556		
STATUTORY APPROPRIATIONS:									
GENERAL	0	0	60	60	60	60	60		
SPECIAL REVENUE	115	112	120	120	120	120	120		
FEDERAL	939	1,245	1,763	1,647	1,120	1,647	1,120		
GIFT	154	107	62	0	0	0	0		
Total Financing	1,834	2,174	2,982	2,700	1,845	2,718	1,856		
<u>REVENUE COLLECTED:</u>									

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: PREVENTION & INTERVENTION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
DEDICATED							
GENERAL	513	200	1,160	710	710	710	710
SPECIAL REVENUE	4	4	0	0	0	0	0
FEDERAL	11,380	17,595	19,293	17,162	8,382	17,162	8,382
GIFT	142	131	0	0	0	0	0
Total Revenues Collected	12,039	17,930	20,453	17,872	9,092	17,872	9,092
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	20.2	20.2	29.1	29.1	18.3	29.1	18.3
PART-TIME, SEASONAL, LABOR SER	1.1	2.8	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	21.3	23.0	29.1	29.1	18.3	29.1	18.3

2000-01 Biennial Budget

BUDGET ACTIVITY: 1704 Food and Nutrition
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to improve the capacity of participant organizations to provide quality food and nutrition services and to maximize program participation.

- Federal and state programs are administered through services such as approval for program participation and funding, program guidance, technical assistance, training, educational resources and outreach.
- Customers are current and potential providers of food and nutrition services that reach program participants of all ages. Important stakeholders include parents, community organizations, educators, the food industry and government agencies.
- This activity administers many state and federal programs. Major programs include: the National School Lunch and Breakfast Programs, the Child and Adult Care Food Program, The Summer Food Service Program, the Food Distribution Program, the Milk Programs, the Targeted School Breakfast Grant program and the Team Nutrition Training Grant program.

STRATEGIES AND PERFORMANCE:

- Distributed approximately 300 resources monthly to customers of the Food and Nutrition Educational Training Resources Center.
- Developed a virtual Resource Center for customers by digitizing materials now in the Food and Nutrition Education and Training Resource Center and making them available on the web site.
- Administered a network of over 60 state-wide trainers.
- Assisted schools in the implementation of the Healthy School Meals initiative through Team Nutrition Training Grants. Over 500 school food and nutrition personnel from 264 schools received training during Grant II. Almost 190,000 children are served by those schools.
- Increased student breakfast participation at 41 schools through Targeted Breakfast Grants.

- Created a Geographic Information System to provide Food and Nutrition Service with the tools needed to implement federal welfare reform. This system identifies the geographic location of over 12,000 family childcare providers that receive funding for meals. This project included mapping of all school attendance areas and use of a special tabulation of U.S. Census data to delineate low-income areas. This information will soon be available on our web site.
- Provided handling, storage, delivery and processing of U.S. Department of Agriculture (USDA) donated commodities to schools (using state school lunch revenue match funds).
- Assisted child care centers and sponsors in implementing and administering the child and adult care food program through training sessions. Over 250 center and sponsor staff received training at 15 sessions.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: FOOD & NUTRITION

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	1,912	1,484	1,716	1,716	1,716	1,716	1,716	232	7.3%
OPERATING EXPENSES	1,631	1,241	2,144	1,311	1,311	1,211	1,211	(863)	-25.5%
SUBTOTAL STATE OPERATIONS	3,543	2,725	3,860	3,027	3,027	2,927	2,927	(631)	-9.6%
LOCAL ASSISTANCE	3	0	0	0	0	0	0	0	
Total Expenditures	3,546	2,725	3,860	3,027	3,027	2,927	2,927	(631)	-9.6%
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	179	163	163	163	163	163	163		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	4	18	18	18	18	18	18		
FEDERAL	3,363	2,544	3,679	2,846	2,846	2,746	2,746		
Total Financing	3,546	2,725	3,860	3,027	3,027	2,927	2,927		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
FEDERAL	146,126	136,591	130,324	129,404	129,404	129,204	129,204		
Total Revenues Collected	146,126	136,591	130,324	129,404	129,404	129,204	129,204		
<u>FTE BY EMPLOYMENT TYPE:</u>									
FULL TIME	39.0	28.3	30.4	30.4	30.4	30.4	30.4		
PART-TIME, SEASONAL, LABOR SER	3.3	2.2	0.0	0.0	0.0	0.0	0.0		
Total Full-Time Equivalent	42.3	30.5	30.4	30.4	30.4	30.4	30.4		

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2000-01 Biennial Budget

BUDGET ACTIVITY: 1705 Library Development and Services
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to build the capacity of the library community in providing quality library information and services that ensures lifelong learning opportunities to Minnesotans of all ages.

- This activity includes statewide library development and library grant programs, the Minnesota Library for the Blind and Physically Handicapped (MLBPH) in Faribault, and the Education Resource Center (ERC).
- Customers are:
 - visually impaired citizens of all ages;
 - local, regional, and school library staff;
 - library administrators and boards;
 - government officials at all levels;
 - higher education systems;
 - state government employees;
 - state government libraries; and
 - the public.
- This activity administers many state and federal programs. Major programs include: Library Basic Support Grants, Multicounty, Multitype Library Systems, Librarians of Color, Children's Library Services Grants, Regional Public Library Systems Outreach, and the Federal Library program under the Library Services Technology Act (LSTA).
- Library Development:
 - calculates and certifies to local government, the minimum level of financial support required by law;
 - provides infrastructure support to create, maintain and improve the sharing and delivery of library resources across jurisdictional boundaries;
 - operates the Minnesota Library for the Blind and Physically Handicapped in partnership with the federal National Library Service so more than 11,000 Minnesotans have access to materials that are in recorded media, Braille and large print postage free at home, school and in institutions.
 - provides specialized library services to library staff statewide and to the department's staff and collaborative partners;

- provides reference and technical assistance to library staff and officials statewide on all aspects of library organization, operation and finance; and
- administers contracts for automated library services for state government agency libraries.

STRATEGIES AND PERFORMANCE:

- Provide assistance to public libraries to encourage sharing operational costs, automation, services and resources with each other.
- Work with public libraries in applying and achieving service levels in *Standards for Minnesota Public Libraries*, September 1996.
- Develop, with the library community, a shared vision and strategic plan for library services.
- Survey the direct customers served by the Minnesota Library for the Blind and Physically Handicapped and adapt services and operations to meet the needs of the population base.
- Collect, disseminate, and provide reference and research to libraries statewide on best practices in library services and operation.
- Identify methods and funding for libraries to deliver materials statewide, regionally and locally, ensuring equity of access to all Minnesotans.
- Direct the planning and improvement of library services through state level leadership on the Minnesota Educational Telecommunication's Council, the Library Planning Task Force, the MnLINK Steering Committee and with the advice of the Minnesota Library Advisory Council to Library Development Services.
- Work directly with schools and public libraries to identify potential partnerships.
- Circulate materials in special formats to customers through the Minnesota Library for the Blind and Physically Handicapped. Circulation has increased from 293,901 in F.Y. 1994 to an estimated 323,168 in F.Y. 1998.

BUDGET ISSUES:

The agency plans to upgrade the computer system of the Minnesota Library for the Blind and Physically Handicapped to meet customer needs in an effective manner.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES
Program: AGENCY -- COMMUNITY SERVICES
Activity: LIBRARY DEVELOPMENT & SERVICES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
<u>EXPENDITURES BY CATEGORY:</u>									
STATE OPERATIONS									
PERSONAL SERVICES	940	1,039	1,185	1,152	1,152	1,184	1,184	112	5.0%
OPERATING EXPENSES	304	336	427	402	427	402	402	66	8.7%
SUBTOTAL STATE OPERATIONS	1,244	1,375	1,612	1,554	1,579	1,586	1,586	178	6.0%
Total Expenditures	1,244	1,375	1,612	1,554	1,579	1,586	1,586	178	6.0%
<u>CHANGE ITEMS:</u>									
(B) MN LIBRARY FOR THE BLIND-RENEWAL	FUND GEN				25				
Total Change Items					25				
<u>FINANCING BY FUND:</u>									
DIRECT APPROPRIATIONS:									
GENERAL	994	1,082	1,214	1,151	1,176	1,179	1,179		
STATUTORY APPROPRIATIONS:									
GENERAL	12	0	18	18	18	18	18		
SPECIAL REVENUE	147	152	155	160	160	164	164		
FEDERAL	86	124	208	208	208	208	208		
GIFT	5	17	17	17	17	17	17		
Total Financing	1,244	1,375	1,612	1,554	1,579	1,586	1,586		
<u>REVENUE COLLECTED:</u>									
DEDICATED									
FEDERAL	0	1,801	2,834	2,509	2,509	2,509	2,509		
GIFT	15	29	29	29	29	29	29		
Total Revenues Collected	15	1,830	2,863	2,538	2,538	2,538	2,538		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: LIBRARY DEVELOPMENT & SERVICES

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	19.8	20.8	21.5	21.5	21.5	21.5	21.5
PART-TIME, SEASONAL, LABOR SER	0.7	1.2	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	20.5	22.0	21.5	21.5	21.5	21.5	21.5

F.Y. 2000-2001 Information Technology New Funding

AGENCY: EDUCATION, CHILDREN & FAMILIES

PROGRAM: AGENCY -- COMMUNITY SERVICES

ACTIVITY: LIBRARY DEVELOPMENT & SERVICES

IT Change Item: MN LIBRARY FOR THE BLIND-RENEWAL

ITEM DESCRIPTION AND PURPOSE:

For equipment to better service Minnesotans with disabilities in a library setting.

FUNDING:

Funding Distribution	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Facilities	0	0	0	0	0	0
Grants	0	0	0	0	0	0
Hardware	15	0	0	0	0	0
Personnel	0	0	0	0	0	0
Services	0	0	0	0	0	0
Software	10	0	0	0	0	0
Supplies	0	0	0	0	0	0
Training	0	0	0	0	0	0
Total	25	0	0	0	0	0

\$25,000 from the General fund.

RATIONALE:

The Library for the Blind has no equipment adapted to special needs for customer use or to demonstrate to others working with Minnesotans with disabilities in a library setting. A one-time funding request of \$25,000 would replace workstations, purchase an ADA station for customer use, and add the hardware and software needed to convert documents and labels to Braille.

LIFE CYCLE ANALYSIS:

Life Cycle Status	2000-01 Biennium		2002-03 Biennium		2004-05 Biennium	
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Development						
Operations	X					
Modification						
Retirement						

OFFICE OF TECHNOLOGY ANALYSIS:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation in F.Y. 2000 of \$25,000 for technology equipment at the Minnesota Library for the Blind.

2000-01 Biennial Budget

BUDGET ACTIVITY: 1706 Self-Sufficiency and Lifelong Learning
PROGRAM: 17 Community Services
AGENCY: Education, Children & Families, Department of

ACTIVITY PROFILE:

The purpose of this activity is to build the capacity of the state and its local communities to support individuals and families in poverty by helping all families provide a stable environment for their children and providing life-long learning opportunities for individuals and families.

This activity is divided into 3 sections: Adult Basic Education (ABE), Economic Opportunity, and Energy Assistance.

- **Adult Basic Education:** Adult basic education funding helps undereducated adults deal more effectively with their own and their families' lives. Programs include: English as a Second Language (ESL); General Education Development (GED); Adult Diploma; U.S. Citizenship Education; Family Literacy and Workplace Education.
- **Economic Opportunity:** These programs provide Minnesota's low-income citizens the opportunity to obtain the skills, knowledge and motivation to become self-sufficient, help remove the causes of poverty in communities and alleviate the effects of poverty in Minnesota.

Economic Opportunity includes the following state and federal programs: Minnesota Economic Opportunity Program/Community Services Block Grant, Head Start, emergency food assistance programs, and transitional/emergency housing programs.

- **Energy:** This activity addresses the affordability of home energy for low-income households through state and federal Energy Assistance and Weatherization programs and ensures the safety and health of Minnesota children through the Lead Abatement program. Programs include: Energy Assistance Fuel Fund, Liquid Propane, Oil Program, LIHEAP, and Lead Abatement.

STRATEGIES AND PERFORMANCE:

- **Adult Basic Education:**
 - Major administrative functions for ABE include staff development, proposal review and approval, financial management, policy development,

program monitoring and technical assistance. Staff provide assistance and program oversight for over 500 ABE program sites and 1,400 licensed teachers.

- Regional and statewide staff development activities are conducted annually by the ABE staff in targeted content areas such as ESL, Family Literacy and Workplace Literacy. In addition, curriculum resources are developed and disseminated, administrative forums are conducted and policy groups are convened to resolve issues as they arise.
- Increasing program accountability is an important new initiative for state-level ABE administration. The department has established policies for increased learner assessment, program evaluation and outcome-based reporting that will impact over 45,000 adult learners.

■ **Economic Opportunity:**

- Since 1985, a quarterly shelter survey has been conducted that collects information on homelessness issues. The report provides significant trend information for Minnesota that is unequaled in the nation.
- Head Start and community action continues to emphasize and work on linkages to grantees as a vehicle to meet the changing needs of low-income families entering the workforce because of welfare reform. Administrative resources have also been targeted to the development of outcomes.
- Provides technical assistance and training and manage grant contracts for approximately 150 grantees.

■ **Energy:**

- Administers, monitors and provides technical assistance to 41 energy assistance agencies through grant contracts, provide monthly statewide trainings and continual technical assistance to 35 weatherization agencies.
- Coordinates a statewide project to measure energy savings on individual households called "The Data Logger Project." Households are chosen for an energy savings assessment based on weatherizations services. The project helps ECF determine if it is meeting its program objectives of saving energy, lowering household fuel bills and improving the health and safety of houses occupied by low-income Minnesotans. Over 120 houses will be assessed in F.Y. 1999.
- Operates a 1-800 telephone service that helps low-income Minnesotans identify and locate services that help them with their energy bills. The service receives over 40,000 calls a year.

BUDGET ISSUES:

The department anticipates continued work toward the agency mission and goals in the next biennium with base funding.

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: SELF SUFFICIENCY/LIFELONG LRNG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001		Biennial Change 2000-01 Gov / 1998-99	
				Base	Governor Recomm.	Base	Governor Recomm.	Dollars	Percent
EXPENDITURES BY CATEGORY:									
STATE OPERATIONS									
PERSONAL SERVICES	380	2,242	2,626	2,658	2,658	2,680	2,680	470	9.7%
OPERATING EXPENSES	115	1,089	1,520	1,364	1,364	1,364	1,364	119	4.6%
TRANSFERS	0	0	0	(15)	(15)	(15)	(15)	(30)	
SUBTOTAL STATE OPERATIONS	495	3,331	4,146	4,007	4,007	4,029	4,029	559	7.5%
Total Expenditures	495	3,331	4,146	4,007	4,007	4,029	4,029	559	7.5%
FINANCING BY FUND:									
DIRECT APPROPRIATIONS:									
GENERAL	85	914	1,480	1,236	1,236	1,258	1,258		
STATUTORY APPROPRIATIONS:									
SPECIAL REVENUE	0	7	8	8	8	8	8		
FEDERAL	410	2,392	2,637	2,742	2,742	2,742	2,742		
GIFT	0	18	21	21	21	21	21		
Total Financing	495	3,331	4,146	4,007	4,007	4,029	4,029		
REVENUE COLLECTED:									
DEDICATED									
SPECIAL REVENUE	0	398	188	164	164	164	164		
FEDERAL	0	61,224	62,269	62,393	62,393	62,393	62,393		
GIFT	0	206	350	385	385	385	385		
Total Revenues Collected	0	61,828	62,807	62,942	62,942	62,942	62,942		

State of Minnesota
2000-2001 Biennial Budget
(Dollars in Thousands)

Agency: EDUCATION, CHILDREN & FAMILIES

Program: AGENCY -- COMMUNITY SERVICES

Activity: SELF SUFFICIENCY/LIFELONG LRNG

Budget Activity Summary	Actual F.Y. 1997	Actual F.Y. 1998	Budgeted F.Y. 1999	F.Y. 2000		F.Y. 2001	
				Base	Governor Recomm.	Base	Governor Recomm.
<u>FTE BY EMPLOYMENT TYPE:</u>							
FULL TIME	6.8	40.9	43.2	43.2	43.2	43.2	43.2
PART-TIME, SEASONAL, LABOR SER	0.0	1.7	0.0	0.0	0.0	0.0	0.0
Total Full-Time Equivalent	6.8	42.6	43.2	43.2	43.2	43.2	43.2

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements
(\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
I. Pupil Unit and Property Valuation Data					
A. Average Daily Membership					
1. Pre-kindergarten	4,769	5,023	5,023	5,023	5,023
2. Kindergarten disabled	2,930	2,958	2,958	2,958	2,958
3. Kindergarten non-disabled	57,429	56,716	55,906	54,971	54,218
4. Elementary	385,898	384,549	383,010	379,727	377,757
5. Secondary	382,302	390,593	396,173	394,554	395,729
6. Subtotal, Regular ADM	833,328	839,839	843,070	837,233	835,685
7. College PSEO ADM	3,482	3,737	3,737	3,737	3,737
8. Contracted Alternatives ADM	1,382	1,541	1,541	1,541	1,541
9. Total ADM	838,192	845,117	848,348	842,511	840,963
B. Weighted Average Daily Membership					
1. Regular WADM	944,184	953,433	958,627	952,546	951,586
2. College PSEO WADM	4,527	4,858	4,858	4,858	4,858
3. Contracted Alternatives WADM	1,727	1,910	1,910	1,910	1,910
4. Total WADM	950,438	960,201	965,395	959,314	958,354
C. Compensatory Pupil Units					
1. Count Date	NA	Oct-96	Oct-97	Oct-98	Oct-99
2. Free Lunch Count	NA	159,547	163,679	160,229	160,343
3. Reduced-Price Count	NA	53,745	59,264	63,502	63,547
4. Compensatory Pupil Units	NA	51,713	55,290	54,849	55,065
D. Limited English Proficiency (LEP)					
1. Enrollment	27,823	32,537	38,719	46,075	54,747
2. Pupil Units	NA	25,675	30,785	37,711	44,067
E. Property Valuation					
1. Valuation Year	1994	1995	1996	1997	1998
2. ANTC (Adjusted Net Tax Capacity)	3,348,309,453	3,633,169,220	3,509,434,045	3,471,172,601	3,772,135,354

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements
(\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
II. General Education Revenues					
A. Basic Revenue					
1. Formula Allowance	3,505	3,581	3,530	3,530	3,597
2. Basic Revenue					
a. Pre-1997 Definition	3,026,118.0	3,124,717.1	3,220,141.8	3,200,029.3	3,193,546.1
b. Transportation	160,504.3	165,591.3	164,121.7	163,080.7	166,176.0
c. Training & Experience	122,744.0	123,946.7	0.0	0.0	0
d. District Cooperation	63,706.0 a	61,362.7 a	64,012.0 a	64,220.0 a	63,756.3
e. Total Basic Revenue	3,373,072.3	3,475,617.8	3,448,275.5	3,427,330.0	3,423,478.4
3. Districts	358	353	350	350	350
B. Basic Skills Revenue					
1. Compensatory					
a. Amount	136,675.30	182,496.8	192,807.3	197,291.8	198,067.2
b. Districts	356	351	348	348	348
2. Limited English Proficiency (LEP)					
a. Regular Revenue Amount	13,299.0 a	14,629.0 a	16,092.0	19,150.0	22,023.0
b. Concentration Allowance	NA	190.00 a	190.00	190.00	190.00
c. Concentration Revenue Amount	0.0 a	4,878.3 a	5,849.3	7,165.1	8,372.6
d. Districts	149	168	185	203	224
3. \$22.50 X K-8 WADM (Formerly AOM)					
a. Amount	13,633.2 a	13,774.0 a	14,346.3	14,266.3	14,174.9
b. Districts	325	325	350	350	350
4. Basic Skills Subtotal Amount	163,607.5	215,778.1	229,094.9	237,873.2	242,637.7
C. Elementary Sparsity Revenue					
1. Amount	723.1	808.0	808.0	785.7	782.5
2. Districts	10	10	10	10	10

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements **(\$ in 000s)**

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
D. Secondary Sparsity Revenue					
1. Amount	8,950.5	9,961.9	9,965.5	10,049.9	10,153.5
2. Districts	65	66	67	70	71
E. Transportation Sparsity Revenue					
1. Amount	44,473.4	45,275.0	44,415.8	44,081.6	44,562.8
2. Districts	358	353	350	350	350
F. Operating Capital Revenue					
1. Amount	185,400.8	187,377.9	188,459.7	187,177.9	186,931.7
2. Districts	358	353	350	350	350
G. Graduation Standards Implementation					
1. Basic Revenue					
a. Allowance	0.0	10.00 a	52.00	43.00	43.00
b. Revenue Total	0.0	9,534.4 a	49,848.6	40,959.5	40,918.2
c. Districts	0	353	350	350	350
2. FY 1999 Full Implementation Revenue					
a. Allowance	0.0	0.0	14.00	0.0	0.0
b. Revenue Total	0.0	0.0	13,420.8	0.0	0.0
c. Districts	0	0	350	0	0
3. Equity Adjustment					
a. Allowance	0.0	0.0	34.00	25.00	25.00
b. Revenue Total	0.0	0.0	17,541.4	9,988.1	9,939.5
c. Districts	0	0	186	151	150
H. Training & Experience					
1. Amount	0.0	0.0	91,709.8	78,238.1	65,847.1
2. Districts	0	0	332	321	304

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements
(\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
I. Fund Balance Reduction					
1. Maximum fund balance per pupil unit	876.25	NA	NA	NA	NA
2. Fund balance reduction	(727.1)	0.0	0.0	0.0	0.0
3. Districts	14	0	0	0	0
J. Initial General Education Revenue					
1. Grand Total, Including Separate Categoricals	3,775,500.5	3,944,353.1	4,093,540.0	4,036,484.0	4,025,251.4
2. Less Amounts Funded as Separate Categoricals	90,638.2	104,178.4	64,012.0	64,220.0	0.0
3. Total, Excluding Separate Categoricals	3,684,862.3	3,840,174.7	4,029,528.0	3,972,264.0	4,025,251.4
4. Districts	358	353	350	350	350
III. Initial General Education Aid and Levy					
A. Initial General Education Levy					
1. Basic Tax Rate (% of ANTC)	40.8	37.4	36.9	36.58	35.29
2. Statutory Amount to be Levied	1,359,000.0	1,359,000.0	1,292,500.0	1,268,500.0	1,330,100.0
3. Actual Levy Amount	1,360,669.5	1,354,913.9 b	1,293,337.8	1,270,120.8	1,331,186.6
4. Districts	358	353	350	350	350
B. Fund Balance Reduction to Levy					
1. Amount	(340.8)	0.0	0.0	0.0	0.0
2. Districts	14	0	0	0	0
C. Net General Education Levy					
1. Amount (initial levy minus fund balance reduction)	1,360,328.7	1,354,913.9	1,293,337.8	1,270,120.8	1,331,186.6
2. Districts	358	353	350	350	350
D. Initial General Education Aid					
1. Initial Aid Amount	2,326,872.2	2,486,192.9	2,737,051.8	2,703,115.9	2,694,904.6
2. Fund balance reduction	(386.3)	0.0	0.0	0.0	0.0
3. Total Aid	2,326,485.9	2,486,192.9	2,737,051.8	2,703,115.9	2,694,904.6
4. Districts					
a. Receiving initial aid	353	350	349	348	348
b. Fund balance reductions	13	0	0	0	0
c. Total districts	353	350	349	348	348

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements (\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
E. Levy Equity Adjustment					
1. Amount off the formula	7,393.1	4,823.6	2,504.9	972.7	839.8
2. Levy equity adjustment (the amount added to the levy and then subtracted from state categorical aids)	1,952.3	932.1	861.6	972.7	839.8
3. Districts	5	3	1	2	2
IV. Supplemental Aid and Levy					
A. Supplemental Revenue					
1. Amount	4,436.8	5,680.9	5,702.5	3,232.2	3,210.6
2. Districts	28	33	34	16	16
B. Supplemental Levy					
1. Amount	2,747.3	2,884.9	3,149.7	2,603.3	2,663.0
2. Districts	28	33	34	16	16
C. Supplemental Aid					
1. Amount	1,689.5	2,796.0	2,552.8	628.9	547.6
2. Districts	26	32	32	14	12
V. Transition Aid and Levy					
A. Training & Experience Transition Revenue	(615.0)	1,026.10	0.0	0.0	0.0
B. Transportation Transition Revenue	7,901.0	13,477.00	14,703.9	14,761.6	13,065.8
C. Compensatory Transition Revenue	0.0	4,455.90	4,435.1	4,056.6	4,131.3
D. District Cooperation Transition Revenue	0.0	0.0	0.0	0.0	460.8
E. Total Transition Revenue	7,286.00	18,959.00	19,139.0	18,818.2	17,657.9
F. Transition Levy					
1. Amount	4,407.8	7,832.2	7,879.8	8,273.0	8,228.6
2. Districts	357	352	177	172	186
G. Transition Aid					
1. Amount	2,878.3	11,126.8	11,259.3	10,545.2	9,429.3
2. Districts	357	350	173	168	178

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements
(\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
VI. Referendum Aid and Levy					
A. Referendum Revenue					
1. Amount	353,087.4	377,764.8	406,261.3	439,245.8	471,846.4
2. Districts	279	281	280	285	285
B. Referendum Levy					
1. Amount	227,620.6	246,666.6	268,437.5	292,661.4	323,432.9
2. Districts	279	281	280	285	285
C. Referendum Aid					
1. Maximum Equalized Allowance	315.00	315.00	315.00	350.00	350.00
2. Amount	125,466.8	131,098.3	137,823.8	146,584.4	148,413.4
3. Districts	275	279	277	281	277
VII. Adjustments to General Education Revenue					
A. Post Secondary Enrollment Aid					
1. Amount	12,460.0	15,100.0	15,200.0	15,600.0	16,099.9
2. Districts	289	289	289	289	289
B. Contracted Alternative Aid					
1. Amount	6,064.0	6,914.9	6,816.4	6,816.4	6,945.8
2. Districts	6	6	6	6	6
C. Shared Time Aid					
1. FTE ADM	687	719	719	719	719
2. FTE Pupil Units	789	826	826	826	826
3. Formula Allowance	3,205	3,581	3,530	3,530	3,597
4. Amount	2,529.9	2,957.9	2,915.8	2,915.8	2,971.1
5. Districts	219	219	219	219	219
D. Pension Adjustment					
1. Amount	(16,904.2)	(47,264.0)	(44,613.1)	(44,613.1)	(44,613.1)
2. Districts	358	353	350	350	350

2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Annual Entitlements (\$ in 000s)

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
XII. Program Totals					
A. Total Program Revenue					
1. Grand Total, including Separate Categoricals	4,144,460.4	4,324,466.6	4,504,961.9	4,478,499.3	4,499,370.0
2. Less Amounts Funded as Separate Categoricals	90,638.2	104,178.4	64,012.0	64,220.0	0.0
3. Total, Excluding Separate Categoricals	4,053,822.2	4,220,288.2	4,440,949.9	4,414,279.3	4,499,370.0
B. Reserved Revenues					
1. Reserved for class size reduction	87,042.9	88,624.9	86,960.9	86,728.7	87,877.5
2. Reserved for staff development*	0.0	0.0	33,839.5	33,862.3	34,228.6
(*overall requirement, includes other reserved revenues used for staff development)					
3. Basic Skills Revenue	163,607.5	215,778.1	229,094.9	237,873.2	242,637.7
4. Operating Capital Revenue	185,400.8	187,377.9	188,459.7	187,177.9	186,931.7
5. Graduation Standards Revenue	0.0	9,534.4	80,810.8	50,947.6	50,857.7
C. Total Revenue per ADM, Including Amounts Funded as Separate Categoricals	4,940	5,113	5,306	5,311	5,346
D. Total Local Levies, Excluding Separate Categoricals	1,595,104.4	1,612,297.6	1,572,804.8	1,573,658.5	1,665,511.1
E. Total Aid Entitlement, Excluding Separate Categoricals					
1. Gross aid (districts on the formula)	2,460,670.1	2,608,922.7	2,869,006.7	2,841,593.5	2,834,698.7
2. Levy equity adjustment	(1,952.3)	(932.1)	(861.6)	(972.7)	(839.8)
3. Gross aid before subtractions	2,458,717.8	2,607,990.6	2,868,145.1	2,840,620.8	2,833,858.9
4. Subtractions:					
a. Endowment Fund Earnings	(30,602.6)	(23,616.6)	(19,486.0)	(20,343.0)	(21,238.0)
b. Taconite Aid	(3,998.5)	(3,887.3)	(2,823.7)	(600.0)	(600.0)
c. County Apportionment	(16,919.4)	(16,055.8)	(17,000.0)	(17,000.0)	(17,000.0)
d. Total Subtractions	(51,520.5)	(43,559.7)	(39,309.7)	(37,943.0)	(38,838.0)
5. Net Aid (Excludes amount funded as separate	2,407,197.3	2,564,430.9	2,828,835.4	2,802,677.8	2,795,020.9
a. Funded as separate categorical programs.					
b. Actual levy is lower than the target because the tax rate was computed using higher class rates for certain types of property while the actual levy was computed using the reduced class rates.					

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2000-2001 Biennial Budget

BUDGET ACTIVITY: 0101 GENERAL EDUCATION AIDS
PROGRAM: General Education
AGENCY: Education, Children & Families

General Education Program - Appropriations (\$ in 000s)

Total Appropriations shown in 000s

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>Current Law</u> <u>F.Y. 2000</u>	<u>F.Y. 2001</u>
I. Prior Year Adjustment					
A. Gross Payment					
1. Regular	345,707.5	254,104.9	266,146.3	291,118.4	288,329.1
2. Shared Time	<u>403.5</u>	<u>259.7</u>	<u>295.8</u>	<u>291.6</u>	<u>291.6</u>
3. Total Gross Payment	346,111.0	254,364.6	266,442.1	291,410.0	288,620.7
B. Subtractions (Taconite and County Apportionment)	(20,778.6)	(19,242.9)	(19,343.1)	(19,223.7)	(17,600.0)
C. Tax Shift Adjustment	0.0	(122.7)	0.0	0.0	0.0
D. Other Adjustment	<u>163.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
E. Net Payment	325,496.0	234,999.0	247,099.0	272,186.3	271,020.7
II. Current Payment					
A. Gross Payment					
1. Regular	2,220,939.6	2,387,082.7	2,619,633.7	2,594,961.8	20,588,706.6
2. Shared Time	<u>2,270.2</u>	<u>2,662.1</u>	<u>2,624.2</u>	<u>2,624.2</u>	<u>2,674.0</u>
3. Total Gross Payment	2,223,209.8	2,389,744.8	2,622,257.9	2,597,586.0	20,591,380.6
B. Subtractions (Taconite and County Apportionment)					
1. Endowment	(30,602.6)	(23,616.6)	(19,486.0)	(20,343.0)	(21,238.0)
2. Prior year taconite and county apportionment (not recovered on final payment)	<u>0.0</u>	<u>(600.0)</u>	<u>(600.0)</u>	<u>(600.0)</u>	<u>0.0</u>
C. Payment after subtractions	2,192,607.2	2,365,528.2	2,602,171.9	2,576,643.0	20,570,142.6
D. Tax Shift Adjustment	179,913.2	4,310.3	90,204.8	0.0	0.0
E. Levy Equity Adjustment (General Education	(1,952.2)	(932.1)	(861.6)	(972.7)	(839.8)
F. Levy Equity Adjustment (Community Education)	(6,369.2)	(7,936.8)	(7,859.6)	0.0	0.0
G. Pension Adjustment	(16,904.2)	(47,264.0)	(44,613.1)	(44,613.1)	(44,613.1)
H. Other Adjustment	<u>(5,427.4)</u>	<u>(100.0)</u>	<u>(100.0)</u>	<u>(100.0)</u>	<u>(100.0)</u>
I. Net Payment	2,341,867.4	2,313,605.6	2,638,942.4	2,530,957.2	20,524,589.7
III. Total Payments	2,667,363.4	2,548,604.6	2,886,041.4	2,803,143.5	20,795,610.4

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0108 Transportation (For Information Only)
PROGRAM: General Education
AGENCY: Education, Children & Families

A. Students Transported To and From School

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y.2001</u>
Regular	588,254	596,132	600,471	608,577	616,792
Excess	139,463	134,127	137,614	141,192	144,862
Disabled	26,449	29,274	30,269	31,298	32,362
Desegregation	55,018	54,925	56,023	57,143	58,285
TOTAL	809,184	814,458	824,377	838,210	852,301
Enrollment (Public and Nonpublic)	917,282	920,958	927,483	927,975	922,945
Percentage of Pupils Transported	88.22%	88.44%	88.88%	90.33%	92.35%

B. Student Transportation Expenditure Summary

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y.2001</u>
Regular & Excess	\$174,616.4	\$179,268.9	\$181,599.4	\$183,960.2	\$186,351.7
Disabled	63,312.0	67,413.9	71,795.8	76,462.5	81,432.6
Desegregation	24,113.1	24,191.2	25,037.9	25,914.2	26,821.2
Nonpublic Nonregular	856.6	1,387.1	1,414.8	1,443.1	1,472.0
Other	19,190.1	19,280.5	19,666.1	20,059.4	20,460.6
TOTAL	\$282,088.2	\$291,541.6	\$299,514.0	\$307,839.4	\$316,538.1

C. School Bus Inventory Values

	<u>6/30/96</u>	<u>6/30/97</u>	<u>6/30/98</u>	<u>6/30/99</u>	<u>6/30/00</u>
Regular Fleet	\$129,499.4	\$132,996.5	\$130,808.7	\$132,116.8	\$133,438.0
Type III Fleet (cars, station wagons, v	9,392.1	9,818.1	10,386.5	10,905.8	11,451.1
TOTAL	\$138,891.5	\$142,814.6	\$141,195.2	\$143,022.6	\$144,889.1

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0201 Special Education - Regular
PROGRAM: Special Programs
AGENCY: Education, Children & Families

Unduplicated Child Count by Educational Setting

AGE AS OF Sept 1	SPEECH/ LANG IMPAIRED	MILD MODER HDCPD	MODER SEVERE MEN HDCPD	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOUR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
Setting: Regular Class														
0-5	2,258	48	16	47	51	15	103	50	1	34	52	4	1,913	4,592
6-11	12,695	1,097	132	586	577	128	13,354	3,554	5	1,755	348	54	0	34,285
12 - +21	1,934	798	66	407	490	129	15,172	5,260	3	1,801	108	63	0	26,231
Totals	16,887	1,943	214	1,040	1,118	272	28,629	8,864	9	3,590	508	121	1,913	65,108
Setting: Resource Room Half-Time or More														
0-5	667	48	27	20	44	6	11	4	0	16	70	3	3031	3947
6-11	478	1633	267	147	114	16	3596	855	1	512	178	22	0	7819
12 - +21	250	2046	250	160	130	15	5920	2668	3	648	104	53	0	12247
Totals	1395	3727	544	327	288	37	9527	3527	4	1176	352	78	3031	24013
Setting: Separate Class														
0-5	369	12	30	10	36	13	3	8	1	10	29	1	2265	2787
6-11	91	376	498	32	74	2	306	809	1	107	173	11	0	2480
12 - +21	23	1248	1098	58	71	8	647	1391	3	121	171	26	0	4865
Totals	483	1636	1626	100	181	23	956	2208	5	238	373	38	2265	10132
Setting: Public Separate Day School														
0-5	124	7	5	14	55	5	5	3	0	9	18	1	1253	1499
6-11	68	23	64	7	50	0	58	260	0	23	7	0	0	560
12 - +21	11	389	244	22	70	14	260	1796	1	73	19	9	0	2908
Totals	203	419	313	43	175	19	323	2059	1	105	44	10	1253	4967

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0201 Special Education - Regular
PROGRAM: Special Programs
AGENCY: Education, Children & Families

Unduplicated Child Count by Educational Setting

AGE AS OF Sept 1	SPEECH/ LANG IMPAIRED	MILD MODER HDCPD	SEVERE MEN HDCDP	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOUR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
Setting: Private Separate Day School														
0-5	2	1	0	0	2	0	0	0	0	0	0	0	25	30
6-11	11	0	1	1	4	1	15	42	0	4	0	0	0	79
12 - +21	2	7	4	1	1	0	10	156	1	6	0	2	0	190
Totals	15	8	5	2	7	1	25	198	1	10	0	2	25	299
Setting: Public Residential School Facility														
0-5	0	0	0	1	3	1	0	0	0	0	1	0	9	15
6-11	2	0	1	0	48	12	2	46	1	0	0	0	0	112
12 - +21	0	16	1	0	101	44	39	313	4	5	0	1	0	524
Totals	2	16	2	1	152	57	41	359	5	5	1	1	9	651
Setting: Private Residential School Facility														
0-5	617	0	1	2	1	0	0	0	0	1	0	0	138	760
6-11	25	3	0	0	4	1	7	40	0	4	0	0	0	84
12 - +21	0	26	2	3	0	1	36	269	0	6	4	2	0	349
Totals	642	29	3	5	5	2	43	309	0	11	4	2	138	1193
Setting: Hospital or Homebound														
0-5	33	0	0	0	2	3	0	0	0	6	1	0	242	287
6-11	12	4	11	5	2	4	9	15	0	8	1	1	0	72
12 - +21	3	11	10	7	1	0	26	94	0	22	0	2	0	176
Totals	48	15	21	12	5	7	35	109	0	36	2	3	242	535
Total Students Served														
0-5	4,070	116	79	94	194	43	122	65	2	76	171	9	8,876	13917
6-11	13,382	3,136	974	778	873	164	17,347	5,621	8	2,413	707	88	0	45491
12 - +21	2,223	4,541	1,675	658	864	211	22,110	11,947	15	2,682	406	158	0	47490
Totals	19,675	7,793	2,728	1,530	1,931	418	39,579	17,633	25	5,171	1,284	255	8,876	106898

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0201 Special Education - Regular
PROGRAM: Special Programs
AGENCY: Education, Children & Families

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Total Adjusted Base Revenue	327,991,264	337,583,628	353,864,545	434,249,606
State Total Revenue	327,846,000	347,810,000	358,542,000	435,322,000
State Total Revenue New Districts	141,820	250,583	364,530	-
Revenue	327,846,000	347,810,000	358,542,000	435,322,000
Aid Percentage Factor	1	1	1	1
Gross Aid	196,727,378	243,483,618	286,840,965	391,795,200
Levy Revenue Including Allocations from charter Schools and Academies	131,118,622	104,483,618	71,701,035	43,526,800
Proration Factor	1	1	1	1
Prorated Aid	196,708,000	243,449,029	286,838,980	391,795,200
Summer School Revenue	7,152,000	3,728,500		
Total Revenue	334,998,000	351,538,500	358,542,000	435,322,000

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY: 0201 Special Education - Regular
PROGRAM: Special Programs
AGENCY: Education, Children & Families

**Full-Time Equivalent (FTE Staff) by Disability, by Funding Source
(Includes Employed and Contracted Staff)**

	Actual F.Y. 1995	Actual F.Y. 1996	Actual F.Y. 1997	Actual F.Y. 1998	Estimate F.Y. 1999
Teachers and Paraprofessionals					
1. Speech Language Impaired					
State	1,256	1,291	1,329	1,353	1,626
Federal	34	26	22	44	54
Total	1,290	1,317	1,351	1,397	1,680
2. Mild-Moderate Mentally Impaired					
State	2,016	2,271	2,454	2,508	2,528
Federal	56	26	23	147	149
Total	2,072	2,297	2,477	2,655	2,677
3. Moderate-Severe Mentally Impaired					
State	2,062	2,227	2,290	2,346	2,369
Federal	54	14	19	115	117
Total	2,116	2,241	2,309	2,461	2,486
4. Physically Impaired					
State	558	550	572	530	605
Federal	28	12	12	40	64
Total	586	562	584	570	669
5. Hearing Impaired					
State	518	581	590	434	482
Federal	45	9	12	178	182
Total	563	590	602	612	664
6. Visually Impaired					
State	119	124	128	115	132
Federal	18	3	6	12	26
Total	137	127	134	127	158
7. Specific Learning Disability					
State	3,206	3,465	3,501	3,685	3,710
Federal	54	30	33	35	40
Total	3,260	3,495	3,534	3,720	3,750
8. Autistic					
State	145	180	233	287	315
Federal	40	27	33	47	50
Total	185	207	266	334	365
9. Emotional Behavior Disorder					
State	3,788	4,044	4,234	4,292	4,315
Federal	152	35	56	117	120
Total	3,940	4,079	4,290	4,409	4,435
10. Other Health Impaired					
State	91	102	116	146	160
Federal	5	4	1	5	10
Total	96	106	117	151	170

	Actual F.Y. 1995	Actual F.Y. 1996	Actual F.Y. 1997	Actual F.Y. 1998	Estimate F.Y. 1999
11. Early Childhood Special Education					
State	1,202	1,301	1,320	1,334	1,360
Federal	230	121	119	161	175
Total	1,432	1,422	1,439	1,495	1,535
12. Brain Injured					
State	6	5	11	13	24
Federal	0	0	1	1	1
Total	6	5	12	14	25
Subtotal - Tchrs & Paraprof.	15,683	16,448	17,115	17,945	18,614
13. Other Essential Personnel					
a. Directors/Assistants					
Directors/Supervisors					
State	52	67	70	46	45
Federal	100	96	98	125	130
Total	152	163	168	171	175
b. Social Workers/Aides					
State	631	672	697	657	660
Federal	24	10	12	51	55
Total	655	682	709	708	715
c. Psychologists					
State	441	457	467	473	485
Federal	49	36	35	52	55
Total	490	493	502	525	540
d. Adapt. Phy. Ed.					
State	313	326	329	328	365
Federal	9	6	6	10	17
Total	322	332	335	338	382
e. Occupational Therapy					
State	316	338	348	384	405
Federal	39	32	34	17	20
Total	355	370	382	401	425
f. Physical Therapy					
State	105	109	111	111	120
Federal	11	6	10	16	15
Total	116	115	121	127	135
g. Other					
State	460	719	701	606	675
Federal	348	265	344	494	525
Total	808	984	1,045	1,100	1,200
Subtotal - Other Essential Personnel					
State	2,318	2,688	2,723	2,605	2,755
Federal	580	451	539	765	817
Total	2,898	3,139	3,262	3,370	3,572
State Totals					
State	19,603	21,517	22,224	22,253	23,136
Federal	1,876	1,209	1,415	2,432	2,622
Total	21,479	22,726	23,639	24,685	25,758

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0207 School to Work for Students with Disabilities
PROGRAM: Special Programs
AGENCY: Education, Children & Families

Students with Disabilities by Age and Disability (Unduplicated Child Count)											
DISABILITIES	AGE	ACTUAL F.Y.1991	ACTUAL F.Y.1992	ACTUAL F.Y.1993	ACTUAL F.Y.1994	ACTUAL F.Y.1995	ACTUAL F.Y.1996	ACTUAL F.Y.1997	ACTUAL F.Y.1998	ACTUAL F.Y.1999	ESTIMATE F.Y. 2000
Child Count Date		12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97	12/98
1 Speech Language Impaired	0-2	156	140	183	187	167	192	250	272	262	299
	3-5	2,942	2,785	2,894	3,032	3,246	3,583	3,628	3,734	3,808	3,653
	6-11	12,018	11,425	11,581	11,579	11,792	12,224	12,937	13,216	13,382	13,260
	12-+21	1,490	1,400	1,561	1,638	1,699	1,805	1,914	1,999	2,223	2,396
	Total	16,606	15,750	16,219	16,436	16,904	17,804	18,729	19,221	19,675	19,608
2 Mild-Moderate Mentally Impaired	0-2	1	0	2	6	2	4	4	4	0	0
	3-5	104	78	90	84	104	149	138	104	116	121
	6-11	3,103	3,038	3,157	3,209	3,206	3,206	3,240	3,194	3,136	2,868
	12-+21	4,010	3,794	3,839	3,909	3,959	4,150	4,327	4,416	4,541	4,421
	Total	7,218	6,910	7,088	7,208	7,271	7,509	7,709	7,718	7,793	7,410
3 Moderate-Severe Mentally Impaired	0-2	16	10	6	2	1	1	1	2	5	0
	3-5	108	101	99	74	59	81	62	81	74	51
	6-11	1,035	997	1,025	961	903	903	940	927	974	991
	12-+21	1,961	1,868	1,795	1,704	1,650	1,646	1,757	1,709	1,675	1,664
	Total	3,120	2,976	2,925	2,741	2,613	2,631	2,760	2,719	2,728	2,706
4 Physically Impaired	0-2	42	46	18	10	20	22	12	11	9	9
	3-5	104	111	98	83	94	75	91	94	85	74
	6-11	665	706	702	697	714	738	723	753	778	766
	12-+21	520	470	523	491	530	597	657	644	658	689
	Total	1,331	1,333	1,341	1,281	1,358	1,432	1,483	1,502	1,530	1,538
5 Hearing Impaired	0-2	60	40	42	40	33	31	32	49	56	51
	3-5	177	158	167	175	170	139	126	144	138	154
	6-11	691	675	678	696	783	865	858	858	873	829
	12-+21	518	544	553	599	620	742	827	812	864	929
	Total	1,446	1,417	1,440	1,510	1,606	1,777	1,843	1,863	1,931	1,963

2000-01 Biennial Budget

Appendix Table

BUDGET ACTIVITY : 0207 School to Work for Students with Disabilities
PROGRAM: Special Programs
AGENCY: Education, Children & Families

Students with Disabilities by Age and Disability
(Unduplicated Child Count)

DISABILITIES	AGE	ACTUAL F.Y.1991	ACTUAL F.Y.1992	ACTUAL F.Y.1993	ACTUAL F.Y.1994	ACTUAL F.Y.1995	ACTUAL F.Y.1996	ACTUAL F.Y.1997	ACTUAL F.Y.1998	ACTUAL F.Y.1999	ESTIMATE F.Y. 2000
Child Count Date		12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97	12/98
6 Visually Impaired	0-2	15	23	16	16	17	20	12	13	8	12
	3-5	34	26	29	31	36	29	33	40	35	28
	6-11	161	166	164	150	142	160	169	158	164	164
	12-+21	127	128	132	142	156	204	207	220	211	193
Total		337	343	341	339	351	413	421	431	418	397
7 Specific Learning Disabilities	0-2	4	4	6	3	3	7	20	11	0	0
	3-5	2	74	86	75	59	121	70	100	122	104
	6-11	14,854 ⁽¹⁾	14,314	14,342	14,614	15,414	16,515	17,077	17,455	17,347	16,230
	12-+21	18,037	17,510	17,457	18,097	18,710	19,855	20,757	21,332	22,110	22,251
Total		32,897	31,902	31,891	32,789	34,186	36,498	37,924	38,898	39,579	38,585
8 Emotional Behavior Disorder	0-2	1	3	2	1	3	10	10	13	0	0
		70	73	67	83	99	102	109	112	65	69
	6-11	3,585	3,985	4,369	4,725	5,102	5,425	5,539	5,707	5,621	5,502
	12-+21	7,660	8,185	8,525	9,129	10,055	10,810	11,234	11,637	11,947	11,509
Total		11,316	12,246	12,963	13,938	15,259	16,347	16,892	17,469	17,633	17,080
9 Autistic	0-2	0	5	0	1	4	1	2	2	11	8
	3-5	20	15	20	34	29	57	60	87	160	222
	6-11	82	82	133	193	262	310	408	560	707	923
	12-+21	74	87	98	103	139	183	256	310	406	517
Total		176	189	251	331	434	551	726	959	1,284	1,670
10 Deaf and Blind	0-2	1	0	0	1	1	0	0	0	1	2
	3-5	5	5	2	3	0	1	2	0	1	3
	6-11	9	5	11	10	12	9	9	10	8	15
	12-+21	6	4	4	4	9	10	13	11	15	18
Total		21	14	17	18	22	20	24	21	25	38

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0207 School to Work for Students with Disabilities
PROGRAM: Special Programs
AGENCY: Education, Children & Families

Students with Disabilities by Age and Disability (Unduplicated Child Count)											
DISABILITIES	AGE	ACTUAL F.Y.1991	ACTUAL F.Y.1992	ACTUAL F.Y.1993	ACTUAL F.Y.1994	ACTUAL F.Y.1995	ACTUAL F.Y.1996	ACTUAL F.Y.1997	ACTUAL F.Y.1998	ACTUAL F.Y.1999	ESTIMATE F.Y. 2000
Child Count Date		12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97	12/98
11 Other Health Impaired	0-2	10	8	2	5	5	4	4	3	8	5
	3-5	32	25	42	47	65	95	84	74	68	63
	6-11	270	357	463	690	1,028	1,461	1,893	2,155	2,413	2,685
	12-+21	195	251	333	551	866	1,291	1,632	2,122	2,682	3,161
Total		507	641	840	1,293	1,964	2,851	3,613	4,354	5,171	5,914
12 Brain Injured	0-2				0 ⁽²⁾	0	2	0	3	0	0
	3-5				0	10	3	6	5	9	6
	6-11				21	27	37	54	70	88	94
	12-+21				27	49	72	101	129	158	178
Total		0	0	0	48	86	114	161	207	255	278
13 Early Childhood Special Education*	0-2	1,465	1,603	1,922	2,081	2,180	2,273	2,275	2,275	2,446	2,136
	3-5	4,800	5,186	5,400	5,912	6,313	6,323	6,372	6,343	6,430	6,326
	6-11	119									
	12-+21										
Total		6,384	6,789	7,322	7,993	8,493	8,596	8,647	8,618	8,876	8,462
Totals of All	0-2	1,771	1,882	2,199	2,353	2,436	2,567	2,622	2,658	2,806	2,522
	3-5	8,495	8,637	8,994	9,633	10,284	10,758	10,781	10,918	11,111	10,874
	6-11	36,595	35,750	36,625	37,545	39,385	41,853	43,847	45,063	45,491	44,327
	12-+21	34,595	34,241	34,820	36,399	38,446	41,365	43,682	45,341	47,490	47,926
Total		81,456	80,510	82,638	85,930	90,551	96,543	100,932	103,980	106,898	105,649

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

(1) First year for state criteria

(2) F.Y. 1994 was the first year that data was collected for this disability classification

(3) Beginning in F.. 1992, students age 6 and over must be classified under a specific disability

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0401 Health & Safety Aid
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families

**Health & Safety Aid
Dollars in Thousands**

	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Total Revenue					
Amount	\$40,034.3	\$56,000.0	\$65,000.0	\$75,000.0	\$83,000.0
# of Districts	316	312	312	322	325
Levy					
Amount	\$28,157.8	\$40,500.0	\$48,000.0	\$57,000.0	\$65,000.0
# of Districts	315	311	311	322	324
State Aid					
Proration	.9618	1.0000	1.0000	1.0000	1.0000
Amount	\$11,876.5	\$15,500.0	\$17,000.0	\$18,000.0	\$18,000.0
# of Districts	275	266	254	246	236

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY: 0402
PROGRAM:
AGENCY:

Debt Service Equalization
Facilities and Technology
Education, Children & Families

	(\$ in 000s)				
	F.Y. 1997	F.Y. 1998	F.Y.1999	F.Y. 2000	F.Y. 2001
1. Req. Debt Service Levy					
Amount	\$315,767.8	\$353,391.7	\$358,313.2	\$392,536.5	\$420,000.0
# of Districts	244	254	261	262	262
2. Max. Eff. Debt Service Levy					
Amount	\$8,827.9	\$9,888.6	\$10,840.9	\$11,504.5	\$12,500.0
# of Districts	21	23	23	21	21
Additional Amount	\$1,283.2	\$1,303.6	\$602.8	\$799.6	\$1,000.0
# of Districts	15	18	14	15	16
3. Req. Debt Service Levy for Coop. Sec. Fac.					
Amount	\$692.7	\$289.1	\$0.0	\$0.0	\$0.0
# of Districts	2	1	0	0	0
4. Req. Equipment Bonds					
Amount	\$911.9	\$1,980.6	\$2,180.1	\$3,249.1	\$4,000.0
# of Districts	13	25	27	30	35
5. Req. Fac. Bonds					
Amount	*	\$1,359.0	\$3,210.1	\$4,179.5	\$5,000.0
# of Districts		20	32	39	45
6. Req. Alt. Fac. Bonds					
Gross Amount	\$15,515.8	\$16,456.2	\$17,206.4	\$19,454.0	\$24,000.0
# of Districts	4	4	4	5	6
Net Amount	\$15,515.8	\$16,456.2	\$0.0	\$2,335.5	\$6,900.0
7. Alt. Fac. Maint. Levy					
Limit Gross Amount	**	\$9,717.1	\$18,018.0	\$21,806.4	\$27,000.0
# of Districts		3	5	7	9
Net Amount		\$9,717.1	\$18,018.0	\$18,976.6	\$24,170.0
8. Energy Loan					
Prior March 98					
Amount	\$3,233.6	\$3,431.8	\$3,793.4	\$3,536.5	\$3,100.0
# of Districts	124	123	129	127	110
After March 98					
Amount	\$0.0	\$0.0	\$0.0	\$0.0	\$300.0
# of Districts	0	0	0	0	10

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY: 0402
PROGRAM:
AGENCY:

Debt Service Equalization
Facilities and Technology
Education, Children & Families

	(\$ in 000s)				
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
9. Lease Purchase					
Eligible					
Amount	\$16,572.0	\$18,815.6	\$21,452.7	\$22,708.4	\$24,000.0
# of Districts	6	5	5	5	5
Ineligible					
Amount	\$56.5	\$1,600.4	\$1,531.8	\$1,960.2	\$1,690.0
# of Districts	1	3	3	3	3
10. Debt Excess					
Certified Amount	\$16,522.5	\$17,001.2	\$18,917.1	\$18,653.7	\$19,000.0
Amount Subtracted From Levy	\$13,501.0	\$15,624.2	\$16,868.1	\$17,122.4	\$17,500.0
# of Districts	99	104	103	107	107
11. Debt Service Loan					
Amount	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
# of Districts	0	0	0	0	0
12. Gross Equal Rev. Before ANTC Re	\$299,543.0	\$352,988.3	\$367,521.1	\$401,672.7	\$438,000.0
13. Net Equal Rev.	\$80,156.0	\$90,566.9	\$89,194.0	\$96,048.2	\$100,000.0
14. Debt Service Equal Aid					
Gross Aid Amount	\$33,165.5	\$35,737.4	\$33,880.6	\$32,579.1	\$32,000.0
# of Districts	132	144	151	148	150
Init. Prorat. Rate	.9799	.9530	1.0000	1.0000	1.0000
Final Prorat. Rate	.9982	1.0000	1.0000	1.0000	1.0000
Net Debt Serv. Aid for Alt. Fac. (Mai	\$0.0	\$1,255.8	\$1,039.0	\$491.4	\$550.0
# of Districts	0	2	3	4	5
Net Debt Serv. Aid for Energy Loans	***	\$674.3	\$729.9	\$780.2	\$650.0
# of Districts		55	64	65	55
Net Debt Serv. Aid for Lease Purch.	***	\$0.0	\$0.0	\$19.5	\$18.0
# of Districts		0	0	1	1
Net Debt Serv. Aid for Bonded Debt	\$33,105.4	\$33,807.3	\$32,111.7	\$31,288.0	\$30,782.0
# of Districts	132	140	147	144	145

* Funded with transfer from Facilities Account

** Included under capital related components

*** Included in computing net debt service aid for bonded debt

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY: 0503 ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE PROGRAMS (AP/IB)
PROGRAM: Education Excellence
AGENCY: Education, Children & Families

	Participation and Expenditures					Projections 20% Growth	
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Advanced Placement							
Public Schools Funded	169	169	180	177			
Non-Public Schools Funded	24	32	25	31			
Total AP Schools	193	201	205	205			
Students Taking Exams	7,278	8,465	9,369	11,041	13,249	15,895	19,077
Exams Taken	9,401	11,169	12,641	16,151	19,381	23,257	27,908
Low Income - All Exams Paid	354	307	402	395			
Exams per Student	1.29	1.31	1.34	1.46			
% of Scores 3 or above (Range 1-	58.2%	60.6%	60.8%	58.5%			
Teacher Initial, Ind-depth Trainin	107	143	163	222			
Teacher Follow-up Training	432	501	530	575			
New Courses offered	66	67	62	----			
International Baccalaureate							
Schools Funded	9	9	9	10			
Students Taking Exams	568	693	815	924	1,090	1,286	1,517
Exams Taken	1,024	1,329	1,673	1,970	2,325	2,743	3,237
Diplomas Earned	30	47	61	71			
Low Income Exams	57	83	119	119			
Exams per Student	1.8	1.9	2.0	2.1			
% of Scores 4 or above (Range 1-7)		65%	71%	62%			
Teacher Training	135	78	65	62			
Teacher Follow-up Training	100	65	95	100			
New Courses Offered	11	15	5	---			
AP & IB Program Allocations	750.0	875.0	875.0	1,875.0	1,875.0	3,900.0	3,900.0

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY : 0406 Misc. Capital Expenditure Levies
PROGRAM: Facilities and Technology
AGENCY: Education, Children & Families

Misc. Capital Expenditure Levies					
	F.Y. 1997	F.Y. 1998	F.Y. 1999	F.Y. 2000	F.Y. 2001
Lease					
Amount	\$16,724.3	\$19,513.2	\$22,100.6	\$26,500.0	\$30,000.0
# of Districts	130	124	141	155	165
Disabled Access					
Amount	\$5,918.5	\$4,274.3	\$3,371.7	\$2,900.0	\$2,500.0
# of Districts	89	79	60	48	40
Building Construction Down payment					
Amount	\$830.7	\$980.7	\$1,057.5	\$1,270.0	\$1,270.0
# of Districts	4	3	3	3	3
Technology					
Amount	\$0.0	\$0.0	\$681.8	\$699.0	\$699.0
# of Districts	0	0	1	1	1
Special Levy					
Amount	\$0.0	\$298.2	\$27.2	\$27.2	\$27.2
# of Districts	0	5	2	2	2

**2000-01 Biennial Budget
Appendix Table**

BUDGET ACTIVITY: 0503 ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE PROGRAMS (AP/IB)
 PROGRAM: Education Excellence
 AGENCY: Education, Children & Families

	Participation and Expenditures					Projections 20% Growth	
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Combined Program Expenditures							
Teacher Training	188.0	148.6	177.5	186.3	213.7	400.0	400.0
Teacher and Curriculum Support	77.5	38.9	33.5				
Teacher Stipends				347.1	402.9	500.0	500.0
Student Exam Subsidies	437.0	562.2	720.9	1,012.1	978.1	1,500.0	1,500.0
Student Scholarships				300.0	300.0	1,500.0	1,500.0
.5 ECF complement	32.0	32.5					
Program Administration	2.0	2.8	3.9				
Totals	736.5	785.0	935.8	1,845.5	1,894.7	3,900.0	3,900.0
Advanced Placement Expenditures							
Teacher Training	53,458	68,648	94,624	124,296	135,000		
Teacher and Curriculum Support	71,000	30,240	31,000				
Teacher Stipends		478,709		308,440			
Student Exam Subsidies	373,588		587,733	865,600	833,383		
Student Scholarships				0			
Totals	498,046	577,597	713,357				
International Baccalaureate Expenditures							
Teacher Training	135,000	80,000	82,888	62,000	65,000		
Teacher and Curriculum Support	6,500	8,620	2,500				
Teacher Stipends				38,690			
Student Exam Subsidies	63,467	83,441	133,163	146,462	144,750		
Student Scholarships				???			
Totals	204,967	172,061	218,551				

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