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and Fiscal Analysis**

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**Senate**  

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**State of Minnesota**

**S.F. No. 238 - Levy for Utility Costs**

**Author:** Senator Gen Olson

**Prepared by:** Joan White, Senate Counsel (651/296-3814)

**Date:** April 12, 2005



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**S.F. No. 238** allows school districts to levy for certain utility costs of facilities used primarily for community education programs.

**Section 1, subdivision 1**, defines the terms “qualifying facility,” “primary purpose,” “qualifying community education programs,” and “utility costs.”

**Subdivision 2** requires a school district to submit information on a community education facility’s size, usage, and utilities costs to the Commissioner of Education in the time and manner prescribed by the commissioner, in order to qualify for the levy authority under this section.

**Subdivision 3** allows a district with a qualifying community education facility to levy an amount equal to the lesser of:

- (1) \$2 times the square footage of the facility used primary for community education purposes; or
- (2) the district’s actual utility costs for the facility for the previous fiscal year.

This section is effective for taxes payable in 2006.

JW:rdt



1        Subd. 2. [COMMISSIONER'S APPROVAL.] In order to qualify  
2 for levy authority under this section, a school district must  
3 submit information on a community education facility's size,  
4 usage, and utilities costs to the commissioner of education in  
5 the time and manner prescribed by the commissioner.

6        Subd. 3. [LEVY AMOUNT.] Upon approval of the commissioner,  
7 a district with a qualifying community education facility may  
8 annually levy an amount equal to the lesser of:

9            (1) \$2 times the square footage of the facility used  
10 primarily for community education purposes; or

11            (2) the district's actual utility costs for the facility  
12 for the previous fiscal year.

13        [EFFECTIVE DATE.] This section is effective for taxes  
14 payable in 2006.

**Fiscal Note – 2005-06 Session**

**Bill #:** S0238-0 **Complete Date:** 02/10/05

**Chief Author:** OLSON, GEN

**Title:** COMM ED BUILDINGS UTILITY LEVY AUTH

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

<b>Dollars (in thousands)</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund	0	0	0	0	0
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund	0	0	0	0	0
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund	0	0	0	0	0
<b>Total Cost &lt;Savings&gt; to the State</b>					

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalent</b>					
-- No Impact --					
<b>Total FTE</b>					

## **Bill Description**

This bill creates a new levy authority equal to the lesser of \$2 per square foot or the actual utility costs for the prior year of district-owned facilities used primarily for Community Education Programs. The levy would be effective for taxes certified in 2005 and payable in 2006 (FY 2007 revenue) and would not be equalized. To qualify, at least half of the facility's square footage must be occupied by "qualifying community education programs." Qualifying programs include early childhood family education, adult basic education, childcare services, senior citizen services, adult enrichment programs, youth services and after school enrichment programs; athletic or recreational programs are not qualifying programs. Utility costs include heating, cooling, electricity, water and sewer charges, and waste disposal.

Current law states that the purpose of a district community education program is "...to make maximum use of the public schools of Minnesota by the community and to expand utilization by the school of the human resources of the community...." (M.S. 124D.18) Community Education Programming is supported through formula-driven equalized state aid and local levy revenue (ECFE and General Community Education revenue), state aid (School Readiness, ABE) and federal grants (ABE). Districts may also charge fees for any community education programming and generate additional local revenue from public and private sources.

Districts may allocate a proportionate share of utility costs to the Community Service Fund (Fund 04). In FY 2004, of the 341 districts with a community education program, 126 (37%) reported Fund 04 utility expenditures of \$1.5 million and fuel costs of about \$613,000. Total Fund 04 expenditures were just under \$330 million. Utility and fuel expenditures from all funds totaled \$114.8 million and \$55.1 million, respectively. The majority of these expenditures were charged to the General Fund (Fund 01): \$109.2 million for utilities, and \$53.9 million for fuel.

## **Assumptions**

- Current Agency staff will be able to implement and administer the law.
- The Agency will follow its usual deadlines for levy data collection:
  - By June 1<sup>st</sup>, initial administrative procedures required to implement the law are developed and communicated to school districts.
  - By July 30<sup>th</sup>, districts submit required data on facility occupancy and utility costs.
- The Department will develop and school districts will implement new UFARS accounting guidelines effective for FY 2007, for reporting utility costs allocable to facilities used primarily by Community Education Programs.
- Districts will annually report data verifying facility ownership, utility expenditures, and occupancy by program.
- No assumption is made as to whether districts would be allowed to include square footage of district facilities leased to outside groups providing a "qualifying community education program," which is defined to include senior citizen services, childcare services and adult enrichment programs.
- The bill's definition of occupancy does not include a time dimension. It is assumed that a district could charge the utility costs of a facility only if it is used the majority of the time for a qualifying community education program that occupies at least half of the square footage of the building.
- All 341 districts with a community education program will levy for utilities. Districts will levy an amount equal to the greater of 1) 5% of their FY 2004 General Fund (Fund 01) expenditures for utilities or 2) the actual amount of Community Services Fund (Fund 04) utility expenditures reported in FY 2004.
- The amount levied will remain constant through the pay 2009 levy cycle.
- The Department would calculate districts' final levy authority and calculate levy adjustments in the second following levy cycle based upon district reports documenting actual qualified expenditures. For example, limits for levies certified in Fall 2005 would be based upon estimated expenditures; final levy authority would be calculated based upon reported FY 2007 expenditures.

Levy changes resulting from this bill will affect early levy recognition under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

## **Expenditure and/or Revenue Formula**

The statewide total of individual districts' levy authorities estimated as the greater of:

- (1) 5% of reported FY 2004 UFARS Fund 01 object 330 (utility) expenditures; or
- (2) the district's reported FY 2004 UFARS Fund 04 object 330 expenditures.

No additional Agency staff is required.



## Bi-Partisan Support

The proposed Community Education Facility Levy has gained bi-partisan support in both the Senate and House. The following legislators have signed onto the bill:

**Senators:** Gen Olson, Steve Kelley, Steve Murphy, Michelle Fischbach, and Don Betzhold.

**Representatives:** Barb Sykora, Mindy Greiling, Connie Bernardy, Ron Erhardt, Duke Powell, Andy Welti, Melissa Hortman, Tina Liebling, Steve Simon, Joe Opatz, Connie Ruth, Ray Cox, David Dill, Randy Demmer, Maria Ruud and Lynn Wardlow.

**Additional Legislators indicating their support:** **Senators:** Dave Kleis, Michele Bachmann, Dick Day, Steve Dille, Leo Foley, Linda Scheid and Dean Johnson. **Representatives:** Ron Latz, Barbara Goodwin, Mary Ellen Otremba, Dean Urdahl, Lyndon Carlson, Joyce Peppin, Debra Hilstrom and Al Juhnke.

HF 291

**Bill Language:**

SF 0238

A bill for an act

relating to education finance; authorizing a levy for certain utility costs of facilities used primarily for community education programs; proposing coding for new law in Minnesota Statutes, chapter 124D.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **124D.205. COMMUNITY EDUCATION FACILITY LEVY.**

Subdivision 1. DEFINITIONS. (a) For purposes of this section, the following terms have the meanings given them.

"Qualifying facility" means a building that is owned by a school district and used for the primary purpose of providing community education programs.

"Primary purpose" means that at least 50 percent of the facility's square foot area is occupied by qualifying community education programs.

"Qualifying community education programs" include early childhood and family education, adult basic education, adult enrichment programs, senior citizen services, school readiness, child care services, youth services, and after school enrichment programs. Facilities used primarily for athletic or recreational programs are not qualifying community education programs.

"Utility costs" include amounts spent on heating and cooling, electricity, water and sewer charges, and waste disposal.

Subd. 2. COMMISSIONER'S APPROVAL. In order to qualify for levy authority under this section, a school district must submit information on a community education facility's size, usage, and utilities costs to the commissioner of education in the time and manner prescribed by the commissioner.

Subd. 3. LEVY AMOUNT. Upon approval of the commissioner, a district with a qualifying community education facility may annually levy an amount equal to the lesser of:

\$2.00 times the square footage of the facility used primarily for community education purposes; or the district's actual utility costs for the facility for the previous fiscal year.

**[EFFECTIVE DATE.]** This section is effective for taxes payable in 2006.

A state-wide survey of Community Education Directors has provided the following information for the 44 buildings used as Community Education Centers:

- \$37,000 - average cost/building for the proposed Facility Levy for Community Education space utility costs.

\$1.6 Million - total estimated cost statewide for the proposed local levy.

# Understanding the Proposed Community Education Facility Levy

As school district K-12 enrollments are declining, districts are increasingly turning to Community Education to maintain and operate buildings for use by the community. To alleviate some of the economic burden of these buildings, legislation is proposed that would allow Community Education Programs that operate buildings to levy for the prior year's utility costs where **50% or more** of that building is **used for Community Education purposes**. Utility costs have been defined as heat, electricity, water/sewer and waste disposal.

The proposed Community Education Facility Levy would:

- **Provide Authority for a Local Levy to Meet Local Needs** - This permissive local levy (not equalized with state funds) would cover the actual costs of utilities for these Community Education facilities.
- **Promote the Wise Use of Existing Taxpayer-Owned Facilities While Retaining these Valuable Facility Assets for Future District Needs** - These buildings offer valuable space for Community Education programs and partnerships benefiting all ages, while maintaining buildings as a resource for Districts that may grow again in future years.
- **Provide a Cost-Effective Alternative to the Levy for Lease at 1/10th the Cost.** It would cost State taxpayers almost 10 times more money if these districts utilized the existing levy for lease law to lease space vs. using vacant existing facilities.
- **Preserve Shrinking Dollars for Community Education Programs.** Community Education does not have a funding stream to offset the costs of maintaining a building. Recent cuts in ECFE and Community Education levies are making it extremely difficult to operate these valued facilities.

Buildings owned by school districts cannot utilize the existing "levy for lease" law in statute. Districts could choose to sell the buildings and in turn lease space under the current law, but this a waste of tax dollars and poor public policy.

**Community Education buildings help schools meet community needs by providing space for:**

Community Education Programs

- Early Childhood Family Education
- School Readiness
- Adult Basic Education & Family Literacy
- Childcare programs
- Adult and Youth Enrichment programs
- Senior Programs
- Youth After-School Enrichment
- Teen Programs and Activities

Community Partnerships

- Head Start
- Meals on Wheels
- Art Alliances
- Special Education Cooperatives
- Community plays and benefits
- Collaborative services and programs
- Partnerships with Community Colleges

**Community Centers keep Seniors and Non-Parents connected to the schools.**

For Additional Information, Contact:

Melanie DeLuca, Director of Community Education, Orono Schools  
952-449-8351 email- mdeluca@orono.k12.mn.us

Jackie Johnston, Director of Community Education/ Fridley & Brooklyn Center  
763-502-5101 email -jackie.johnston@fridley.k12.mn.us

COMMUNITY EDUCATION FACILITIES LEVY SURVEY RESULTS 2005

	District	Total SQ Ft	% Com	Com Ed Sq Ft	Total UtilityCost	CE Facility levy \$	Levy Cost per sq ft	Lease\$/Sq Ft	90% Lease levy	Diff of Fac lev/lease
1	Alexandria - Early Childhd Cntr	4,300	100%	4,300	\$5,344.00	\$5,344.00	\$1.24	\$12.00	\$46,440.00	\$41,096.00
2	Annandale	10,000	80%	8,000	\$6,654.00	\$5,323.20	\$0.67	\$5.25	\$37,800.00	\$32,476.80
3	Bloomington - Erly Child Cntr	82,364	75%	61,773	\$55,183.00	\$41,387.25	\$0.67	\$12.00	\$667,148.40	\$625,761.15
4	Brooklyn Center	4,000	100%	4,000	\$6,342.00	\$6,342.00	\$1.59	\$12.00	\$43,200.00	\$36,858.00
5	Buffalo - Discovery Center	131,147	50%	65,574	\$93,365.00	\$46,682.50	\$0.71	\$10.00	\$590,161.50	\$543,479.00
6	Burnsville-Diamond Comm Cent	80,000	50%	40,000	\$60,000.00	\$30,000.00	\$0.75	\$13.00	\$468,000.00	\$438,000.00
7	Cannon Falls-Cannon Com Cntr	26,000	90%	23,400	\$23,058.00	\$20,752.20	\$0.89	\$10.00	\$210,600.00	\$189,847.80
8	Cambridge-Isanti Early Chld Cnt	15,600	50%	7,800	\$9,108.00	\$4,554.00	\$0.58	\$10.00	\$70,200.00	\$65,646.00
9	Cambridge-Isanti Family Cntr	1,600	100%	1,600	\$4,364.00	\$4,364.00	\$2.73	\$10.00	\$14,400.00	\$10,036.00
10	Delano-Delano Comm Ed Cntr	47,300	99%	46,827	\$35,636.00	\$35,279.64	\$0.75	\$15.00	\$632,164.50	\$596,884.86
11	Edina	328,000	66%	216,480	\$281,085.00	\$185,516.10	\$0.86	\$15.00	\$405,000.00	\$219,483.90
12	Elk River-Handke Family Cntr	60,000	70%	42,000	\$67,413.00	\$47,189.10	\$1.12	\$12.50	\$472,500.00	\$425,310.90
13	Farmington-Comm Ed Cntr	23,225	100%	23,225	\$40,000.00	\$40,000.00	\$1.72	\$11.50	\$240,378.75	\$200,378.75
14	Fridley-Com Cntr	51,083	67%	34,226	\$45,800.00	\$30,686.00	\$0.90	\$13.00	\$400,439.64	\$369,753.64
15	Hopkins-Harley Hopkins Cntr	41,100	50%	20,550	\$28,292.00	\$14,146.00	\$0.69	\$13.00	\$240,435.00	\$226,289.00
16	Mahtomedi	25,589	85%	21,751	\$33,797.00	\$28,727.45	\$1.32	\$16.50	\$322,997.15	\$294,269.70
17	Mankato-Lincoln Comm Cntr	30,750	57%	17,528	\$69,029.00	\$39,346.53	\$2.24	\$9.25	\$145,916.44	\$106,569.91
18	Mpls - Pratt Com Ed Center	42,032	34%	14,291	\$26,878.00	\$9,138.52	\$0.64	\$15.00	\$192,926.88	\$183,788.36
19	Minnetonka-Deephaven Cntr	27,201	79%	21,489	\$67,757.00	\$53,528.03	\$2.49	\$9.00	\$174,059.20	\$120,531.17
20	Moose Lake-So. Carlton Co Fan	4,592	70%	3,214	\$18,978.00	\$13,284.60	\$4.13	\$10.25	\$29,652.84	\$16,368.24
21	New London Spicer	21,250	100%	21,250	\$30,325.00	\$30,325.00	\$1.43	\$7.00	\$133,875.00	\$103,550.00
22	New Prague-	6,000	100%	6,000	\$18,500.00	\$18,500.00	\$3.08	\$7.00	\$37,800.00	\$19,300.00
23	North St. Paul-Gladstone Com C	43,833	100%	43,833	\$54,000.00	\$54,000.00	\$1.23	\$12.02	\$474,185.39	\$420,185.39
24	Orono Discovery Center	23,754	89%	21,141	\$41,000.00	\$36,490.00	\$1.73	\$11.50	\$218,809.97	\$182,319.97
25	Orono Student Cntr	6,200	100%	6,200	\$8,950.00	\$8,950.00	\$1.44	\$11.50	\$64,170.00	\$55,220.00
26	Osseo-Arbor View ECCenter	2,700	50%	1,350	\$31,980.00	\$15,990.00	\$11.84	\$11.50	\$13,972.50	-\$2,017.50
27	Osseo-Willow Lane ECCenter	42,800	50%	21,400	\$38,687.00	\$19,343.50	\$0.90	\$11.50	\$221,490.00	\$202,146.50
28	Owatonna-Roosevelt Com Schl	15,000	100%	15,000	\$13,243.00	\$13,243.00	\$0.88	\$12.50	\$168,750.00	\$155,507.00
29	Robbinsdale- Cavanagh Lrn Cnt	56,332	71%	39,996	\$56,400.00	\$40,044.00	\$1.00	\$11.00	\$395,957.63	\$355,913.63

30	Robbinsdale- Lincoln School	43,000	100%	43,000	\$55,500.00	\$55,500.00	\$1.29	\$11.00	\$425,700.00	\$370,200.00
31	Robbinsdale- Winnetka Lrn Cntr	55,000	95%	52,250	\$57,567.00	\$54,688.65	\$1.05	\$11.00	\$517,275.00	\$462,586.35
32	Rochester-Northrop Com Ed Cn	42,819	100%	42,819	\$53,793.00	\$53,793.00	\$1.26	\$15.00	\$578,056.50	\$524,263.50
33	Rochester-Hawthorne Adult & F	48,017	100%	48,017	\$68,244.00	\$68,244.00	\$1.42	\$15.00	\$648,229.50	\$579,985.50
34	Roseville-Fairview Comm Cntr	171,700	85%	145,945	\$182,930.00	\$155,490.50	\$1.07	\$16.50	\$2,167,283.25	\$2,011,792.75
35	St. Cloud-Washington EC Cntr	29,000	100%	29,000	\$29,260.00	\$29,260.00	\$1.01	\$10.00	\$261,000.00	\$231,740.00
36	St. Cloud-Comm Ed Cntr	14,500	100%	14,500	\$19,325.00	\$19,325.00	\$1.33	\$10.00	\$130,500.00	\$111,175.00
37	St. Francis Comm Cntr	30,452	97%	29,538	\$35,200.00	\$34,144.00	\$1.16	\$13.50	\$358,892.05	\$324,748.05
38	St. Louis Park- Central Com Cnt	183,941	50%	91,971	\$167,616.00	\$83,808.00	\$0.91	\$15.00	\$1,241,601.75	\$1,157,793.75
39	St. Louis Park - Eliot Com Cntr	74,222	50%	37,111	\$26,212.00	\$13,106.00	\$0.35	\$15.00	\$500,998.50	\$487,892.50
40	St. Louis Park - Lenox Com Cntr	56,973	50%	28,487	\$54,291.00	\$27,145.50	\$0.95	\$16.00	\$410,205.60	\$383,060.10
41	St. Michael-Albertville	52,730	84%	44,293	\$43,199.00	\$36,287.16	\$0.82	\$9.00	\$358,774.92	\$322,487.76
42	So. St. Paul-Family & Kids Conn	25,000	75%	18,750	\$29,565.00	\$22,173.75	\$1.18	\$13.00	\$219,375.00	\$197,201.25
43	Two Harbors-John A. Johnson	40,308	50%	20,154	\$40,735.00	\$20,367.50	\$1.01	\$11.00	\$199,524.60	\$179,157.10
44	White Bear Lake - Normandy Pr	31,389	80%	25,111	\$33,928.00	\$27,142.40	\$1.08	\$15.00	\$339,001.20	\$311,858.80
45	Willmar	27,000	80%	21,600	\$20,000.00	\$16,000.00	\$0.74	\$10.00	\$194,400.00	\$178,400.00
	<b>Total Costs in Levy</b>					<b>\$1,540,774.98</b>	<b>\$2.49</b>	<b>\$19.30</b>	<b>\$14,867,082.86</b>	<b>\$13,326,307.88</b>

\*This is a survey conducted by Community Education to calculate estimated costs

## *Examples of How Community Education Centers Serve Vital Needs*

“The Edina Community Center offers a blend of programs and services unrivaled in our community. The facility has served as an “accordion” for district programs as well as housing many needed and outstanding programs and services. The taxpayers of Edina get a huge bang for their buck!”

*Doug Johnson  
Edina Public Schools*

“This facility allows programs like ECFE and ECSE to work together – our building also has the only playground for young children with disabilities to play side by side with able bodied children. Without the facility, services for young children would be split from each other and some programs would possibly not continue.”

*Dave Guenther  
White Bear Lake*

“Examples of how the district and community support and value the facility include the district using health and safety dollars to maintain the building, United Way grant dollars providing support, service clubs and businesses donating materials, dollars and furniture and volunteers managing the beautification of the center, inside and out.”

*Susan Scarborough  
Alexandria Early Childhood Center*

“This building was closed for a year but there was community support to renew a spirit of educating all and we now have multiple classrooms for preschool so there is no waiting list and we have room for a growing ABE program. The City of Oak Grove is delighted as boarded up buildings become a target for vandals and lower property values.”

*Tom Larson  
St. Francis School District #15*

“Three buildings in the Robbinsdale district now serve the needs of adult learners, early childhood programs, childcare and many partnership programs. Their location in areas of high poverty and ever-increasing immigrant populations fill a vital need. Due to the programs offered in these facilities, support for the school district is strong from the 83% of households in our district without kids in school.”

*Robert Wittman  
Robbinsdale School District*

“The Discovery Center is the only large public facility in the City of Maple Plain and serves a vital need. All early childhood programs for the school district including a childcare center and mental health services are now co-located together to best serve families. A teen center, arts council and co-located service center now serve the community from this facility which is open seven days a week.”

*Melanie DeLuca  
Orono School District*

# Panel weighs schools' future

Community advisers find no 'easy answers'

BY CYNTHIA BOYD  
*Pioneer Press*

A committee charged by Roseville school district authorities to look to the future suggests closing a school building as a "last resort" but makes clear it should be considered within the next five years.

Closing the Fairview Community Center — a Roseville schools building — or selling excess land near the center or elsewhere in the district are among a long list of recommendations made by members of the Educational Planning Advisory Committee.

"There just aren't easy answers," said Mary Peterson, a parent and co-chairwoman of the committee, which publicly issued its report this week after nine months of data gathering and consideration.

Peterson said the group, convened by Roseville Area Schools Superintendent John Thein, studied the current and projected educational use of all district facilities, factoring in projected student enrollment declines in coming years, flat legislative funding, the condition of facilities, and alternative revenue sources and educational goals.

The Roseville Area School Board discussed the committee's recommendations for the first time at a Thursday study session. The reports face months of discussion by the board, district administrators, principals, parents and community members. The board likely would take any final action on recommendations in early summer.

The 40-person committee suggested that the district in the short term:

- Continue to monitor district budgets for efficiencies and to communicate budget information frequently to the public.

- Market Roseville area schools to keep resident students and attract open-enrollment pupils.

- Pilot an early-learning program starting at age 4 to provide valuable learning experiences and to attract and keep families in the school district.

- Look into moving early childhood family education programs to elementary school sites to build interest in and retain students at neighborhood schools.

- Work with the Legislature to implement an equitable and statewide school building improvement or maintenance fund.

- Continue to work with the seven cities in the school district to share indoor and outdoor facilities.

Long-term recommendations include:

- Closing the Fairview Community Center and relocating such programs as community education, senior citizen and early childhood to other Roseville district buildings.

SCHOOLS REPORT, 2B

## Schools report

(continued)

- Working with cities to create land development strategies that include affordable housing that would attract families with young children.

- Looking at setting up magnet schools.

Tammy Pust, a parent member of the committee, said, "It's too early to say what I think

about things and where they are going. I think it was a wise move to come to the community and say, "These are the issues. Where do you think we should go on this?"

Board Chairwoman Linda McLoon said the effort helped identify what the community values about its schools and how legislative funding affects the schools.

Cynthia Boyd can be reached at 651-228-2116 or [cboyd@pioneerpress.com](mailto:cboyd@pioneerpress.com).

# Fairview Community Center Fact Sheet

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Approximately **3,460** community members attend programs at Fairview each week.

## *Roseville Area School District Programs*

- **Community Education**

Adult Enrichment – adult community classes, brochure 3x/year

**519** participants weekly at Fairview, administrative support for an additional **271** participants in other district buildings

Adult Learning Center – serves academic, employment, and social needs of adult students

**497** students are currently enrolled

314 English as a Second Language

183 Academic Programs (GED/Diploma/VOA/Dual Enrolled/Basic Skills)

Total number of instruction hours to date (July – January) is 38,702 hours

Aquatics – swim skills instruction, aquatic fitness classes, and lap & open swim

**650** people use the pool each week – this includes lessons, lap & open swim, swim teams, and non-public school use

Pool temp is 86 degrees – comfortable for young children and seniors

Bilingual Services – academic support for bilingual students and their non-English speaking families

**10** families meet with bilingual liaisons each week at Fairview

Early Childhood Screening – assessment of children’s health and developmental needs before entering kindergarten

**441** children are screened each year at Fairview

Early Childhood Family Education (ECFE) – parenting support for families with children ages 0-5

**64** children and their families attend ECFE classes at Fairview each week

Facility Use – use of school buildings to community groups

**20** different community groups use the building each week (**1,162 people**)

The building is open and in use by the District or the community for about **90** hours each week.

About 32 of these hours are community use only.

Friendship Connection – school age child care, before and after school in elementary buildings

Administrative program support for **675** students at elementary sites

School Age Family Education – parent involvement classes/speakers

School Readiness – kindergarten readiness for children identified through screening

**60** students attend School Readiness, 4 days per week

Senior Program – programs that support senior adults to enable them to sustain quality lives and live independently

**350** seniors participate in programs at Fairview each week

**150** seniors participate in Senior Dining each week

**900** volunteers support this program

# Fairview Community Center Fact Sheet

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## *Roseville Area School District Programs, cont'd...*

Targeted Services – additional math and reading support for at-risk students  
Administrative program support for 700 students in school buildings

Youth Enrichment – after school classes for students to explore interests  
Administrative program support for 104 students in elementary buildings

- **District Copy Center**  
Print shop for Roseville Area Schools - 12,000,000 copies per year  
Uses 1,895 square feet of space at Fairview
- **Early Childhood Special Education (ECSE)**  
50 children are served by Early Childhood Special Education (ECSE) at Fairview each week.
- **Educational Development Center**  
Curriculum and staff development  
415 staff attend training at Fairview each year
- **Nutritional Services**  
3,000 meals are served from the Fairview kitchen every week for Meals on Wheels, Senior Dining, early childhood programs, preschools, and staff.
- **Early Childhood Information & Referral**  
Shared district program

The Fairview **parking lot** capacity is **304**.

**Senate Counsel, Research,  
and Fiscal Analysis**

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# Senate

State of Minnesota

## **S.F. No. 245 - Education Programs Reinstatement and Funding Restoration**

**Author:** Senator John Marty

**Prepared by:** Joan White, Senate Counsel (651/296-3814)

**Date:** April 13, 2005



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**Section 2** amends the early childhood family education (ECFE) revenue, by striking obsolete language related to the revenue in the amount of \$120 for fiscal years 2003 and 2004, and by changing the revenue from \$96 for fiscal year 2005 and later, to \$136 for fiscal year 2006 and later. This section is effective for revenue for fiscal year 2006.

**Section 3** establishes the Way to Grow/school readiness program.

**Subdivision 1** requires the Commissioner of Education to administer the program in collaboration with the Commissioners of Health and Human Services to promote the development and school readiness of children prebirth to age six by coordinating and improving access to community-based and neighborhood-based services that support parents in meeting the needs of children.

**Subdivision 2** lists elements that the program must provide, and also lists elements the program may provide.

**Subdivision 3** lists the categories of prospective grantees who are eligible to submit an application.

**Subdivision 4** specifies the distribution of the funds. The commissioner must give priority to existing programs, and to the extent possible, award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

**Subdivision 5** specifies grant application criteria. Each grant application must propose a five year program designed to accomplish the purposes of this section. This section lists what must be included in the application.

**Subdivision 6** requires a 50-cent nonstate match for every state dollar expended. The program may match with in-kind contributions, including volunteer assistance.

**Subdivision 7** requires each grantee to establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. Specifies who must be represented on the board.

This section is effective for revenue for fiscal year 2006.

**Section 4** modifies general community education revenue by increasing the revenue for 2006 and later from \$5.23 to \$5.95.

This section is effective for revenue for fiscal year 2006.

**Section 5** establishes an after-school enrichment program.

**Subdivision 1** establishes a competitive statewide after-school enrichment grant program that incorporates principles, strategies, and approaches consistent with a positive youth development orientation. The commissioner may use the criteria in the 2002 after-school enrichment program statute to evaluate the programs.

**Subdivision 2** specifies neighborhoods that will be given priority when distributing grants.

**Subdivision 3** lists the expected outcomes of the program.

**Subdivision 4** requires an applicant to develop a plan for an after-school enrichment program in order to be eligible for a grant, and specifies what the plan must include.

**Subdivision 5** requires the applicant to submit the plan to the commissioner for approval, and the commissioner is required to award the grant for the implementation of an approved plan.

**Section 6** modifies the state total adult basic education aid formula by changing the aid for 2006 and later years from \$36,509,000, to a formula that equals the state total basic education aid for the preceding year times the lesser of:

(1) 1.08; or

(2) the greater of 1.00 or the ratio of the state total contact hours in the first prior program year to the state total contact hours in the second prior program year.

**Section 7** modifies basic population aid by changing the aid from the greater of \$3,844 or \$1.73 times the population of the district, to the greater of \$4000 or \$1.80 times the population of the district.

**Section 8** modifies the adult basic education aid limit for 2006 and later by providing that the aid must not exceed the aid for the first preceding fiscal year by more than the greater of 17 percent or \$20,000. Current law is the greater of eight percent or \$10,000.

JW:rdr

**Fiscal Note – 2005-06 Session**

**Bill #:** S0245-0 **Complete Date:** 04/05/05

**Chief Author:** MARTY, JOHN

**Title:** ED PRGMS REINSTATEMENT & FUNDING

<b>Fiscal Impact</b>	<b>Yes</b>	<b>No</b>
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund		323,052	417,007	460,262	503,419
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		323,052	417,007	460,262	503,419
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		323,052	417,007	460,262	503,419
<b>Total Cost &lt;Savings&gt; to the State</b>		323,052	417,007	460,262	503,419

	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Full Time Equivalents</b>					
-- No Impact --					
<b>Total FTE</b>					

### **Bill Description**

SF 245 restores and amends funding for several aid and levy programs.

The fiscal note is presented by bill section.

Section 1 Lease Aid. The formula for charter school building lease aid beginning for FY 2006 is changed to the lesser of 90% of approved lease costs or \$1,500 per pupil unit served.

Section 2 ECFE. The formula for early childhood family education is increased beginning for FY 2006 from \$96 to \$136 times the greater of 150 or the prior year age 0-4 population.

Section 3 Way to Grow. Reinstates the grant program for FY 2006 and later.

Section 4 Community Education. Revenue is increased beginning for FY 2006 from \$5.23 to \$5.95 times the greater of census residents or 1,335.

Section 5 After School Enrichment. Reinstates the grant program for FY 2006 and later.

Section 6 – 8 Adult Basic Education Program. Reinstates program inflation in calculation of state total adult basic education aid to the lesser of 8% or the greater of 1.0 or the ratio of state total contact hours in the first prior year to the state total contact hours in the second prior year. Basic population aid portion of the formula is increased to the greater of \$4,000 or \$1.80 times population. Program aid growth for individual programs is increased from 8% or \$10,000 to 17% or \$20,000.

Section 9 LEP. Effective for FY 2006, eliminates the 5-year limit on LEP funding, increases the general education basic formula allowance to \$4,851, increases extended time cap on ADM from 1.2 to 1.5, and eliminates the \$415 reduction from the compensatory formula allowance.

Section 10 Special Education Inflation. Establishes a special education program growth factor of 1.046 for FY 2007 and later. The effective date of this section is for FY 2006, however, the growth factor is not specified for FY 2006 and is not used for that year because section 11 specifies the state total and amount.

Section 11 Special Education Aid. Sets state total special education aid for FY 2006 at \$578,967,000, an increase of 9.4% over FY 2005. Changes the student portion of the formula allocation from ADM to the unduplicated count of students with an individual education plan in the prior year.

Section 12 Excess Cost Inflation. Establishes a special education excess cost program growth factor of 1.02 beginning for FY 2007 and later. The effective date of this section is for FY 2006, however, the program growth factor is not used for FY 2006 because section 13 specifies the total aid amount for that year.

Section 13 Excess Cost Aid. Establishes state total special education excess cost revenue at \$95,520,000 for FY 2006, an increase of 4% over FY 2005.

Section 14 Pupil Units. Effective for FY 2006 and later, ADM for extended time programs, is limited to 1.5 rather than 1.2.

Section 15 Learning Year Pupil Units. Effective for FY 2006 and later years, for a student enrolled in a learning year program, ADM is limited to 1.5 rather than 1.2.

Section 16 Basic Education Revenue. Beginning for FY 2006 and later, the general education basic formula allowance is increased from \$4,601 to \$4,851.

Section 17 Extended Time Revenue. For FY 2006 and later, extended time revenue equals ADM between 1.0 and 1.5 multiplied by \$4,601.

Section 18 Compensatory Revenue. Eliminates the subtraction of \$415 from the basic formula allowance used to calculate compensatory revenue.

Section 19 Building Lease. Revises the amount school districts may levy for the cost of leasing land or buildings.

Section 20 Unemployment Insurance. Revises the amount school districts may levy for unemployment costs.

Section 21 Judgment Levy. Revises the amount school districts may levy for the costs of judgments against the district.

Section 22 Safe Schools Levy. Revises the amount of the safe schools levy.

### **Assumptions**

#### **Section 1 Lease Aid**

This change creates potential winners and losers as some charter schools will receive increases in lease revenue and others that are grandfathered at amounts greater than \$1,500 per PU will receive reductions. With a higher formula constraint, lease agreements and lease aid will increase.

#### **Section 2 ECFE**

Statewide levy, set at \$22.135 million, is not changed.

Revenue, aid and levy for FY 2006, is recalculated based on revised formula. Required levy adjustments will be levied in the Pay 2006 levy cycle.

#### **Section 3 Way to Grow**

No appropriation is provided. It is assumed that the program reinstatement is meant to provide \$475,000 to the same 5 school districts as under the previous authority.

#### **Section 4 Community Education**

Revenue, aid and levy for FY 2006 and later is calculated based on the revised formula. Required levy adjustments for FY 2006 revenue will be levied in the Pay 2006 levy cycle.

#### **Section 5 After School Enrichment**

No appropriation is provided. It is assumed that the program reinstatement is at the same level as previous - \$5.51 million for direct grants and for evaluation and technical training and assistance contracts. In addition, 2.25 FTE will be required to administer the program.

#### **Sections 6 – 8 Adult Basic Education Program**

None. Impact is calculated based on proposed changes.

#### **Sections 9 - Various changes to General Education, Components, and student accounting**

None. Impact is calculated on proposed changes.

#### **Sections 10-13**

None. Impact is calculated on proposed changes.

#### **Section 16-18**

None. Impact is calculated on proposed changes.

**Section 19** District can currently levy for 90% of their lease costs, with a limit of \$90 per AMCPU. This bill increases their levy authority to 100% of costs, with a limit of \$100 per adjusted marginal cost pupil unit (AMCPU). Members of an intermediate district can also levy for 90% of their share of the intermediate's lease costs, with a limit of \$22.50 per AMCPU. This bill increases this levy authority to 100% of costs, with a limit of \$25 per AMCPU.

**Section 20** Districts can currently levy for 90% of reemployment costs that exceed \$10 per AMCPU. This bill would allow districts to levy for 100% of all reemployment costs.

**Section 21** Districts can currently levy for 90% of judgment costs that exceed \$10 per AMCPU. This bill would allow districts to levy for 100% of all judgment costs.

**Section 22** Increases the allowance for the safe schools levy from \$27 to \$30 per adjusted marginal cost pupil unit.

**Expenditure and/or Revenue Formula**

Revised 4-4-05  
Section 1 Lease Aid

Year	Current Law	SF245	Entitlement			Appropriation	
			Change	84.30%	15.70%	Change	
2006	26,258,020	27,690,970	1,432,950	1,207,977			1,207,977
2007	31,792,540	33,837,640	2,045,100	1,724,019	224,973		1,948,992
2008	37,820,740	40,620,390	2,799,650	2,360,105	321,081		2,681,186
2009	44,384,440	48,098,840	3,714,400	3,131,239	439,545		3,570,784

Section 2 ECFE

Net Aid Entitlement	Current Law	SF 245	Difference	84.30%	15.70%	Total
FY 2005	11,879,037	11,879,037	0			
FY 2006	12,253,104	26,546,170	14,293,066	12,049,055		12,049,055
FY 2007	12,625,018	27,108,773	14,483,755	12,209,805	2,244,011	14,453,817
FY 2008	12,983,072	27,615,601	14,632,529	12,335,222	2,273,950	14,609,171
FY 2009	13,334,252	28,113,107	14,778,855	12,458,575	2,297,307	14,755,882

Section 3 Way to Grow

	.10 FTE	Grant	Total
FY 2006	9,000	475,000	484,000
FY 2007	9,000	475,000	484,000
FY 2008	9,000	475,000	484,000
FY 2009	9,000	475,000	484,000

Section 4 Community Education

Levy Authority	Current Law	SF 245	Difference
FY 2005	33,356,511	33,356,511	0
FY 2006	34,816,379	37,448,454	2,632,075
FY 2007	36,182,081	39,244,235	3,062,154
FY 2008	36,592,645	39,692,482	3,099,837
FY 2009	37,008,212	40,146,193	3,137,981

NET AID						
Aid Entitlement	Current Law	SF 245	Difference	84.30%	15.70%	Total
FY 2006	1,829,469	2,907,257	1,077,788	908,575		908,575
FY 2007	1,121,846	1,821,713	699,867	589,988	169,213	759,201
FY 2008	1,134,575	1,842,521	707,946	596,798	109,879	706,678
FY 2009	1,147,460	1,863,582	716,122	603,691	111,148	714,838

Section 5 After School Enrichment Grants

	2.25 FTE	Grant/Eval	Total
FY 2006	256,000	5,510,000	5,766,000
FY 2007	256,000	5,510,000	5,766,000
FY 2008	256,000	5,510,000	5,766,000
FY 2009	256,000	5,510,000	5,766,000

Sections 6 – 8 Adult Basic Education

ABE Cost	FY 2006	FY 2007	FY 2008	FY 2009
Proposed Formula Revenue	39,429,720	42,584,098	45,990,825	46,670,091
Estimated Cap Savings	-115,954	-86,965	-65,224	-48,918
Adjusted Revenue	39,313,766	42,497,133	45,925,601	49,621,173
Current Law Forecast Revenue	36,363,046	36,422,035	36,443,776	36,460,082
Change from Current Law	2,950,720	6,075,098	9,481,825	13,161,091
84.3% Appropriation	2,487,457	5,121,308	7,993,178	11,094,800
15.7% Appropriation		463,263	953,790	1,488,647
Total Appropriation Cost	2,487,457	5,584,571	8,946,969	12,583,446

Sections 9, 14-17 General Education Components and Student Accounting

GENERAL EDUCATION REVENUE ASPECTS	FY 2006	FY 2007	FY 2008	FY 2009
REVENUE CHANGES FROM HIGHER FORMULA ALLOWANCE				
CURRENT				
1 BASIC	4,248,996,124	4,208,940,370	4,163,618,634	4,110,618,979
2 SPARSITY	16,798,231	17,176,336	17,585,715	18,171,199
3 TRANSPORTATION SPARSITY	54,700,236	54,113,467	53,468,306	52,804,225
4 REFERENDUM	528,214,822	517,468,138	487,859,325	349,548,247
5 ALT ATT ADJ	492,000	1,327,038	2,541,015	2,992,128
PROPOSED				
6 BASIC	4,479,869,637	4,437,637,413	4,389,853,074	4,333,973,629
7 SPARSITY	17,362,024	17,760,674	18,192,296	18,809,593
8 TRANSPORTATION SPARSITY	57,678,472	57,059,853	56,379,521	55,679,311
9 REFERENDUM	530,798,513	519,942,466	489,920,070	351,076,000
10 ALT ATT ADJ	713,485	1,548,659	2,762,720	3,213,985
CHANGE				
11 BASIC	230,873,513	228,697,042	226,234,440	223,354,650
12 SPARSITY	563,793	584,338	606,582	638,395
13 TRANSPORTATION SPARSITY	2,978,236	2,946,385	2,911,215	2,875,086
14 REFERENDUM	2,583,691	2,474,328	2,060,745	1,527,753
15 ALT ATT ADJ	221,484	221,621	221,705	221,857
16 TOTAL REVENUE CHANGE FROM HIGHER FORMULA ALLOWANCE = TOTAL OF (11) TO (15) =	237,220,717	234,923,715	232,034,688	228,617,741
17 LEP REVENUE INCREASE BASED ON FISCAL NOTE ANALYSIS FOR SF 0312	14,166,121	14,412,362	14,203,088	14,215,678
18 COMPENSATORY REVENUE, CURRENT LAW	265,610,524	263,496,171	264,798,423	264,081,592
COMPENSATORY BASIS, CURRENT LAW	4,186	4,186	4,186	4,186
COMPENSATORY BASIS, PROPOSED	4,851	4,851	4,851	4,851
21 COMPENSATORY CHANGE FACTOR = (20)/(19) =	1.158863	1.158863	1.158863	1.158863
PROPOSED COMPENSATORY = 22 (18) X (21) =	307,806,176	305,355,931	306,865,062	306,034,353
COMPENSATORY INCREASE = 23 (22)-(18) =	42,195,652	41,859,760	42,066,639	41,952,761
EXTENDED TIME INCREASE				
24 FY 2004 ADM, RANGE OF 1.2 TO 1.5, PRE-K		2	2	2
25 FY 2004 ADM, RANGE OF 1.2 TO 1.5, HCP-K		6	6	6

26 FY 2004 ADM, RANGE OF 1.2 TO 1.5, REG-K	12	12	12	12
27 FY 2004 ADM, RANGE OF 1.2 TO 1.5, 1-3	224	224	224	224
28 FY 2004 ADM, RANGE OF 1.2 TO 1.5, 4-6	242	242	242	242
29 FY 2004 ADM, RANGE OF 1.2 TO 1.5, 7-12	584	584	584	584
30 FY 2004 ADM, RANGE OF 1.2 TO 1.5, TOTAL	1,069	1,069	1,069	1,069
31 ADDED EXTENDED TIME PUPIL UNITS = 1.250 X (24) + 1.000 X (25) + 0.557 X (26) + 1.115 X (27) + 1.060 X (28) + 1.300 X (29) =	1,280	1,280	1,280	1,280
32 ADDED EXTENDED TIME REVENUE = \$4,601 X (31) =	5,889,372	5,889,372	5,889,372	5,889,372
33 TOTAL REVENUE INCREASE = (16)+(17)+(23)+(32) =	299,471,862	297,085,208	294,193,787	290,675,552
LEVY CHANGES FROM HIGHER FORMULA ALLOWANCE				
34 LEVY, CURRENT	494,641,188	521,931,960	527,934,530	394,478,391
35 LEVY, PROPOSED	489,163,040	515,166,611	520,774,741	386,529,998
<b>36 LEVY, CHANGE</b>	<b>-5,478,148</b>	<b>-6,765,349</b>	<b>-7,159,789</b>	<b>-7,948,393</b>
37 NET AID CHANGE = (33)-(36) =	304,950,010	303,850,557	301,353,576	298,623,945
	A	B	C	D
		CURRENT PAYMENT = A X ENTITLEMENT	CLEANUP FOR PRIOR 84.30% YEAR	COST = B+C
38 2005-06	304,950,010	257,072,858	0	257,072,858
39 2006-07	303,850,557	256,146,020	47,877,152	304,023,171
40 2007-08	301,353,576	254,041,065	47,704,537	301,745,602
41 2008-09	298,623,945	251,739,986	47,312,511	299,052,497

**Sections 10 – 13 Special Education and Excess Cost**

Special Education	FY 2006	FY 2007	FY 2008	FY 2009
Entitlement Change	51,099,000	85,447,000	121,644,000	160,390,000
Appropriation Change				
84.30%	43,076,457	72,031,821	102,545,892	135,208,770
15.70%		8,022,543	13,415,179	19,098,108
Total Appropriation Change	43,076,457	80,054,364	115,961,071	154,306,878
Excess Cost				
Entitlement Change	3,933,000	7,106,000	10,366,000	13,820,000
Appropriation Change		3,933,000	9,360,789	12,185,081

**Levy Changes under Sections 19 -22**

	Pay 2006	Pay 2007	Pay 2008
Lease Levy	4,200,000	4,200,000	4,200,000
Judgment	325,000	325,000	325,000
Reemployment	7,300,000	7,600,000	8,000,000
Safe Schools	2,700,000	2,700,000	2,700,000

SF 245 Cost Summary	FY 2006	FY 2007	FY 2008	FY 2009
Aid Appropriations (in thousands)				
Charter Lease Aid	1,208	1,949	2,681	3,571
ECFE	12,049	14,454	14,609	14,756

Way to Grow	484	484	484	484
Community Education	909	759	707	715
After School Enrichment	5,766	5,766	5,766	5,766
Adult Basic Education	2,487	5,585	8,947	12,583
Special Education	43,076	80,054	115,961	154,307
Special Educ Excess Cost		3,933	9,361	12,185
General Education Total	257,073	304,023	301,746	299,052
<b>Total Aid Appropriation</b>	<b>323,052</b>	<b>417,007</b>	<b>460,262</b>	<b>503,419</b>
District Levies (in thousands)				
Community Education	2,632	3,062	3,100	3,138
General Education	-5,478	-6,765	-7,160	-7,948
Miscellaneous Levies		14,525	14,825	15,225
<b>Total Levies</b>	<b>-2,846</b>	<b>10,822</b>	<b>10,765</b>	<b>10,415</b>
<b>Total Cost Aid + Levy</b>	<b>320,206</b>	<b>427,829</b>	<b>471,027</b>	<b>513,834</b>

Tax shift (\$=000s)			
Levy Year	Pay 2006	Pay 2007	Pay 2008
Revenue Year	FY 2006	FY 2007	FY 2008
Levy Amount	10,822	10,765	10,415
Early Levy Recognition	5,260	5,232	5,062
Aid Cost (Savings)			
General Education	-5,260	28	170

**Long-Term Fiscal Considerations**

Each program or provision in Sections 1 – 22 is a continuing program.

**Local Government Costs**

This bill will increase property taxes for formula driven revenues with aid and levy components. School districts would be provided additional unequalized levy authority for building lease, unemployment costs, judgment levies and the Safe School levy.

The majority of these changes would provide additional revenue for school districts for various categorical programs, the general education revenue formula and would provide additional levy authority for districts.

Agency Contact Name: Bomstad, Audrey 651-582-8793  
 FN Coord Signature: AUDREY BOMSTAD  
 Date: 04/05/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES  
 Date: 04/05/05 Phone: 296-8674

Senators Marty, Stumpf, Marko, Skoe and Saxhaug introduced--

S.F. No. 245: Referred to the Committee on Finance.

A bill for an act

1  
2 relating to education finance; increasing the basic  
3 formula allowance; restoring funding for special  
4 education programs; restoring funding for LEP  
5 programs; restoring funding for early education  
6 programs; restoring funding for after-school programs;  
7 restoring funding for adult basic education programs;  
8 restoring certain levy authority; appropriating money;  
9 amending Minnesota Statutes 2004, sections 124D.11,  
10 subdivision 4; 124D.135, subdivision 1; 124D.20,  
11 subdivision 3; 124D.531, subdivisions 1, 2, 4;  
12 124D.59, subdivision 2; 125A.76, subdivisions 1, 4;  
13 125A.79, subdivisions 1, 6; 126C.05, subdivisions 8,  
14 15; 126C.10, subdivisions 2, 2a, 3; 126C.40,  
15 subdivision 1; 126C.43, subdivisions 2, 3; 126C.44;  
16 proposing coding for new law in Minnesota Statutes,  
17 chapter 124D.

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

19 Section 1. Minnesota Statutes 2004, section 124D.11,  
20 subdivision 4, is amended to read:

21 Subd. 4. [BUILDING LEASE AID.] When a charter school finds  
22 it economically advantageous to rent or lease a building or land  
23 for any instructional purposes and it determines that the total  
24 operating capital revenue under section 126C.10, subdivision 13,  
25 is insufficient for this purpose, it may apply to the  
26 commissioner for building lease aid for this purpose. The  
27 commissioner must review and either approve or deny a lease aid  
28 application using the following criteria:

- 29 (1) the reasonableness of the price based on current market
- 30 values;
- 31 (2) the extent to which the lease conforms to applicable

1 state laws and rules; and

2 (3) the appropriateness of the proposed lease in the  
3 context of the space needs and financial circumstances of the  
4 charter school.

5 A charter school must not use the building lease aid it receives  
6 for custodial, maintenance service, utility, or other operating  
7 costs. The amount of building lease aid per pupil unit served  
8 for a charter school for any year shall not exceed the lesser of  
9 (a) 90 percent of the approved cost or (b) the product of the  
10 pupil units served for the current school year times the greater  
11 ~~of the charter school's building lease aid per pupil unit served~~  
12 ~~for fiscal year 2003, excluding the adjustment under Laws 2002,~~  
13 ~~chapter 392, article 6, section 4, or \$1,200~~ \$1,500.

14 [EFFECTIVE DATE.] This section is effective for revenue for  
15 fiscal year 2006.

16 Sec. 2. Minnesota Statutes 2004, section 124D.135,  
17 subdivision 1, is amended to read:

18 Subdivision 1. [REVENUE.] The revenue for early childhood  
19 family education programs for a school district equals ~~\$120 for~~  
20 ~~fiscal years 2003 and 2004 and \$96~~ \$136 for fiscal year ~~2005~~  
21 2006 and later, times the greater of:

22 (1) 150; or

23 (2) the number of people under five years of age residing  
24 in the district on October 1 of the previous school year.

25 [EFFECTIVE DATE.] This section is effective for revenue for  
26 fiscal year 2006.

27 Sec. 3. [124D.1711] [WAY TO GROW/SCHOOL READINESS  
28 PROGRAM.]

29 Subdivision 1. [ADMINISTRATION.] The commissioner of  
30 education shall administer the way to grow/school readiness  
31 program, in collaboration with the commissioners of health and  
32 human services, to promote intellectual, social, emotional, and  
33 physical development and school readiness of children prebirth  
34 to age six by coordinating and improving access to  
35 community-based and neighborhood-based services that support and  
36 assist all parents in meeting the health and developmental needs

1 of their children at the earliest possible age.

2 Subd. 2. [PROGRAM COMPONENTS.] (a) A way to grow/school  
3 readiness program must:

4 (1) collaborate and coordinate delivery of services with  
5 other community organizations and agencies serving children  
6 prebirth to age six and their families;

7 (2) target services to families with children prebirth to  
8 age six with services increasing based on need;

9 (3) build on existing services and coordinate a continuum  
10 of prebirth to age six essential services, including but not  
11 limited to prenatal health services, parent education and  
12 support, and preschool programs;

13 (4) provide strategic outreach efforts to families using  
14 trained paraprofessionals such as home visitors; and

15 (5) support of neighborhood oriented and culturally  
16 specific social support, information, outreach, and other  
17 programs to promote healthy development of children and to help  
18 parents obtain the information, resources, and parenting skills  
19 needed to nurture and care for their children.

20 (b) A way to grow/school readiness program may include:

21 (1) a program of home visitors to contact pregnant women  
22 early in their pregnancies, encourage them to obtain prenatal  
23 care, and provide social support, information, and referrals  
24 regarding prenatal care and well-baby care to reduce infant  
25 mortality, low birth weight, and childhood injury, disease, and  
26 disability;

27 (2) a program of home visitors to provide social support,  
28 information, and referrals regarding parenting skills and to  
29 encourage families to participate in parenting skills programs  
30 and other family supportive services;

31 (3) support of neighborhood-based or community-based  
32 parent-child and family resource centers or interdisciplinary  
33 resource teams to offer supportive services to families with  
34 preschool children;

35 (4) staff training, technical assistance, and incentives  
36 for collaboration designed to raise the quality of community

1 services relating to prenatal care, child development, health,  
2 and school readiness;

3 (5) programs to raise general public awareness about  
4 practices that promote healthy child development and school  
5 readiness;

6 (6) programs to expand public and private collaboration to  
7 promote the development of a coordinated and culturally specific  
8 system of services available to all families;

9 (7) support of periodic screening and evaluation services  
10 for preschool children to ensure adequate developmental  
11 progress;

12 (8) support of health, educational, and other developmental  
13 services needed by families with preschool children;

14 (9) support of family prevention and intervention programs  
15 needed to address risks of child abuse or neglect;

16 (10) development or support of a jurisdiction-wide  
17 coordinating agency to develop and oversee programs to enhance  
18 child health, development, and school readiness with special  
19 emphasis on neighborhoods with a high proportion of children in  
20 need; and

21 (11) other programs or services to improve the health,  
22 development, and school readiness of children in target  
23 neighborhoods and communities.

24 Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant  
25 may be submitted by any of the following entities:

26 (1) a city, town, county, school district, or other local  
27 unit of government;

28 (2) two or more governmental units organized under a joint  
29 powers agreement;

30 (3) a community action agency that satisfies the  
31 requirements of section 119A.375, subdivision 1; or

32 (4) a nonprofit organization, or consortium of nonprofit  
33 organizations, that demonstrates collaborative effort with at  
34 least one unit of local government.

35 Subd. 4. [DISTRIBUTION.] The commissioner shall give  
36 priority to funding existing programs.

1 To the extent possible, the commissioner shall award grants  
2 to applicants with experience or demonstrated ability in  
3 providing comprehensive, multidisciplinary, community-based  
4 programs with objectives similar to those listed in subdivision  
5 2, or in providing other human services or social services  
6 programs using a multidisciplinary, community-based approach.

7 Subd. 5. [APPLICATIONS.] Each grant application must  
8 propose a five-year program designed to accomplish the purposes  
9 of this section. The application must be submitted on forms  
10 provided by the commissioner. The grant application must  
11 include:

12 (1) a description of the specific neighborhoods that will  
13 be served under the program and the name, address, and a  
14 description of each community agency or agencies with which the  
15 applicant intends to contract to provide services using grant  
16 money;

17 (2) a letter of intent from each community agency  
18 identified in clause (1) that indicates the agency's willingness  
19 to participate in the program and approval of the proposed  
20 program structure and components;

21 (3) a detailed description of the structure and components  
22 of the proposed program and an explanation of how each component  
23 will contribute to accomplishing the purposes of this section;

24 (4) a description of how public and private resources,  
25 including schools, health care facilities, government agencies,  
26 neighborhood organizations, and other resources, will be  
27 coordinated and made accessible to families in target  
28 neighborhoods, including letters of intent from public and  
29 private agencies indicating their willingness to cooperate with  
30 the program;

31 (5) a detailed, proposed budget that demonstrates the  
32 ability of the program to accomplish the purposes of this  
33 section using grant money and other available resources,  
34 including funding sources other than a grant; and

35 (6) a comprehensive evaluation plan for measuring the  
36 success of the program in meeting the objectives of the overall

1 grant program and the individual grant project, including an  
2 assessment of the impact of the program in terms of at least  
3 three of the following criteria:

4 (i) utilization rates of community services;

5 (ii) availability of support systems for families;

6 (iii) birth weights of newborn babies;

7 (iv) child accident rates;

8 (v) utilization rates of prenatal care;

9 (vi) reported rates of child abuse;

10 (vii) rates of health screening and evaluation; and

11 (viii) school readiness of way to grow participants

12 compared to nonparticipants.

13 Subd. 6. [MATCH.] Each dollar of state money must be  
14 matched with 50 cents of nonstate money. Programs may match  
15 state money with in-kind contributions, including volunteer  
16 assistance.

17 Subd. 7. [ADVISORY COMMITTEE.] Each grantee must establish  
18 a program advisory board of 12 or more members to advise the  
19 grantee on program design, operation, and evaluation. The board  
20 must include representatives of local units of government and  
21 representatives of the project area who reflect the geographic,  
22 cultural, racial, and ethnic diversity of that community.

23 [EFFECTIVE DATE.] This section is effective for revenue for  
24 fiscal year 2006.

25 Sec. 4. Minnesota Statutes 2004, section 124D.20,  
26 subdivision 3, is amended to read:

27 Subd. 3. [GENERAL COMMUNITY EDUCATION REVENUE.] The  
28 general community education revenue for a district equals \$5.95  
29 for fiscal year years 2003 and 2004 and, \$5.23 for fiscal year  
30 2005, and \$5.95 for fiscal year 2006 and later, times the  
31 greater of 1,335 or the population of the district. The  
32 population of the district is determined according to section  
33 275.14.

34 [EFFECTIVE DATE.] This section is effective for revenue for  
35 fiscal year 2006.

36 Sec. 5. [124D.2211] [AFTER-SCHOOL ENRICHMENT PROGRAMS.]

1        Subdivision 1. [ESTABLISHMENT.] A competitive statewide  
2 after-school enrichment grant program that incorporates  
3 principles, strategies, and approaches consistent with a  
4 positive youth development orientation is established to provide  
5 implementation grants to community or nonprofit organizations,  
6 to political subdivisions, or to school-based programs. The  
7 commissioner may use criteria for after-school enrichment  
8 programs under Minnesota Statutes 2002, section 124D.221, to  
9 evaluate grant proposals.

10       Subd. 2. [PRIORITY NEIGHBORHOODS.] For grants in  
11 Minneapolis and St. Paul, the commissioner must give priority to  
12 neighborhoods in this subdivision. In Minneapolis, priority  
13 neighborhoods are Near North, Hawthorne, Sumner-Glenwood,  
14 Harrison, Jordan, Powderhorn, Central, Whittier, Cleveland,  
15 McKinley, Waite Park, Sheridan, Holland, Lyndale, Folwell, and  
16 Phillips. In St. Paul, priority neighborhoods are  
17 Summit-University, Thomas-Dale, North End, Payne-Phalen, Daytons  
18 Bluff, and the West Side.

19       Subd. 3. [PROGRAM OUTCOMES.] The expected outcomes of the  
20 after-school enrichment programs are to:

21       (1) increase the number of children participating in  
22 adult-supervised programs in nonschool hours;

23       (2) support academic achievement, including the areas of  
24 reading and math;

25       (3) reduce the amount of juvenile crime;

26       (4) increase school attendance and reduce the number of  
27 school suspensions;

28       (5) increase the number of youth engaged in community  
29 service and other activities designed to support character  
30 improvement, strengthen families, and instill community values;

31       (6) increase skills in technology, the arts, sports, and  
32 other activities; and

33       (7) increase and support the academic achievement and  
34 character development of adolescent parents.

35       Subd. 4. [PLAN.] An applicant shall develop a plan for an  
36 after-school enrichment program for youth. The plan must

1 include:

2 (1) collaboration with and leverage of existing community  
3 resources that have demonstrated effectiveness;

4 (2) solid grounding in an evidence-based conceptual  
5 framework, such as resilience or developmental assets, that  
6 represents a more efficacious approach to program design and  
7 implementation;

8 (3) creative outreach to children and youth;

9 (4) involvement of local governments, including park and  
10 recreation boards or schools, unless no government agency is  
11 appropriate;

12 (5) community control over the design of the enrichment  
13 program; and

14 (6) identification of the sources of nonpublic funding.

15 Subd. 5. [PLAN APPROVAL; GRANTS.] An applicant shall  
16 submit a plan developed under subdivision 4 to the commissioner  
17 for approval. The commissioner shall award a grant for the  
18 implementation of an approved plan.

19 [EFFECTIVE DATE.] This section is effective for revenue for  
20 fiscal year 2006.

21 Sec. 6. Minnesota Statutes 2004, section 124D.531,  
22 subdivision 1, is amended to read:

23 Subdivision 1. [STATE TOTAL ADULT BASIC EDUCATION AID.]

24 (a) The state total adult basic education aid for fiscal year  
25 2004 equals \$34,388,000. The state total adult basic education  
26 aid for fiscal year 2005 and later is \$36,509,000. The state  
27 total adult basic education aid for later years equals the state  
28 total adult basic education aid for the preceding year times the  
29 lesser of:

30 (1) 1.08; or

31 (2) the greater of 1.00 or the ratio of the state total  
32 contact hours in the first prior program year to the state total  
33 contact hours in the second prior program year.

34 (b) Beginning in fiscal year 2002, two percent of the state  
35 total adult basic education aid must be set aside for adult  
36 basic education supplemental service grants under section

1 124D.522.

2 (b) (c) The state total adult basic education aid,  
3 excluding basic population aid, equals the difference between  
4 the amount computed in paragraph (a), and the state total basic  
5 population aid under subdivision 2.

6 [EFFECTIVE DATE.] This section is effective for revenue for  
7 fiscal year 2006.

8 Sec. 7. Minnesota Statutes 2004, section 124D.531,  
9 subdivision 2, is amended to read:

10 Subd. 2. [BASIC POPULATION AID.] A district is eligible  
11 for basic population aid if the district has a basic service  
12 level approved by the commissioner under section 124D.52,  
13 subdivision 5, or is a member of a consortium with an approved  
14 basic service level. Basic population aid is equal to the  
15 greater of ~~\$3,844~~ \$4,000 or ~~\$1.73~~ \$1.80 times the population of  
16 the district. District population is determined according to  
17 section 275.14.

18 [EFFECTIVE DATE.] This section is effective for revenue for  
19 fiscal year 2006.

20 Sec. 8. Minnesota Statutes 2004, section 124D.531,  
21 subdivision 4, is amended to read:

22 Subd. 4. [ADULT BASIC EDUCATION PROGRAM AID LIMIT.] (a)  
23 Notwithstanding subdivisions 2 and 3, the total adult basic  
24 education aid for a program per prior year contact hour must not  
25 exceed \$21 per prior year contact hour computed under  
26 subdivision 3, clause (2).

27 (b) For fiscal year 2004, the aid for a program under  
28 subdivision 3, clause (2), adjusted for changes in program  
29 membership, must not exceed the aid for that program under  
30 subdivision 3, clause (2), for fiscal year 2003 by more than the  
31 greater of eight percent or \$10,000.

32 (c) For fiscal year 2005, the aid for a program under  
33 subdivision 3, clause (2), adjusted for changes in program  
34 membership, must not exceed the sum of the aid for that program  
35 under subdivision 3, clause (2), and Laws 2003, First Special  
36 Session chapter 9, article 9, section 8, paragraph (a), for the

1 preceding fiscal year by more than the greater of eight percent  
2 or \$10,000.

3 (d) For fiscal year 2006 and later, the aid for a program  
4 under subdivision 3, clause (2), adjusted for changes in program  
5 membership, must not exceed the aid for that program under  
6 subdivision 3, clause (2), for the first preceding fiscal year  
7 by more than the greater of ~~eight~~ 17 percent or ~~\$10,000~~ \$20,000.

8 (e) Adult basic education aid is payable to a program for  
9 unreimbursed costs.

10 [EFFECTIVE DATE.] This section is effective for revenue for  
11 fiscal year 2006.

12 Sec. 9. Minnesota Statutes 2004, section 124D.59,  
13 subdivision 2, is amended to read:

14 Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)  
15 "Pupil of limited English proficiency" means a pupil in  
16 kindergarten through grade 12 who meets the following  
17 requirements:

18 (1) the pupil, as declared by a parent or guardian first  
19 learned a language other than English, comes from a home where  
20 the language usually spoken is other than English, or usually  
21 speaks a language other than English; and

22 (2) the pupil is determined by developmentally appropriate  
23 measures, which might include observations, teacher judgment,  
24 parent recommendations, or developmentally appropriate  
25 assessment instruments, to lack the necessary English skills to  
26 participate fully in classes taught in English.

27 (b) Notwithstanding paragraph (a), a pupil in grades 4  
28 through 12 who was enrolled in a Minnesota public school on the  
29 dates during the previous school year when a commissioner  
30 provided assessment that measures the pupil's emerging academic  
31 English was administered, shall not be counted as a pupil of  
32 limited English proficiency in calculating limited English  
33 proficiency pupil units under section 126C.05, subdivision 17,  
34 and shall not generate state limited English proficiency aid  
35 under section 124D.65, subdivision 5, unless the pupil scored  
36 below the state cutoff score on an assessment measuring emerging

1 academic English provided by the commissioner during the  
2 previous school year.

3 (c) Notwithstanding paragraphs (a) and (b), a pupil in  
4 kindergarten through grade 12 shall not be counted as a pupil of  
5 limited English proficiency in calculating limited English  
6 proficiency pupil units under section 126C.05, subdivision 17,  
7 and shall not generate state limited English proficiency aid  
8 under section 124D.65, subdivision 5, if:

9 ~~(1)~~ the pupil is not enrolled during the current fiscal  
10 year in an educational program for pupils of limited English  
11 proficiency in accordance with sections 124D.58 to 124D.64~~7~~-or

12 ~~(2)-the-pupil-has-generated-five-or-more-years-of-average~~  
13 ~~daily-membership-in-Minnesota-public-schools-since-July-17-1996.~~

14 [EFFECTIVE DATE.] This section is effective July 1, 2005,  
15 for revenue for fiscal year 2006.

16 Sec. 10. Minnesota Statutes 2004, section 125A.76,  
17 subdivision 1, is amended to read:

18 Subdivision 1. [DEFINITIONS.] For the purposes of this  
19 section, the definitions in this subdivision apply.

20 (a) "Base year" for fiscal year 1998 and later fiscal years  
21 means the second fiscal year preceding the fiscal year for which  
22 aid will be paid.

23 (b) "Basic revenue" has the meaning given it in section  
24 126C.10, subdivision 2. For the purposes of computing basic  
25 revenue pursuant to this section, each child with a disability  
26 shall be counted as prescribed in section 126C.05, subdivision 1.

27 (c) "Essential personnel" means teachers, cultural  
28 liaisons, related services, and support services staff providing  
29 direct services to students. Essential personnel may also  
30 include special education paraprofessionals or clericals  
31 providing support to teachers and students by preparing  
32 paperwork and making arrangements related to special education  
33 compliance requirements, including parent meetings and  
34 individual education plans.

35 (d) "Average daily membership" has the meaning given it in  
36 section 126C.05.

1 (e) "Program growth factor" means 1.046 for fiscal year  
 2 2003, and 1.0 for fiscal year years 2004 and 2005, and 1.046 for  
 3 fiscal year 2007 and later.

4 [EFFECTIVE DATE.] This section is effective for revenue for  
 5 fiscal year 2006.

6 Sec. 11. Minnesota Statutes 2004, section 125A.76,  
 7 subdivision 4, is amended to read:

8 Subd. 4. [STATE TOTAL SPECIAL EDUCATION AID.] The state  
 9 total special education aid for fiscal year 2004 equals  
 10 \$530,642,000. The state total special education aid for fiscal  
 11 year 2005 equals \$529,164,000. The state total special  
 12 education aid for fiscal year 2006 equals \$578,967,000. The  
 13 state total special education aid for later fiscal years equals:

14 (1) the state total special education aid for the preceding  
 15 fiscal year; times

16 (2) the program growth factor; times

17 (3) the ratio of the state total average-daily-membership  
 18 unduplicated count of students with an individual education plan  
 19 for the current fiscal year to the state total average-daily  
 20 membership unduplicated count of students with an individual  
 21 education plan for the preceding fiscal year.

22 [EFFECTIVE DATE.] This section is effective for revenue for  
 23 fiscal year 2006.

24 Sec. 12. Minnesota Statutes 2004, section 125A.79,  
 25 subdivision 1, is amended to read:

26 Subdivision 1. [DEFINITIONS.] For the purposes of this  
 27 section, the definitions in this subdivision apply.

28 (a) "Unreimbursed special education cost" means the sum of  
 29 the following:

30 (1) expenditures for teachers' salaries, contracted  
 31 services, supplies, equipment, and transportation services  
 32 eligible for revenue under section 125A.76; plus

33 (2) expenditures for tuition bills received under sections  
 34 125A.03 to 125A.24 and 125A.65 for services eligible for revenue  
 35 under section 125A.76, subdivision 2; minus

36 (3) revenue for teachers' salaries, contracted services,

1 supplies, and equipment under section 125A.76; minus

2 (4) tuition receipts under sections 125A.03 to 125A.24 and  
3 125A.65 for services eligible for revenue under section 125A.76,  
4 subdivision 2.

5 (b) "General revenue" means for fiscal year 1996, the sum  
6 of the general education revenue according to section 126C.10,  
7 subdivision 1, as adjusted according to section 127A.47,  
8 subdivision 7, plus the total referendum revenue according to  
9 section 126C.17, subdivision 4. For fiscal years 1997 and  
10 later, "general revenue" means the sum of the general education  
11 revenue according to section 126C.10, subdivision 1, as adjusted  
12 according to section 127A.47, subdivisions 7 and 8, plus the  
13 total referendum revenue minus transportation sparsity revenue  
14 minus total operating capital revenue.

15 (c) "Average daily membership" has the meaning given it in  
16 section 126C.05.

17 (d) "Program growth factor" means 1.02 for fiscal year  
18 2003~~7~~-and; 1.0 for fiscal year years 2004, 2005, and 2006; and  
19 1.02 for fiscal year 2007 and later.

20 [EFFECTIVE DATE.] This section is effective for revenue for  
21 fiscal year 2006.

22 Sec. 13. Minnesota Statutes 2004, section 125A.79,  
23 subdivision 6, is amended to read:

24 Subd. 6. [STATE TOTAL SPECIAL EDUCATION EXCESS COST AID.]  
25 The state total special education excess cost aid for fiscal  
26 year 2004 equals \$92,067,000. The state total special education  
27 aid for fiscal year 2005 equals \$91,811,000. The state total  
28 special education aid for fiscal year 2006 equals \$95,520,000.  
29 The state total special education excess cost aid for fiscal  
30 year 2006 and later fiscal years equals:

31 (1) the state total special education excess cost aid for  
32 the preceding fiscal year; times

33 (2) the program growth factor; times

34 (3) the ratio of the state total average daily membership  
35 for the current fiscal year to the state total average daily  
36 membership for the preceding fiscal year.

1        [EFFECTIVE DATE.] This section is effective for revenue for  
2 fiscal year 2006.

3        Sec. 14. Minnesota Statutes 2004, section 126C.05,  
4 subdivision 8, is amended to read:

5        Subd. 8. [AVERAGE DAILY MEMBERSHIP.] (a) Membership for  
6 pupils in grades kindergarten through 12 and for prekindergarten  
7 pupils with disabilities shall mean the number of pupils on the  
8 current roll of the school, counted from the date of entry until  
9 withdrawal. The date of withdrawal shall mean the day the pupil  
10 permanently leaves the school or the date it is officially known  
11 that the pupil has left or has been legally excused. However, a  
12 pupil, regardless of age, who has been absent from school for 15  
13 consecutive school days during the regular school year or for  
14 five consecutive school days during summer school or  
15 intersession classes of flexible school year programs without  
16 receiving instruction in the home or hospital shall be dropped  
17 from the roll and classified as withdrawn. Nothing in this  
18 section shall be construed as waiving the compulsory attendance  
19 provisions cited in section 120A.22. Average daily membership  
20 equals the sum for all pupils of the number of days of the  
21 school year each pupil is enrolled in the district's schools  
22 divided by the number of days the schools are in session. Days  
23 of summer school or intersession classes of flexible school year  
24 programs are only included in the computation of membership for  
25 pupils with a disability not appropriately served primarily in  
26 the regular classroom. A student must not be counted as more  
27 than ~~1.2~~ 1.5 pupils in average daily membership under this  
28 section. When the initial total average daily membership  
29 exceeds ~~1.2~~ 1.5 for a pupil enrolled in more than one school  
30 district during the fiscal year, each district's average daily  
31 membership must be reduced proportionately.

32        (b) A student must not be counted as more than one pupil in  
33 average daily membership except for purposes of section 126C.10,  
34 subdivision 2a.

35        [EFFECTIVE DATE.] This section is effective for revenue for  
36 fiscal year 2006.

1           Sec. 15. Minnesota Statutes 2004, section 126C.05,  
2 subdivision 15, is amended to read:

3           Subd. 15. [LEARNING YEAR PUPIL UNITS.] (a) When a pupil is  
4 enrolled in a learning year program under section 124D.128, an  
5 area learning center under sections 123A.05 and 123A.06, an  
6 alternative program approved by the commissioner, or a contract  
7 alternative program under section 124D.68, subdivision 3,  
8 paragraph (d), or subdivision 3a, for more than 1,020 hours in a  
9 school year for a secondary student, more than 935 hours in a  
10 school year for an elementary student, or more than 425 hours in  
11 a school year for a kindergarten student without a disability,  
12 that pupil may be counted as more than one pupil in average  
13 daily membership for purposes of section 126C.10, subdivision  
14 2a. The amount in excess of one pupil must be determined by the  
15 ratio of the number of hours of instruction provided to that  
16 pupil in excess of: (i) the greater of 1,020 hours or the  
17 number of hours required for a full-time secondary pupil in the  
18 district to 1,020 for a secondary pupil; (ii) the greater of 935  
19 hours or the number of hours required for a full-time elementary  
20 pupil in the district to 935 for an elementary pupil in grades 1  
21 through 6; and (iii) the greater of 425 hours or the number of  
22 hours required for a full-time kindergarten student without a  
23 disability in the district to 425 for a kindergarten student  
24 without a disability. Hours that occur after the close of the  
25 instructional year in June shall be attributable to the  
26 following fiscal year. A kindergarten student must not be  
27 counted as more than ~~±2~~ 1.5 pupils in average daily membership  
28 under this subdivision. A student in grades 1 through 12 must  
29 not be counted as more than ~~±2~~ 1.5 pupils in average daily  
30 membership under this subdivision.

31           (b)(i) To receive general education revenue for a pupil in  
32 an alternative program that has an independent study component,  
33 a district must meet the requirements in this paragraph. The  
34 district must develop, for the pupil, a continual learning plan  
35 consistent with section 124D.128, subdivision 3. Each school  
36 district that has a state-approved public alternative program

1 must reserve revenue in an amount equal to at least 90 percent  
2 of the district average general education revenue per pupil unit  
3 less compensatory revenue per pupil unit times the number of  
4 pupil units generated by students attending a state-approved  
5 public alternative program. The amount of reserved revenue  
6 available under this subdivision may only be spent for program  
7 costs associated with the state-approved public alternative  
8 program. Compensatory revenue must be allocated according to  
9 section 126C.15, subdivision 2.

10 (ii) General education revenue for a pupil in an approved  
11 alternative program without an independent study component must  
12 be prorated for a pupil participating for less than a full year,  
13 or its equivalent. The district must develop a continual  
14 learning plan for the pupil, consistent with section 124D.128,  
15 subdivision 3. Each school district that has a state-approved  
16 public alternative program must reserve revenue in an amount  
17 equal to at least 90 percent of the district average general  
18 education revenue per pupil unit less compensatory revenue per  
19 pupil unit times the number of pupil units generated by students  
20 attending a state-approved public alternative program. The  
21 amount of reserved revenue available under this subdivision may  
22 only be spent for program costs associated with the  
23 state-approved public alternative program. Compensatory revenue  
24 must be allocated according to section 126C.15, subdivision 2.

25 (iii) General education revenue for a pupil in an approved  
26 alternative program that has an independent study component must  
27 be paid for each hour of teacher contact time and each hour of  
28 independent study time completed toward a credit or graduation  
29 standards necessary for graduation. Average daily membership  
30 for a pupil shall equal the number of hours of teacher contact  
31 time and independent study time divided by 1,020.

32 (iv) For an alternative program having an independent study  
33 component, the commissioner shall require a description of the  
34 courses in the program, the kinds of independent study involved,  
35 the expected learning outcomes of the courses, and the means of  
36 measuring student performance against the expected outcomes.

1        [EFFECTIVE DATE.] This section is effective for revenue for  
2 fiscal year 2006.

3        Sec. 16. Minnesota Statutes 2004, section 126C.10,  
4 subdivision 2, is amended to read:

5        Subd. 2. [BASIC REVENUE.] The basic revenue for each  
6 district equals the formula allowance times the adjusted  
7 marginal cost pupil units for the school year. ~~The formula~~  
8 ~~allowance for fiscal year 2001 is \$3,964. The formula allowance~~  
9 ~~for fiscal year 2002 is \$4,068.~~ The formula allowance for  
10 fiscal year years 2003 and subsequent years through 2005 is  
11 \$4,601. The formula allowance for fiscal year 2006 and  
12 subsequent fiscal years is \$4,851.

13        [EFFECTIVE DATE.] This section is effective for revenue for  
14 fiscal year 2006.

15        Sec. 17. Minnesota Statutes 2004, section 126C.10,  
16 subdivision 2a, is amended to read:

17        Subd. 2a. [EXTENDED TIME REVENUE.] (a) A school district's  
18 extended time revenue is equal to the product of \$4,601 and the  
19 sum of the adjusted marginal cost pupil units of the district  
20 for each pupil in average daily membership in excess of 1.0 and  
21 less than ~~1.2~~ 1.5 according to section 126C.05, subdivision 8.

22        (b) A school district's extended time revenue may be used  
23 for extended day programs, extended week programs, summer  
24 school, and other programming authorized under the learning year  
25 program.

26        [EFFECTIVE DATE.] This section is effective for revenue for  
27 fiscal year 2006.

28        Sec. 18. Minnesota Statutes 2004, section 126C.10,  
29 subdivision 3, is amended to read:

30        Subd. 3. [COMPENSATORY EDUCATION REVENUE.] (a) The  
31 compensatory education revenue for each building in the district  
32 equals the formula allowance ~~minus \$415~~ times the compensation  
33 revenue pupil units computed according to section 126C.05,  
34 subdivision 3. Revenue shall be paid to the district and must  
35 be allocated according to section 126C.15, subdivision 2.

36        (b) When the district contracting with an alternative

1 program under section 124D.69 changes prior to the start of a  
2 school year, the compensatory revenue generated by pupils  
3 attending the program shall be paid to the district contracting  
4 with the alternative program for the current school year, and  
5 shall not be paid to the district contracting with the  
6 alternative program for the prior school year.

7 (c) When the fiscal agent district for an area learning  
8 center changes prior to the start of a school year, the  
9 compensatory revenue shall be paid to the fiscal agent district  
10 for the current school year, and shall not be paid to the fiscal  
11 agent district for the prior school year.

12 [EFFECTIVE DATE.] This section is effective for revenue for  
13 fiscal year 2006.

14 Sec. 19. Minnesota Statutes 2004, section 126C.40,  
15 subdivision 1, is amended to read:

16 Subdivision 1. [TO LEASE BUILDING OR LAND.] (a) When an  
17 independent or a special school district or a group of  
18 independent or special school districts finds it economically  
19 advantageous to rent or lease a building or land for any  
20 instructional purposes or for school storage or furniture  
21 repair, and it determines that the operating capital revenue  
22 authorized under section 126C.10, subdivision 13, is  
23 insufficient for this purpose, it may apply to the commissioner  
24 for permission to make an additional capital expenditure levy  
25 for this purpose. An application for permission to levy under  
26 this subdivision must contain financial justification for the  
27 proposed levy, the terms and conditions of the proposed lease,  
28 and a description of the space to be leased and its proposed use.

29 (b) The criteria for approval of applications to levy under  
30 this subdivision must include: the reasonableness of the price,  
31 the appropriateness of the space to the proposed activity, the  
32 feasibility of transporting pupils to the leased building or  
33 land, conformity of the lease to the laws and rules of the state  
34 of Minnesota, and the appropriateness of the proposed lease to  
35 the space needs and the financial condition of the district.

36 The commissioner must not authorize a levy under this

1 subdivision in an amount greater than ~~90-percent-of~~ the cost to  
2 the district of renting or leasing a building or land for  
3 approved purposes. The proceeds of this levy must not be used  
4 for custodial or other maintenance services. A district may not  
5 levy under this subdivision for the purpose of leasing or  
6 renting a district-owned building or site to itself.

7 (c) For agreements finalized after July 1, 1997, a district  
8 may not levy under this subdivision for the purpose of leasing:

9 (1) a newly constructed building used primarily for regular  
10 kindergarten, elementary, or secondary instruction; or (2) a  
11 newly constructed building addition or additions used primarily  
12 for regular kindergarten, elementary, or secondary instruction  
13 that contains more than 20 percent of the square footage of the  
14 previously existing building.

15 (d) Notwithstanding paragraph (b), a district may levy  
16 under this subdivision for the purpose of leasing or renting a  
17 district-owned building or site to itself only if the amount is  
18 needed by the district to make payments required by a lease  
19 purchase agreement, installment purchase agreement, or other  
20 deferred payments agreement authorized by law, and the levy  
21 meets the requirements of paragraph (c). A levy authorized for  
22 a district by the commissioner under this paragraph may be in  
23 the amount needed by the district to make payments required by a  
24 lease purchase agreement, installment purchase agreement, or  
25 other deferred payments agreement authorized by law, provided  
26 that any agreement include a provision giving the school  
27 districts the right to terminate the agreement annually without  
28 penalty.

29 (e) The total levy under this subdivision for a district  
30 for any year must not exceed ~~\$90~~ \$100 times the resident pupil  
31 units for the fiscal year to which the levy is attributable.

32 (f) For agreements for which a review and comment have been  
33 submitted to the Department of Education after April 1, 1998,  
34 the term "instructional purpose" as used in this subdivision  
35 excludes expenditures on stadiums.

36 (g) The commissioner of education may authorize a school

1 district to exceed the limit in paragraph (e) if the school  
2 district petitions the commissioner for approval. The  
3 commissioner shall grant approval to a school district to exceed  
4 the limit in paragraph (e) for not more than five years if the  
5 district meets the following criteria:

6 (1) the school district has been experiencing pupil  
7 enrollment growth in the preceding five years;

8 (2) the purpose of the increased levy is in the long-term  
9 public interest;

10 (3) the purpose of the increased levy promotes colocation  
11 of government services; and

12 (4) the purpose of the increased levy is in the long-term  
13 interest of the district by avoiding over construction of school  
14 facilities.

15 (h) A school district that is a member of an intermediate  
16 school district may include in its authority under this section  
17 ~~90-percent-of~~ the costs associated with leases of administrative  
18 and classroom space for intermediate school district programs.  
19 This authority must not exceed ~~\$22.50~~ \$25 times the adjusted  
20 marginal cost pupil units of the member districts. This  
21 authority is in addition to any other authority authorized under  
22 this section.

23 (i) In addition to the allowable capital levies in  
24 paragraph (a), a district that is a member of the "Technology  
25 and Information Education Systems" data processing joint board,  
26 that finds it economically advantageous to enter into a lease  
27 purchase agreement for a building for a group of school  
28 districts or special school districts for staff development  
29 purposes, may levy for its portion of lease costs attributed to  
30 the district within the total levy limit in paragraph (e).

31 [EFFECTIVE DATE.] This section is effective for taxes  
32 payable in 2006.

33 Sec. 20. Minnesota Statutes 2004, section 126C.43,  
34 subdivision 2, is amended to read:

35 Subd. 2. [PAYMENT TO UNEMPLOYMENT INSURANCE PROGRAM TRUST  
36 FUND BY STATE AND POLITICAL SUBDIVISIONS.] A district may

1 ~~levy 90-percent-of~~ the amount ~~exceeding-\$10-times-the-district's~~  
 2 ~~adjusted-marginal-cost-pupil-units-for-the-fiscal-year-ending-in~~  
 3 ~~the-year-before-the-year-the-levy-is-certified~~ necessary (i) to  
 4 pay the district's obligations under section 268.052,  
 5 subdivision 1, and (ii) to pay for job placement services  
 6 offered to employees who may become eligible for benefits  
 7 pursuant to section 268.085 for the fiscal year the levy is  
 8 certified.

9 [EFFECTIVE DATE.] This section is effective for taxes  
 10 payable in 2006.

11 Sec. 21. Minnesota Statutes 2004, section 126C.43,  
 12 subdivision 3, is amended to read:

13 Subd. 3. [TAX LEVY FOR JUDGMENT.] A district may levy 90  
 14 ~~percent-of~~ the amount ~~exceeding-\$10-times-the-district's~~  
 15 ~~adjusted-marginal-cost-pupil-units-for-the-fiscal-year-ending-in~~  
 16 ~~the-year-before-the-year-the-levy-is-certified~~ necessary to pay  
 17 judgments against the district under section 123B.25 that became  
 18 final after the date the district certified its proposed levy in  
 19 the previous year. With the approval of the commissioner, a  
 20 district may spread this levy over a period not to exceed three  
 21 years. Upon approval through the adoption of a resolution by  
 22 each of an intermediate district's member school district  
 23 boards, a member school district may include its proportionate  
 24 share of the costs of a judgment against an intermediate school  
 25 district that became final under section 123B.25 after the date  
 26 that the earliest member school district certified its proposed  
 27 levy in the previous year. With the approval of the  
 28 commissioner, an intermediate school district member school  
 29 district may spread this levy over a period not to exceed three  
 30 years.

31 [EFFECTIVE DATE.] This section is effective for taxes  
 32 payable in 2006.

33 Sec. 22. Minnesota Statutes 2004, section 126C.44, is  
 34 amended to read:

35 126C.44 [SAFE SCHOOLS LEVY.]

36 Each district may make a levy on all taxable property

1 located within the district for the purposes specified in this  
2 section. The maximum amount which may be levied for all costs  
3 under this section shall be equal to ~~\$27~~ \$30 multiplied by the  
4 district's adjusted marginal cost pupil units for the school  
5 year. The proceeds of the levy must be used for directly  
6 funding the following purposes or for reimbursing the cities and  
7 counties who contract with the district for the following  
8 purposes: (1) to pay the costs incurred for the salaries,  
9 benefits, and transportation costs of peace officers and  
10 sheriffs for liaison in services in the district's schools; (2)  
11 to pay the costs for a drug abuse prevention program as defined  
12 in section 609.101, subdivision 3, paragraph (e), in the  
13 elementary schools; (3) to pay the costs for a gang resistance  
14 education training curriculum in the district's schools; (4) to  
15 pay the costs for security in the district's schools and on  
16 school property; or (5) to pay the costs for other crime  
17 prevention, drug abuse, student and staff safety, and violence  
18 prevention measures taken by the school district. The district  
19 must initially attempt to contract for services to be provided  
20 by peace officers or sheriffs with the police department of each  
21 city or the sheriff's department of the county within the  
22 district containing the school receiving the services. If a  
23 local police department or a county sheriff's department does  
24 not wish to provide the necessary services, the district may  
25 contract for these services with any other police or sheriff's  
26 department located entirely or partially within the school  
27 district's boundaries. The levy authorized under this section  
28 is not included in determining the school district's levy  
29 limitations.

30 [EFFECTIVE DATE.] This section is effective for taxes  
31 payable in 2006.

1 Senator ..... moves to amend S.F. No. 245 as follows:

2 Page 2, after line 26, insert:

3 "Sec. 3. Minnesota Statutes 2004, section 124D.16, is  
4 amended by adding a subdivision to read:

5 Subd. 1a. [STATE TOTAL SCHOOL READINESS AID.] The state  
6 total school readiness aid for fiscal year 2006 and later is  
7 \$11,000,000.

8 [EFFECTIVE DATE.] This section is effective for revenue for  
9 fiscal year 2006.

10 Sec. 4. Minnesota Statutes 2004, section 124D.16,  
11 subdivision 2, is amended to read:

12 Subd. 2. [AMOUNT OF AID.] (a) A district is eligible to  
13 receive school readiness aid if the program plan required by  
14 subdivision 1 has been approved by the commissioner.

15 (b) For fiscal year 2002 and thereafter, a district must  
16 receive school readiness aid equal to:

17 (1) the number of eligible four-year-old children in the  
18 district on October 1 for the previous school year times the  
19 ratio of 50 percent of the state total school readiness aid as  
20 determined under subdivision 1a for that year to the total  
21 number of eligible four-year-old children reported to the  
22 commissioner for the previous school year; plus

23 (2) the number of pupils enrolled in the school district  
24 from families eligible for the free or reduced school lunch  
25 program for the second previous school year times the ratio of  
26 50 percent of the state total school readiness aid as determined  
27 under subdivision 1a for that year to the total number of pupils  
28 in the state from families eligible for the free or reduced  
29 school lunch program for the second previous school year.

30 [EFFECTIVE DATE.] This section is effective for revenue for  
31 fiscal year 2006."

32 Page 22, after line 31, insert:

33 "Sec. 25. [APPROPRIATIONS; HEAD START.]

34 \$18,375,000 in fiscal year 2006 and \$18,375,000 in fiscal  
35 year 2007 are appropriated from the general fund to the  
36 commissioner of education for state support of the Head Start

1 program."

2       Renumber the sections in sequence and correct the internal  
3 references

4       Amend the title accordingly

## ECFE Testimony from Tammy Felde

I am a parent participating in Early Childhood Family Education (ECFE) in St. Paul. I am writing because I want to share with you the value I can see in ECFE that isn't apparent to the casual observer. It is painfully apparent to me through my own experience and I hope to be able to influence you to help make the money the State of Minnesota spends on education much more effective.

I have two children: Hans, my four-year old son, and an adult daughter, Jamie. When Jamie entered kindergarten I had every reason to believe that she would do extremely well in school. She was very intelligent, socially well adjusted, and a delightful child. She could already read, write, and do addition and subtraction. Initially she did very well and was in talented and gifted classes. At the time I was an engineering student at the University of Wisconsin-Madison. I completed my bachelor's degree and went on for a master's.

I thought that because she was doing so well and because she saw me going through University, that she would of course just naturally follow my example and do quite well. It turned out to be a very foolish assumption on my part. My wonderful, brilliant daughter never finished high school. I wasn't a bad parent, but I didn't have the skills I needed to advocate for her when we changed school districts and things fell apart. I also didn't have the coping skills I needed to pull it back together. Although I did the best job parenting my daughter that I could with the skills, knowledge, and awareness that I had at the time, it was not enough.

I am grateful to have had the opportunity to participate in ECFE in Minnesota. We didn't have ECFE in Wisconsin and if we would have had it, I would have learned the parenting skills I needed to support my daughter's education. She would have not only finished high school but would be graduating with her bachelor's degree this year. My son has shown many signs of academic giftedness. I am grateful that I am learning how to parent him in a way that will support his continuing academic success and his success as a person throughout his lifetime.

Through my experience I see that one of the best ways to increase opportunities for our children is by training their parents in the skills that will support their education and getting parents involved in their education early. Without this, educators face a long, hard, and expensive battle to do their job with mixed results.

Thank you for your time,  
Tammy Felde  
1306 Matilda St.  
St. Paul, MN 55117

**Senate Counsel, Research,  
and Fiscal Analysis**

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**Senate**

**State of Minnesota**

**S.F. No. 2170 - School Readiness Planning Grant**

**Author:** Senator Linda Scheid

**Prepared by:** Joan White, Senate Counsel (651/296-3814)

**Date:** April 13, 2005



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**S.F. No. 2170** authorizes planning grants for school readiness projects.

**Section 1, subdivision 1**, requires the Commissioner of Education to award planning grants to develop projects that will promote school readiness of children by coordinating and improving access to community-based and neighborhood-based services that help stabilize, support, and assist parents in meeting the needs of children.

**Subdivision 2** lists the program components that are necessary to receive grant funding.

**Subdivision 3** describes the eligible grantees, which include nonprofit organizations or a consortium of nonprofit organizations that demonstrate a collaborative effort with at least one unit of local government.

**Subdivision 4** requires the commissioner to award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human or social services programs using a multidisciplinary, community-based approach.

**Subdivision 5** specifies what the grant application must include, and requires that the application be submitted on forms provided by the commissioner.

**Subdivision 6** requires that each dollar of state money must be matched with 50 cents of nonstate money. Programs may match state money with in-kind contributions, including volunteer assistance.

**Subdivision 7** requires each grantee to establish a program advisory board to advise the grantee on program design. Generally specifies representatives that the board must include.

**Section 2** appropriates \$50,000 in 2006 from the general fund to the Commissioner of Education for section 1. The appropriation is available until June 30, 2007.

JW:rdr

Senators Scheid and Foley introduced--

S.F. No. 2170: Referred to the Committee on Finance.

1 A bill for an act

2 relating to education finance; authorizing planning  
3 grants for school readiness projects; appropriating  
4 money.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

6 Section 1. [SCHOOL READINESS PLANNING GRANTS.]

7 Subdivision 1. [ADMINISTRATION.] The commissioner of  
8 education shall award planning grants to develop projects that  
9 will promote the school readiness of children by coordinating  
10 and improving access to community-based and neighborhood-based  
11 services that help stabilize at-risk families, and that support  
12 and assist parents in meeting the health and developmental needs  
13 of their children at the earliest possible age.

14 Subd. 2. [PROGRAM COMPONENTS.] (a) Planning projects  
15 eligible for this grant funding must propose to:

16 (1) collaborate and coordinate delivery of services with  
17 community organizations and agencies serving children and their  
18 families;

19 (2) target services to families with children with services  
20 increasing based on financial needs;

21 (3) build on existing services and coordinate a continuum  
22 of essential services, including but not limited to, health  
23 services, family economic assistance, parent education and  
24 support, and preschool programs;

25 (4) provide strategic outreach efforts to families using

1 culturally specific social support, information, outreach, and  
2 other programs to promote healthy development of children and to  
3 help parents obtain the information, resources, and parenting  
4 skills needed to nurture and care for their children;

5 (5) offer programs to expand public and private  
6 collaboration to promote the development of a coordinated and  
7 culturally specific system of services available to all  
8 families; and

9 (6) offer other programs or services to improve the health,  
10 development, and school readiness of children in target  
11 neighborhoods and communities.

12 Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant  
13 may be submitted by a nonprofit organization, or consortium of  
14 nonprofit organizations, that demonstrates collaborative effort  
15 with at least one unit of local government.

16 Subd. 4. [DISTRIBUTION.] To the extent possible, the  
17 commissioner shall award grants to applicants with experience or  
18 demonstrated ability in providing comprehensive,  
19 multidisciplinary, community-based programs with objectives  
20 similar to those listed in subdivision 2, or in providing other  
21 human services or social services programs using a  
22 multidisciplinary, community-based approach.

23 Subd. 5. [APPLICATIONS.] The application must be submitted  
24 on forms provided by the commissioner. The grant application  
25 must include:

26 (1) a description of the specific community that will be  
27 served under the program and the name, address, and a  
28 description of each community agency or agencies involved in the  
29 planning process;

30 (2) a letter of intent from each community agency  
31 identified in clause (1) that indicates the agency's willingness  
32 to participate in the program planning; and

33 (3) a description of how public and private resources,  
34 including schools, health care facilities, government agencies,  
35 neighborhood organizations, and other resources, will be  
36 coordinated in the planning process.

1        Subd. 6. [MATCH.] Each dollar of state money must be  
2 matched with 50 cents of nonstate money. Programs may match  
3 state money with in-kind contributions, including volunteer  
4 assistance.

5        Subd. 7. [ADVISORY COMMITTEE.] Each grantee must establish  
6 a program advisory board to advise the grantee on program  
7 design. The board must include representatives of local units  
8 of government and representatives of the project area who  
9 reflect the geographic, cultural, racial, and ethnic diversity  
10 of that community.

11        [EFFECTIVE DATE.] This section is effective for revenue for  
12 fiscal year 2006.

13        Sec. 2. [APPROPRIATION.]

14        \$50,000 in fiscal year 2006 is appropriated from the  
15 general fund to the commissioner of education for school  
16 readiness planning grants under section 1. This appropriation  
17 is available until June 30, 2007.

**Fiscal Note – 2005-06 Session**

**Bill #:** S2170-0 **Complete Date:** 04/15/05

**Chief Author:** SCHEID, LINDA

**Title:** SCHOOL READINESS PLANNING GRANTS

Fiscal Impact	Yes	No
State	X	
Local	X	
Fee/Departmental Earnings		X
Tax Revenue		X

**Agency Name:** Education Department

This table reflects fiscal impact to state government. Local government impact is reflected in the narrative only.

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund		79	0	0	0
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		79	0	0	0
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		79	0	0	0
<b>Total Cost &lt;Savings&gt; to the State</b>		79	0	0	0

	FY05	FY06	FY07	FY08	FY09
<b>Full Time Equivalents</b>					
General Fund		0.25	0.00	0.00	0.00
<b>Total FTE</b>		0.25	0.00	0.00	0.00

**Bill Description**

The bill appropriates \$50,000 to MDE in FY 2006 for planning grants to nonprofit organizations to develop "projects that will promote the school readiness of children by coordinating and improving access to community-based and neighborhood-based services that help stabilize at-risk families, and that support and assist parents in meeting the health and developmental needs of their children...." The bill requires that grantees match every dollar of state money with 50 cents of non-state money or in-kind contributions, including volunteer assistance.

**Assumptions**

- MDE will make 5 grant awards of \$10,000 each.
- Grant contracts will be awarded for the period from January 2006- June 30, 2007.
- Administration of the program, including development of grant application forms, review of applications and selection of grantees, review and administration of grant contracts will require 0.25 FTE professional staff.
- The appropriation is non-recurring.

Professional	Est. Salary	Est. Benefits	Total Cost	FTE	Adjusted Cost	Fiscal Note
						Cost
ED Spec II (17)	71,464.64	21,857.67	93,322.31	0.25	23,330.58	23,330.58
Agency Indirect Costs						13,856.00
Total Cost for 0.25 FTE						37,186.58
Cost that agency can absorb						
	Office Space					8,196.00
Net Cost for New Position						28,990.58

**Expenditure and/or Revenue Formula**

FY 2006	Grants \$50,000
	<u>Staffing \$28,990.58</u>
	Total \$78,990.58

**Long-Term Fiscal Considerations**

The appropriation is available until June 30, 2007, the end of the biennium. The bill does not explicitly state that the appropriation is non-recurring, but this fiscal note assumes that it would not become part of the Agency's base in the 2008-2009 biennium.

**Local Government Costs**

While grantees must demonstrate a partnership with at least one local unit of government, and have a program advisory board that includes representatives of local units of government, the bill does not directly impose any costs on local governments.

Agency Contact Name: DeRemee, Lisa - 651-582-8467  
FN Coord Signature: AUDREY BOMSTAD  
Date: 04/15/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
Date: 04/15/05 Phone: 296-6661