

ARTICLE 1

EARLY CHILDHOOD EDUCATION

Section 1. 2005 S.F. No. 1879, article 2, section 1, if enacted, is amended to read:

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. [SCHOOL READINESS.] For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

\$9,020,000 \$10,706,000 ..... 2006

\$9,042,000 \$10,728,000 ..... 2007

The 2006 appropriation includes \$1,417,000 for 2005 and \$7,603,000 \$9,289,000 for 2006.

The 2007 appropriation includes \$1,415,000 for 2006 and \$7,627,000 \$9,313,000 for 2007.

Subd. 3. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$11,958,000 \$16,765,000 ..... 2006

\$12,292,000 \$17,969,000 ..... 2007

The 2006 appropriation includes \$1,861,000 for 2005 and \$10,097,000 \$14,904,000 for 2006.

1 The 2007 appropriation includes ~~\$1,880,000~~ \$2,774,000 for  
2 2006 and ~~\$10,412,000~~ \$15,195,000 for 2007.

3 Subd. 4. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For  
4 health and developmental screening aid under Minnesota Statutes,  
5 sections 121A.17 and 121A.19:

6 \$~~2,661,000~~ \$3,076,000 ..... 2006

7 \$~~2,661,000~~ \$3,512,000 ..... 2007

8 The 2006 appropriation includes ~~\$417,000~~ \$518,000 for 2005  
9 and ~~\$2,244,000~~ \$2,593,000 for 2006.

10 The 2007 appropriation includes ~~\$417,000~~ \$483,000 for 2006  
11 and ~~\$2,244,000~~ \$2,961,000 for 2007.

12 Subd. 5. [HEAD START PROGRAM.] For Head Start programs  
13 under Minnesota Statutes, section 119A.52:

14 \$~~17,100,000~~ \$21,000,000 ..... 2006

15 \$~~17,100,000~~ \$21,000,000 ..... 2007

16 Subd. 6. [MINNESOTA EARLY LEARNING FOUNDATION.] For the  
17 Minnesota Early Learning Foundation under Minnesota Statutes,  
18 section 124D.175:

19 \$ 2,500,000 ..... 2006

20 \$ -0- ..... 2007

21 Subd. 6 7. [COMMUNITY EDUCATION AID.] For community  
22 education aid under Minnesota Statutes, section 124D.20:

23 \$1,918,000 ..... 2006

24 \$1,189,000 ..... 2007

25 The 2006 appropriation includes \$390,000 for 2005 and  
26 \$1,528,000 for 2006.

27 The 2007 appropriation includes \$284,000 for 2006 and  
28 \$905,000 for 2007.

29 Subd. 8. [SUPPLEMENTAL COMMUNITY EDUCATION REVENUE.] For  
30 the supplemental community education revenue under Minnesota  
31 Statutes, section 124D.205:

32 \$1,000,000 ..... 2006

33 \$1,000,000 ..... 2007

34 Subd. 7 9. [ADULTS WITH DISABILITIES PROGRAM AID.] For  
35 adults with disabilities programs under Minnesota Statutes,  
36 section 124D.56:

1 \$ 710,000 ..... 2006

2 \$ 710,000 ..... 2007

3 The 2006 appropriation includes \$111,000 for 2005 and  
4 \$599,000 for 2006.

5 The 2007 appropriation includes \$111,000 for 2006 and  
6 \$599,000 for 2007.

7 Subd. 8 10. [HEARING-IMPAIRED ADULTS.] For programs for  
8 hearing-impaired adults under Minnesota Statutes, section  
9 124D.57:

10 \$ 70,000 ..... 2006

11 \$ 70,000 ..... 2007

12 Subd. 9 11. [SCHOOL-AGE CARE REVENUE.] For extended day  
13 aid under Minnesota Statutes, section 124D.22:

14 \$ 17,000 ..... 2006

15 \$ 7,000 ..... 2007

16 The 2006 appropriation includes \$4,000 for 2005 and \$13,000  
17 for 2006.

18 The 2007 appropriation includes \$2,000 for 2006 and \$5,000  
19 for 2007.

20 Subd. ~~10~~ 12. [ADULT BASIC EDUCATION AID.] For adult basic  
21 education aid under Minnesota Statutes, section 124D.531:

22 ~~\$36,738,000~~ \$37,539,000 ..... 2006

23 ~~\$36,741,000~~ \$38,678,000 ..... 2007

24 The 2006 appropriation includes \$5,707,000 for 2005 and  
25 ~~\$30,768,000~~ \$31,832,000 for 2006.

26 The 2007 appropriation includes ~~\$5,713,000~~ \$5,928,000 for  
27 2006 and ~~\$30,705,000~~ \$32,591,000 for 2007.

28 Subd. 13. [ADULT LITERACY GRANTS FOR RECENT IMMIGRANTS TO  
29 MINNESOTA.] For adult literacy grants for recent immigrants to  
30 Minnesota:

31 \$2,000,000 ..... 2006

32 \$2,000,000 ..... 2007

33 Subd. ~~11~~ 14. [GED TESTS.] For payment of 60 percent of the  
34 costs of GED tests under Laws 1993, chapter 224, article 4,  
section 44, subdivision 10:

36 \$ 125,000 ..... 2006

1 \$ 125,000 ..... 2007

2 Subd. ~~12~~ 15. [LEAD HAZARD REDUCTION.] For lead hazard  
3 reduction under Minnesota Statutes, section 119A.46:

4 \$ 100,000 ..... 2006

5 \$ 100,000 ..... 2007

6 Any balance in the first year does not cancel but is  
7 available in the second year. The commissioner of education may  
8 transfer this appropriation to the commissioner of health.

9 Subd. 16. [DEPARTMENT OF EDUCATION ADMINISTRATIVE  
10 APPROPRIATIONS.] The following amounts are appropriated to the  
11 Department of Education for the purpose of administering the  
12 provisions in article 2:

13 \$ 500,000 ..... 2006

14 \$ 500,000 ..... 2007

15 These amounts are to be added to the department's base  
16 appropriations.

17 Sec. 2. 2005 S.F. No. 1879, article 2, section 2, is  
18 amended to read:

19 Sec. 2. [APPROPRIATION.]

20 Subdivision 1. [DEPARTMENT OF HUMAN SERVICES.] The sums  
21 indicated in this section are appropriated from the general fund  
22 to the Department of Human Services.

23 Subd. 2. [BASIC SLIDING FEE.] For basic sliding fee under  
24 Minnesota Statutes, section 119B.03:

25 \$30,262,000 \$33,062,000 ..... 2006

26 \$30,262,000 \$33,062,000 ..... 2007

27 The general fund base is increased by \$6,823,000 in fiscal  
28 year 2008 and fiscal year 2009 for basic sliding fee child care  
29 assistance.

30 Subd. 3. [BASIC SLIDING FEE UNEXPENDED  
31 FUNDS.] Notwithstanding Minnesota Statutes, section 119B.03,  
32 subdivision 5, paragraph (b), and Minnesota Rules, part  
33 3400.0060, subpart 4d, funds available due to prior year  
34 underspending shall be available for purposes allowed under  
35 Minnesota Statutes, section 119B.03, as follows:

36 \$4,695,208 ..... 2006

1	<u>\$8,576,841</u>	.....	<u>2007</u>
2	<u>\$2,533,287</u>	.....	<u>2008</u>
3	<u>\$2,533,287</u>	.....	<u>2009</u>

ARTICLE 2

EARLY CHILDHOOD

6 Section 1. Minnesota Statutes 2004, section 13.32,  
7 subdivision 2, is amended to read:

8 Subd. 2. [STUDENT HEALTH AND CENSUS DATA; DATA ON  
9 PARENTS.] (a) Health data concerning students, including but not  
10 limited to, data concerning immunizations, notations of special  
11 physical or mental problems and records of school nurses are  
12 educational data. Access by parents to student health data  
13 shall be pursuant to section 13.02, subdivision 8.

14 (b) Pupil census data, including emergency information and  
15 family information are educational data.

16 (c) Results from student mental health screenings must be  
17 released to the child's parents or legal guardians and must not  
18 be maintained in the student record.

19 (d) Data concerning parents are private data on individuals  
20 but may be treated as directory information if the same  
21 procedures that are used by a school district to designate  
22 student data as directory information under subdivision 5 are  
23 followed.

4 Sec. 2. Minnesota Statutes 2004, section 121A.17,  
25 subdivision 1, is amended to read:

26 Subdivision 1. [EARLY CHILDHOOD DEVELOPMENTAL SCREENING.]  
27 Every school board must provide for a mandatory program of early  
28 childhood developmental screening for children at least once  
29 before school entrance, targeting children who are between 3-1/2  
30 three and four years old. This screening program must be  
31 established either by one board, by two or more boards acting in  
32 cooperation, by service cooperatives, by early childhood family  
33 education programs, or by other existing programs. This  
34 screening examination is a mandatory requirement for a student  
35 to continue attending kindergarten or first grade in a public  
36 school. A child need not submit to developmental screening

1 provided by a board if the child's health records indicate to  
2 the board that the child has received comparable developmental  
3 screening from a public or private health care organization or  
4 individual health care provider. A student identification  
5 number, as defined by the commissioner of education, shall be  
6 assigned at the time of early childhood developmental screening  
7 or at the time of the provision of health records indicating a  
8 comparable screening. Each school district must provide the  
9 essential data in accordance with section 125B.07, subdivision  
10 6, to the Department of Education. Districts are encouraged to  
11 reduce the costs of preschool developmental screening programs  
12 by utilizing volunteers and public or private health care  
13 organizations or individual health care providers in  
14 implementing the program.

15 Sec. 3. Minnesota Statutes 2004, section 121A.17,  
16 subdivision 3, is amended to read:

17 Subd. 3. [SCREENING PROGRAM.] (a) A screening program must  
18 include at least the following components: developmental  
19 assessments, a socioemotional development screening, hearing and  
20 vision screening or referral, immunization review and referral,  
21 the child's height and weight, identification of risk factors  
22 that may influence learning, screening for autism spectrum  
23 disorders, an interview with the parent about the child, and  
24 referral for assessment, diagnosis, and treatment or referrals  
25 to appropriate resources when potential needs are identified.  
26 For purposes of this section, socioemotional screening means  
27 assessing a child's ability, in the context of family,  
28 community, and cultural expectations, to (1) experience,  
29 regulate, and express emotions; (2) form close and secure  
30 interpersonal relationships; and (3) explore the environment and  
31 learn.

32 The district and the person performing or supervising the  
33 screening must provide a parent or guardian with clear written  
34 notice that the parent or guardian may decline to answer  
35 questions or provide information about family circumstances that  
36 might affect development and identification of risk factors that

1 may influence learning and that the socioemotional development  
2 part of the early childhood screening is voluntary as described  
3 in paragraph (b). The notice must clearly state that declining  
4 to answer questions or provide information does not prevent the  
5 child from being enrolled in kindergarten or first grade if all  
6 other screening components are met. If a parent or guardian is  
7 not able to read and comprehend the written notice, the district  
8 and the person performing or supervising the screening must  
9 convey the information in another manner. The notice must also  
10 inform the parent or guardian that a child need not submit to  
11 the district screening program if the child's health records  
12 indicate to the school that the child has received comparable  
13 developmental screening performed within the preceding 365 days  
14 by a public or private health care organization or individual  
15 health care provider. The notice must be given to a parent or  
16 guardian at the time the district initially provides information  
17 to the parent or guardian about screening and must be given  
18 again at the screening location.

19 (b) (1) The socioemotional component of the developmental  
20 assessment may be included in the early childhood development  
21 screening if the parent or guardian has been provided with a  
22 clear written notice that this component of the screening is  
23 voluntary, and the parent or guardian has signed a document  
24 developed and approved by the commissioner either allowing or  
25 declining the socioemotional development component of the early  
26 childhood developmental screening. The socioemotional component  
27 of the developmental assessment shall be conducted with a  
28 screening instrument approved by the commissioner of human  
29 services, as the designated state mental health authority,  
30 according to criteria that are updated and issued annually to  
31 ensure that approved screening instruments are valid and useful  
32 for this population.

33 (2) All other screening components shall be consistent with  
34 the standards of the state commissioner of health for early  
35 developmental screening programs. A developmental screening  
36 program must not provide laboratory tests or a physical

1 examination to any child. The district must request from the  
2 public or private health care organization or the individual  
3 health care provider the results of any laboratory test or  
4 physical examination within the 12 months preceding a child's  
5 scheduled screening.

6 (c) If a child is without health coverage, the school  
7 district must refer the child to an appropriate health care  
8 provider.

9 (d) A board may offer additional components such as  
10 nutritional, physical and dental assessments, review of family  
11 circumstances that might affect development, blood pressure,  
12 laboratory tests, and health history.

13 (e) If a statement signed by the child's parent or guardian  
14 is submitted to the administrator or other person having general  
15 control and supervision of the school that the child has not  
16 been screened because of conscientiously held beliefs of the  
17 parent or guardian, the screening is not required.

18 (f) The district must develop and implement community  
19 outreach plans to diverse populations to promote all children  
20 being screened at least once before school entrance, targeting  
21 children who are between three and four years old. Districts  
22 are encouraged to include parents, early care and education  
23 programs, community partners, public or private health care  
24 organizations, and individual health care providers in the  
25 development of the outreach plans.

26 Sec. 4. Minnesota Statutes 2004, section 121A.17, is  
27 amended by adding a subdivision to read:

28 Subd. 4a. [FOLLOW-UP SOCIOEMOTIONAL DEVELOPMENT  
29 SCREENING.] If the results of a school district-conducted  
30 socioemotional development screening of a child indicates a need  
31 for further assessment, the district is not financially  
32 responsible for a mental health diagnostic assessment. The  
33 district must notify a child's parents or guardians of the  
34 screening results, and may provide the child's parents or legal  
35 guardians with referrals to community providers. If a child is  
36 without health coverage, the district must inform the child's



1 parents and legal guardians of an appropriate health care  
2 provider. This subdivision does not preclude the district from  
3 providing educational assessments.

4 Sec. 5. Minnesota Statutes 2004, section 121A.19, is  
5 amended to read:

6 121A.19 [DEVELOPMENTAL SCREENING AID.]

7 Each school year, the state must pay a district ~~\$40~~ \$50 for  
8 each three-year-old child screened; \$40 for each four-year-old  
9 child screened; and \$30 for each five-year-old child screened  
10 prior to kindergarten according to the requirements of section  
11 121A.17. If this amount of aid is insufficient, the district  
12 may permanently transfer from the general fund an amount that,  
13 when added to the aid, is sufficient.

14 Sec. 6. Minnesota Statutes 2004, section 124D.135,  
15 subdivision 1, is amended to read:

16 Subdivision 1. [REVENUE.] The revenue for early childhood  
17 family education programs for a school district equals ~~\$120-fer~~  
18 ~~fiscal-years-2003-and-2004-and-\$96~~ \$112 for fiscal year 2005  
19 2007 and later, times the greater of:

20 (1) 150; or

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

23 Sec. 7. [124D.145] [EARLY LEARNING GUIDELINES.]

24 Subdivision 1. [DEPARTMENT OF EDUCATION AND DEPARTMENT OF  
25 HUMAN SERVICES.] The commissioners of education and human  
26 services shall disseminate information to parents and provide  
27 information and training guidance to early care and education  
28 providers on the early learning guidelines developed for three-  
29 and four-year-old children that describe what children should  
30 know and be able to do to be prepared for kindergarten entrance.

31 Subd. 2. [DEPARTMENT OF HUMAN SERVICES.] The commissioner  
32 of human services shall develop early learning guidelines and  
33 distribute the guidelines to parents and early care and  
34 education providers. The guidelines must include what children  
35 from birth to age three should know and be able to do to be  
36 prepared for kindergarten entrance. The commissioner shall

1 provide information to parents and information and training to  
 2 early care education providers on the guidelines.

3 Subd. 3. [EARLY CARE AND EDUCATION PROGRAM PROVIDERS.] An  
 4 early care and education program or provider that receives state  
 5 money must be provided with a copy of the early learning  
 6 guidelines for children ages birth to age five developed by the  
 7 commissioners of education and human services to guide their  
 8 early care and education practices.

9 Sec. 8. Minnesota Statutes 2004, section 124D.15,  
 10 subdivision 1, is amended to read:

11 Subdivision 1. [ESTABLISHMENT; PURPOSE.] A district or a  
 12 group of districts may establish a school readiness program  
 13 for eligible children age three to kindergarten entrance. The  
 14 purpose of a school readiness program is to ~~provide-all-eligible~~  
 15 ~~children-adequate-opportunities-to-participate-in-child~~  
 16 ~~development-programs-that-enable-the-children-to-enter-school~~  
 17 ~~with-the-necessary-skills-and-behavior-and-family-stability-and~~  
 18 ~~support-to-progress-and-flourish~~ prepare children to enter  
 19 kindergarten.

20 Sec. 9. Minnesota Statutes 2004, section 124D.15,  
 21 subdivision 3, is amended to read:

22 Subd. 3. [PROGRAM ~~ELIGIBILITY~~ REQUIREMENTS.] A school  
 23 readiness program must ~~include-the-following:~~

24 (1) ~~a-comprehensive-plan-to-anticipate-and-meet-the-needs~~  
 25 ~~of-participating-families-by-coordinating-existing-social~~  
 26 ~~services-programs-and-by-fostering-collaboration-among-agencies~~  
 27 ~~or-other-community-based-organizations-and-programs-that-provide~~  
 28 ~~a-full-range-of-flexible,-family-focused-services-to-families~~  
 29 ~~with-young-children~~ Conduct a child development assessment on  
 30 each child to guide intentional curriculum planning and promote  
 31 kindergarten readiness. This assessment must be conducted on  
 32 each child at entrance into the program and once prior to exit  
 33 of the program and be maintained as part of a child's cumulative  
 34 record;

35 (2) ~~a-development-and-learning-component-to-help-children~~  
 36 ~~develop-appropriate-social,-cognitive,-and-physical-skills,-and~~

1 ~~emotional-well-being;~~

2 ~~{3}-health-referral-services-to-address-children's-medical,~~  
3 ~~dental,-mental-health,-and-nutritional-needs demonstrate use of~~  
4 ~~comprehensive curriculum based on early childhood research,~~  
5 ~~professional practice, and department guidelines that prepares~~  
6 ~~children for kindergarten;~~

7 ~~{4}-a-nutrition-component-to-meet-children's-daily~~  
8 ~~nutritional-needs (3) arrange for early childhood screening and~~  
9 ~~appropriate referral;~~

10 ~~{5}-parents'-involvement-in-meeting-children's-educational,~~  
11 ~~health,-social-service,-and-other-needs (4) involve parents in~~  
12 ~~program planning and decision making;~~

13 ~~{6}-community-outreach-to-ensure-participation-by-families~~  
14 ~~who-represent-the-racial,-cultural,-and-economic-diversity-of~~  
15 ~~the-community; (5) coordinate with relevant community-based~~  
16 ~~services; and~~

17 ~~{7}-community-based-staff-and-program-resources,-including~~  
18 ~~interpreters,-that-reflect-the-racial-and-ethnic-characteristics~~  
19 ~~of-the-children-participating-in-the-program;-and~~

20 ~~{8}-a-literacy-component-to-ensure-that-the-literacy-needs~~  
21 ~~of-parents-are-addressed-through-referral-to-and-cooperation (6)~~  
22 ~~cooperate with adult basic education programs and other adult~~  
23 ~~literacy programs.~~

24 Sec. 10. Minnesota Statutes 2004, section 124D.15, is  
25 amended by adding a subdivision to read:

26 Subd. 3a. [APPLICATION AND REPORTING REQUIREMENTS.] (a) A  
27 school readiness program must submit a biennial plan to the  
28 commissioner for approval to receive aid under section 124D.16.  
29 The plan must document that the program will meet the program  
30 requirements under subdivision 3. A school district shall  
31 submit the biennial plan by April 1 to the commissioner on a  
32 form prescribed by the commissioner. One-half of the districts  
33 shall first submit the plan by April 1, 2006, and one-half of  
34 the districts by April 1, 2007.

35 (b) Programs receiving school readiness funds must submit  
36 an annual report to the department.

1 Sec. 11. Minnesota Statutes 2004, section 124D.15,  
2 subdivision 5, is amended to read:

3 Subd. 5. [SERVICES WITH NEW OR EXISTING PROVIDERS.] A  
4 district ~~is-encouraged-to~~ may contract with a ~~public~~ charter  
5 school or ~~nonprofit~~ community-based organization to provide  
6 eligible children developmentally appropriate services that meet  
7 the program requirements in subdivision 3. In the alternative,  
8 a district may pay tuition or fees to place an eligible child in  
9 an existing program. A district may establish a new program  
10 where no existing, reasonably accessible program meets the  
11 program requirements in subdivision 3. A copy of each contract  
12 must be submitted to the commissioner with the biennial plan.  
13 Services may be provided in a site-based program or in the home  
14 of the child or a combination of both. The district may not  
15 restrict participation to district residents.

16 Sec. 12. Minnesota Statutes 2004, section 124D.15,  
17 subdivision 10, is amended to read:

18 Subd. 10. [SUPERVISION.] A program provided by a board  
19 must be supervised by a licensed early childhood teacher, a  
20 certified early childhood educator, or a licensed parent  
21 educator. ~~A-program-provided-according-to-a-contract-between-a~~  
22 ~~district-and-a-nonprofit-organization-or-another-private~~  
23 ~~organization-must-be-supervised-and-staffed-according-to-the~~  
24 ~~terms-of-the-contract.~~

25 Sec. 13. Minnesota Statutes 2004, section 124D.15,  
26 subdivision 12, is amended to read:

27 Subd. 12. [PROGRAM FEES.] A district ~~may~~ must adopt a  
28 sliding fee schedule based on a family's income but must waive a  
29 fee for a participant unable to pay. ~~The-fees-charged-must-be~~  
30 ~~designed-to-enable-eligible-children-of-all-socioeconomic-levels~~  
31 ~~to-participate-in-the-program.~~

32 Sec. 14. Minnesota Statutes 2004, section 124D.15, is  
33 amended by adding a subdivision to read:

34 Subd. 14. [ASSISTANCE.] The department must provide  
35 assistance to districts with programs described in this section.

36 Sec. 15. Minnesota Statutes 2004, section 124D.16,

1 subdivision 2, is amended to read:

2 Subd. 2. [AMOUNT OF AID.] (a) A district is eligible to  
3 receive school readiness aid for eligible prekindergarten pupils  
4 enrolled in a school readiness program under section 124D.15 if  
5 the program biennial plan required by subdivision-1 section  
6 124D.15, subdivision 3a, has been approved by the commissioner.

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

9 (1) the number of eligible four-year-old children in the  
10 district on October 1 for the previous school year times the  
11 ratio of 50 percent of the total school readiness aid for that  
12 year to the total number of eligible four-year-old children  
13 reported to the commissioner for the previous school year; plus

14 (2) the number of pupils enrolled in the school district  
15 from families eligible for the free or reduced school lunch  
16 program for the second previous school year times the ratio of  
17 50 percent of the total school readiness aid for that year to  
18 the total number of pupils in the state from families eligible  
19 for the free or reduced school lunch program for the second  
20 previous school year.

21 Sec. 16. [124D.175] [MINNESOTA EARLY LEARNING FOUNDATION.]

22 Subdivision 1. [GOAL.] The Minnesota Early Learning  
23 Foundation is a public-private partnership which will identify  
24 cost-effective ways to deliver quality early care and education  
25 experiences and parent education for families whose children are  
26 at risk of being unprepared for school. The partnership will  
27 also develop infrastructure supports and accountability measures  
28 to increase quality of early care and education settings and  
29 will build community capacity for school readiness. The  
30 partnership will evaluate the resulting benefits and long-term  
31 savings to the Minnesota economy and the effectiveness of  
32 strategies for increasing children's readiness for school at  
33 kindergarten entrance.

34 Subd. 2. [BOARD.] The Minnesota Early Learning Foundation,  
35 section 501(c)(3) of the Internal Revenue Code, shall be  
36 governed by a board made up of public and private citizens with

1 more than 50 percent of the members from the private sector.  
2 The governor shall appoint the public sector members, including  
3 government, academia, and civil society.

4 A review and planning advisory committee shall provide  
5 knowledgeable counsel and advice to the executive director and  
6 board for development of policies and procedures for the  
7 Minnesota Early Learning Foundation and review of cost-effective  
8 strategies for strengthening Minnesota's early care and  
9 education capabilities. The committee shall include parents,  
10 representatives of the early care and education field, K-12  
11 education, public libraries, and business leaders, and shall  
12 reflect the ethnic and geographic diversity of the state of  
13 Minnesota.

14 Subd. 3. [MATCHING FUNDS; AWARDS.] The Minnesota Early  
15 Learning Foundation shall match dollars appropriated from the  
16 state with nonpublic dollars raised by the board. The board  
17 shall award grants for:

18 (1) projects, including pilot projects that demonstrate  
19 successful approaches to the delivery of early childhood  
20 services and parent education to low-income families;

21 (2) scholarships to low-income families to access early  
22 childhood parent education and high-quality early learning  
23 programs for their children; and

24 (3) strategies to improve the quality of early care and  
25 education through early learning standards and assessment, a  
26 quality rating system, program improvement grants, and  
27 professional development grants.

28 Sec. 17. [COORDINATION OF EARLY CARE AND EDUCATION  
29 PROGRAMS.]

30 (a) The commissioners of education, human services, and  
31 health shall identify how they will coordinate activities and  
32 resources, with input from local communities and tribes,  
33 including setting priorities, aligning policies, and leveraging  
34 existing resources to achieve the goal for increased school  
35 readiness of all Minnesota children. The commissioners shall  
36 report on the progress made, which must include information on:

1 (1) coordinating and disseminating resources and  
2 information on school readiness and early care and education,  
3 health and nutrition, including child mental health, and family  
4 support to:

5 (i) parents and families with children birth to age five  
6 through key entry points, such as women, infants, and children  
7 (WIC), family home visiting, child welfare, public and private  
8 health care providers, and other public programs; and

9 (ii) early care and education providers, public and private  
10 health care providers, foster care providers, temporary care  
11 providers, shelters, crisis nurseries, and other facilities  
12 providing long-term or temporary care for young children, birth  
13 to age five;

14 (2) supporting families, schools, and communities in  
15 facilitating the transition of young children into the  
16 kindergarten environment;

17 (3) identifying, coordinating, and sharing resources and  
18 strategies between departments that address the cultural and  
19 linguistic needs of families served;

20 (4) amending the state Medicaid plan to expand the use of  
21 the child and teen checkup funding for allowable child  
22 development services such as outreach for early childhood  
23 screening, and streamlining the process for voluntary  
24 certification of school districts as child and teen checkup  
25 providers; and

26 (5) referring children age three to five in the child  
27 welfare system to the interagency early intervention system for  
28 a developmental screen and referral to services if problems are  
29 identified.

30 (b) The commissioners shall report to the legislative  
31 committees having jurisdiction over early care and education  
32 issues by March 1, 2006.

33 Sec. 18. [SCHOOL READINESS KINDERGARTEN ASSESSMENT  
34 INITIATIVE.]

35 Subdivision 1. [ESTABLISHMENT.] The commissioner of  
36 education shall establish a system for assessing the school

1 readiness of children entering kindergarten, building on the two  
2 school readiness studies conducted by the Department of  
3 Education in 2002 and 2003. The department shall also set  
4 biennial milestones for progress in the number of children  
5 reaching proficiency on all measures of the assessment.

6 Subd. 2. [DESCRIPTION.] (a) The school readiness  
7 kindergarten assessment initiative will be implemented in all  
8 school districts in Minnesota on a voluntary basis over a  
9 five-year period. The schedule for implementation is as follows:

- 10 (1) fiscal year 2006, 6,000 entering kindergarteners;  
11 (2) fiscal year 2007, 18,000 entering kindergarteners;  
12 (3) fiscal year 2008, 30,000 entering kindergarteners;  
13 (4) fiscal year 2009, 45,000 entering kindergarteners; and  
14 (5) fiscal year 2010, 60,000 entering kindergarteners.

15 (b) Results of the assessment must be included in the  
16 annual school performance report cards under Minnesota Statutes,  
17 section 120B.36.

18 Subd. 3. [EVALUATION AND REPORTING.] The commissioner  
19 shall evaluate the effectiveness of the data gathering system  
20 for implementing developmental assessments at kindergarten  
21 entrance on a school-by-school basis. The commissioner shall  
22 also report to the committees of the senate and house of  
23 representatives having jurisdiction over early childhood  
24 education issues on the progress toward reaching the milestones  
25 in odd years beginning with fiscal year 2007.

26 Sec. 19. [ADDITIONAL EARLY CHILDHOOD FAMILY EDUCATION AID;  
27 FISCAL YEAR 2006.]

28 A district that complies with Minnesota Statutes, section  
29 124D.13, shall receive additional early childhood family  
30 education aid for fiscal year 2006 equal to \$16 times the  
31 greater of 150 or the number of children under five years of age  
32 residing in the school district on October 1 of the previous  
33 school year.

34 The additional early childhood family education aid must be  
35 used for early childhood family education programs.

36 Sec. 20. [REPEALER.]



1 (a) Minnesota Statutes 2004, sections 124D.15, subdivisions  
2 2, 4, 6, 7, 8, 9, 11, and 13; and 124D.16, subdivision 4, are  
3 repealed.

4 (b) Minnesota Statutes 2004, section 124D.16, subdivision  
5 1, is repealed effective July 1, 2006.

6 ARTICLE 3

7 CHILD CARE

8 Section 1. Minnesota Statutes 2004, section 119B.09,  
9 subdivision 1, is amended to read:

10 Subdivision 1. [GENERAL ELIGIBILITY REQUIREMENTS FOR ALL  
11 APPLICANTS FOR CHILD CARE ASSISTANCE.] (a) Child care services  
12 must be available to families who need child care to find or  
13 keep employment or to obtain the training or education necessary  
14 to find employment and who:

15 (1) meet the requirements of section 119B.05; receive MFIP  
16 assistance; and are participating in employment and training  
17 services under chapter 256J or 256K;

18 (2) have household income below the eligibility levels for  
19 MFIP; or

20 (3) have household income less than or equal to 175 200  
21 percent of the federal poverty guidelines, adjusted for family  
22 size, at program entry and less than 250 percent of the federal  
23 poverty guidelines, adjusted for family size, at program exit.

24 (b) Child care services must be made available as in-kind  
25 services.

26 (c) All applicants for child care assistance and families  
27 currently receiving child care assistance must be assisted and  
28 required to cooperate in establishment of paternity and  
29 enforcement of child support obligations for all children in the  
30 family as a condition of program eligibility. For purposes of  
31 this section, a family is considered to meet the requirement for  
32 cooperation when the family complies with the requirements of  
33 section 256.741.

34 [EFFECTIVE DATE.] This section is effective July 1, 2005.

35 Sec. 2. Minnesota Statutes 2004, section 119B.13, is  
36 amended by adding a subdivision to read:

1        Subd. 7. [PROVIDER RATE BONUS FOR MONTESSORI  
 2 ACCREDITATION.] A Montessori child care provider accredited by  
 3 the American Montessori Society, the Association Montessori  
 4 International-USA, or the National Center for Montessori  
 5 Education shall be paid a ten percent bonus above the maximum  
 6 child care assistance rate.

7        Sec. 3. [PARENT FEE SCHEDULE.]  
 8        Notwithstanding Minnesota Rules, part 3400.0100, subpart 4,  
 9 the parent fee schedule is as follows:

<u>Income Range (as a percent of the federal poverty guidelines)</u>	<u>Co-payment (as a percentage of adjusted gross income)</u>
13 <u>0-74.99%</u>	<u>\$0/month</u>
14 <u>75.00-99.99%</u>	<u>\$5/month</u>
15 <u>100.00-104.99%</u>	<u>3.23%</u>
16 <u>105.00-109.99%</u>	<u>3.23%</u>
17 <u>110.00-114.99%</u>	<u>3.23%</u>
18 <u>115.00-119.99%</u>	<u>3.23%</u>
19 <u>120.00-124.99%</u>	<u>3.60%</u>
20 <u>125.00-129.99%</u>	<u>3.60%</u>
21 <u>130.00-134.99%</u>	<u>3.60%</u>
22 <u>135.00-139.99%</u>	<u>3.60%</u>
23 <u>140.00-144.99%</u>	<u>3.97%</u>
24 <u>145.00-149.99%</u>	<u>3.97%</u>
25 <u>150.00-154.99%</u>	<u>3.97%</u>
26 <u>155.00-159.99%</u>	<u>4.75%</u>
27 <u>160.00-164.99%</u>	<u>4.75%</u>
28 <u>165.00-169.99%</u>	<u>5.51%</u>
29 <u>170.00-174.99%</u>	<u>5.88%</u>
30 <u>175.00-179.99%</u>	<u>6.25%</u>
31 <u>180.00-184.99%</u>	<u>6.98%</u>
32 <u>185.00-189.99%</u>	<u>7.35%</u>
33 <u>190.00-194.99%</u>	<u>7.72%</u>
34 <u>195.00-199.99%</u>	<u>8.45%</u>
35 <u>200.00-204.99%</u>	<u>9.92%</u>
36 <u>205.00-209.99%</u>	<u>12.22%</u>
37 <u>210.00-214.99%</u>	<u>12.65%</u>

1	<u>215.00-219.99%</u>	<u>13.09%</u>
2	<u>220.00-224.99%</u>	<u>13.52%</u>
3	<u>225.00-229.99%</u>	<u>14.35%</u>
4	<u>230.00-234.99%</u>	<u>15.71%</u>
5	<u>235.00-239.99%</u>	<u>16.28%</u>
6	<u>240.00-244.99%</u>	<u>17.37%</u>
7	<u>245.00-249.99%</u>	<u>18.00%</u>
8	<u>250%</u>	<u>ineligible</u>

9 A family's monthly co-payment fee is the fixed percentage  
10 established for the income range multiplied by the highest  
11 possible income within that income range.

12 Sec. 4. [REPORT ON MEETING GOALS OF THE CHILD CARE  
13 ASSISTANCE PROGRAM.]

14 The commissioner of human services shall monitor the  
15 progress related to meeting the goals of the child care  
16 assistance program, which is to provide child care assistance to  
17 low-income working families to allow parents to work and to  
18 access child care in the private market, and to ensure that  
19 children from low-income families are well cared for and ready  
20 to learn when they arrive at school. The commissioner of human  
21 services shall report the findings to the legislative committees  
22 overseeing child care issues on an annual basis beginning  
23 January 15, 2006.

24 Sec. 5. [VOLUNTARY QUALITY RATING SYSTEM FOR CHILD CARE.]

25 (a) The commissioner of human services, in partnership with  
26 the Ready 4 K Quality Rating System Task Force, shall develop a  
27 plan by January 15, 2006, for a voluntary quality rating system  
28 for child care that provides consumer information to parents,  
29 identifies quality child care settings, and raises the quality  
30 of care in child care settings. The plan shall include the  
31 process for choosing an early care and education nonprofit  
32 organization to administer the quality rating system.

33 (b) The quality rating system must:

34 (1) be aligned with the early learning guidelines developed  
35 by the commissioners of education and human services;

36 (2) be research-based;

- 1       (3) provide easy-to-understand information for parents;  
2       (4) be objective and verifiable;  
3       (5) be fair and representative of the care provided by  
4 child care programs;  
5       (6) be aligned with the Head Start performance standards  
6 and the Minnesota Department of Education's standards for school  
7 readiness programs in the public schools; and  
8       (7) include at a minimum:  
9       (i) quality learning environment indicators;  
10       (ii) staff qualification indicators;  
11       (iii) family involvement and parent education indicators;  
12 and  
13       (iv) program evaluation.

14       Sec. 6. [STUDY ON STANDARD STATEWIDE CHILD CARE LICENSE  
15 FEE.]

16       The commissioner of human services, in conjunction with the  
17 Minnesota Association of County Social Services Administrators  
18 and the Minnesota Licensed Family Child Care Association, shall  
19 study the feasibility of setting a standard statewide license  
20 fee for licensed family child care providers, and shall make  
21 recommendations for a statewide standard fee in a report to the  
22 chairs of the senate and house of representatives committees  
23 that have jurisdiction over child care issues. The report is  
24 due January 15, 2006.

#### ARTICLE 4

##### ADULT BASIC EDUCATION

27       Section 1. [124D.205] [SUPPLEMENTAL COMMUNITY EDUCATION  
28 REVENUE.]

29       Subdivision 1. [ELIGIBILITY.] A district that receives  
30 community education aid under section 124D.20 is eligible to  
31 receive supplemental community education aid.

32       Subd. 2. [AMOUNT OF AID.] The amount of supplemental  
33 community education aid a district receives is equal to  
34 \$1,000,000 multiplied by the ratio of the community education  
35 aid the district is set to receive under section 124D.20 in each  
36 year, divided by the total amount of aid to be distributed to

1 all districts under section 124D.20 in that year.

2 Subd. 3. [USE OF AID.] Supplemental aid distributed under  
3 this section must be used for purposes identified in section  
4 124D.20, subdivision 8.

5 Sec. 2. Minnesota Statutes 2004, section 124D.531,  
6 subdivision 1, is amended to read:

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

8 (a) The state total adult basic education aid for fiscal year  
9 2004 equals \$34,388,000. The state total adult basic education  
10 aid for fiscal year 2005 ~~and later is~~ equals \$36,509,000. The  
11 state total adult basic aid for fiscal year 2006 equals  
12 \$37,604,000. The state total adult basic education aid for  
13 later fiscal years equals:

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

16 (2) the lesser of:

17 (i) 1.03; or

18 (ii) the ratio of the state total contact hours in the  
19 first prior program year to the state total contact hours in the  
20 second prior program year. The ratio cannot be less than 1.00.

21 Beginning in fiscal year 2002, two percent of the state total  
22 adult basic education aid must be set aside for adult basic  
23 education supplemental service grants under section 124D.522.

24 (b) The state total adult basic education aid, excluding  
25 basic population aid, equals the difference between the amount  
26 computed in paragraph (a), and the state total basic population  
27 aid under subdivision 2.

28 Sec. 3. Minnesota Statutes 2004, section 124D.531,  
29 subdivision 4, is amended to read:

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

35 (b) For fiscal year 2004, the aid for a program under  
36 subdivision 3, clause (2), adjusted for changes in program

1 membership, must not exceed the aid for that program under  
2 subdivision 3, clause (2), for fiscal year 2003 by more than the  
3 greater of eight percent or \$10,000.

4 (c) For fiscal year 2005, the aid for a program under  
5 subdivision 3, clause (2), adjusted for changes in program  
6 membership, must not exceed the sum of the aid for that program  
7 under subdivision 3, clause (2), and Laws 2003, First Special  
8 Session chapter 9, article 9, section 8, paragraph (a), for the  
9 preceding fiscal year by more than the greater of eight percent  
10 or \$10,000.

11 (d) For fiscal year 2006 and later, the aid for a program  
12 under subdivision 3, clause (2), adjusted for changes in program  
13 membership, must not exceed the aid for that program under  
14 subdivision 3, clause (2), for the first preceding fiscal year  
15 by more than the greater of eight percent or \$10,000.

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

18 (f) Any adult basic education aid that is not paid to a  
19 program because of the program aid limitation under paragraph  
20 (a) must be added to the state total adult basic education aid  
21 for the next fiscal year under subdivision 1. Any adult basic  
22 education aid that is not paid to a program because of the  
23 program aid limitations under paragraph (b), (c), or (d) must be  
24 reallocated among programs by adjusting the rate per contact  
25 hour under subdivision 3, clause (2).

26 [EFFECTIVE DATE.] This section is effective the day  
27 following final enactment and applies for revenue distributions  
28 for fiscal years 2006 and later.

29 Sec. 4. [124D.532] [ADULT LITERACY GRANTS FOR RECENT  
30 IMMIGRANTS TO MINNESOTA.]

31 Subdivision 1. [ESTABLISHMENT.] An adult literacy grant  
32 program for recent immigrants to Minnesota is established in  
33 order to meet the English language needs of the unanticipated  
34 refugees and immigrants to the State of Minnesota.

35 Subd. 2. [GRANTS.] The commissioner of education shall  
36 consult adult basic education service providers in establishing

1 the form and manner of the grant program. The commissioner  
2 shall award grants to organizations providing adult literacy  
3 services in order to help offset the additional costs due to  
4 unanticipated high enrollments of recent refugees and immigrants.

5 ARTICLE 5

6 PREVENTION POLICY

7 Section 1. Minnesota Statutes 2004, section 119A.46,  
8 subdivision 1, is amended to read:

9 Subdivision 1. [DEFINITIONS.] (a) The definitions in  
10 section 144.9501 and in this subdivision apply to this section.

11 (b) "Eligible organization" means a lead contractor, city,  
12 board of health, community health department, community action  
13 agency as defined in section 119A.374, or community development  
14 corporation.

15 (c) "Commissioner" means the commissioner of ~~education~~  
16 health, or the commissioner of the Minnesota Housing Finance  
17 Agency as authorized by section 462A.05, subdivision 15c.

18 Sec. 2. Minnesota Statutes 2004, section 119A.46,  
19 subdivision 2, is amended to read:

20 Subd. 2. [GRANTS; ADMINISTRATION.] Within the limits of  
21 the available appropriation, the commissioner must develop a  
22 swab team services program which may make demonstration and  
23 training grants to eligible organizations to train workers to  
24 provide swab team services and swab team services for  
25 residential property. Grants may be awarded to nonprofit  
26 organizations to provide technical assistance and training to  
27 ensure quality and consistency within the statewide program.  
28 Grants must be awarded to help ensure full-time employment to  
29 workers providing swab team services and must be awarded for a  
30 two-year period.

31 Grants awarded under this section must be made in  
32 consultation with the ~~commissioners-of-the-Department-of-Health~~  
33 and commissioner of the Housing Finance Agency, and  
34 representatives of neighborhood groups from areas at high risk  
35 for toxic lead exposure, a labor organization, the lead  
36 coalition, community action agencies, and the legal aid

1 society. The consulting team must review grant applications and  
2 recommend awards to eligible organizations that meet  
3 requirements for receiving a grant under this section.

4 Sec. 3. Minnesota Statutes 2004, section 119A.46,  
5 subdivision 3, is amended to read:

6 Subd. 3. [APPLICANTS.] (a) Interested eligible  
7 organizations may apply to the commissioner for grants under  
8 this section. Two or more eligible organizations may jointly  
9 apply for a grant. Priority shall be given to community action  
10 agencies in greater Minnesota and to either community action  
11 agencies or neighborhood based nonprofit organizations in cities  
12 of the first class. Of the total annual appropriation, 12.5  
13 percent may be used for administrative purposes. The  
14 commissioner may deviate from this percentage if a grantee can  
15 justify the need for a larger administrative allowance. Of this  
16 amount, up to five percent may be used by the commissioner for  
17 state administrative purposes. Applications must provide  
18 information requested by the commissioner, including at least  
19 the information required to assess the factors listed in  
20 paragraph (d).

21 (b) ~~The commissioner must coordinate with the commissioner~~  
22 ~~of health who must~~ consult with boards of health to provide swab  
23 team services for purposes of secondary prevention. The  
24 priority for swab teams created by grants to eligible  
25 organizations under this section must be work assigned by the  
26 commissioner of health, or by a board of health if so designated  
27 by the commissioner of health, to provide secondary prevention  
28 swab team services to fulfill the requirements of section  
29 144.9504, subdivision 6, in response to a lead order. Swab  
30 teams assigned work under this section by the commissioner, that  
31 are not engaged daily in fulfilling the requirements of section  
32 144.9504, subdivision 6, must deliver swab team services in  
33 response to elevated blood lead levels as defined in section  
34 144.9501, subdivision 9, where lead orders were not issued, and  
35 for purposes of primary prevention in census tracts known to be  
36 in areas at high risk for toxic lead exposure as described in



1 section 144.9503, subdivision 2.

2 (c) Any additional money must be used for grants to  
3 establish swab teams for primary prevention under section  
4 144.9503, in census tracts in areas at high risk for toxic lead  
5 exposure as determined under section 144.9503, subdivision 2.

6 (d) In evaluating grant applications, the commissioner must  
7 consider the following criteria:

8 (1) the use of lead contractors and lead workers for  
9 residential swab team services;

10 (2) the participation of neighborhood groups and  
11 individuals, as swab team workers, in areas at high risk for  
12 toxic lead exposure;

13 (3) plans for the provision of swab team services for  
14 primary and secondary prevention as required under subdivision  
15 4;

16 (4) plans for supervision, training, career development,  
17 and postprogram placement of swab team members;

18 (5) plans for resident and property owner education on lead  
19 safety;

20 (6) plans for distributing cleaning supplies to area  
21 residents and educating residents and property owners on  
22 cleaning techniques;

23 (7) sources of other funding and cost estimates for  
24 training, lead inspections, swab team services, equipment,  
25 monitoring, testing, and administration;

26 (8) measures of program effectiveness;

27 (9) coordination of program activities with other federal,  
28 state, and local public health, job training, apprenticeship,  
29 and housing renovation programs including programs under  
30 sections 116L.86 to 116L.881; and

31 (10) prior experience in providing swab team services.

32 Sec. 4. Minnesota Statutes 2004, section 119A.46,  
33 subdivision 8, is amended to read:

34 Subd. 8. [TESTING AND EVALUATION.] (a) Testing of the  
environment is not necessary by swab teams whose work is  
36 assigned by the commissioner of health or a designated board of

1 health under section 144.9504. The commissioner of health or  
2 designated board of health must share the analytical testing  
3 data collected on each residence for purposes of secondary  
4 prevention under section 144.9504 with the swab team workers in  
5 order to provide constructive feedback on their work and to the  
6 commissioner for the purposes set forth in paragraph (c).

7 (b) For purposes of primary prevention evaluation, the  
8 following samples must be collected: pretesting and posttesting  
9 of one noncarpeted floor dust lead sample and a notation of the  
10 extent and location of bare soil and of deteriorated lead-based  
11 paint. The analytical testing data collected on each residence  
12 for purposes of primary prevention under section 144.9503 must  
13 be shared with the swab team workers in order to provide  
14 constructive feedback on their work and to the commissioner for  
15 the purposes set forth in paragraph (c).

16 (c) The commissioner of health must establish a program in  
17 ~~cooperation with the commissioner~~ to collect appropriate data as  
18 required under paragraphs (a) and (b), in order to conduct an  
19 ongoing evaluation of swab team services for primary and  
20 secondary prevention. Within the limits of available  
21 appropriations, the commissioner of health must conduct ~~or~~  
22 ~~contract with the commissioner,~~ on up to 1,000 residences which  
23 have received primary or secondary prevention swab team  
24 services, a postremediation evaluation, on at least a quarterly  
25 basis for a period of at least two years for each residence.  
26 The evaluation must note the condition of the paint within the  
27 residence, the extent of bare soil on the grounds, and collect  
28 and analyze one noncarpeted floor dust lead sample. The data  
29 collected must be evaluated to determine the efficacy of  
30 providing swab team services as a method of reducing lead  
31 exposure in young children. In evaluating this data, the  
32 commissioner of health must consider city size, community  
33 location, historic traffic flow, soil lead level of the property  
34 by area or census tract, distance to industrial point sources  
35 that emit lead, season of the year, age of the housing, age and  
36 number of children living at the residence, the presence of pets

1 that move in and out of the residence, and other relevant  
2 factors as the commissioner of health may determine.

3 Sec. 5. [REVISOR'S INSTRUCTION.]

4 In the next edition of Minnesota Statutes, the revisor of  
5 statutes shall renumber Minnesota Statutes, section 119A.46, as  
6 section 144.9512.

1 Senator ..... moves to amend S.F. No. .... (E-Child-Ed) as  
2 follows:

3 Page <sup>4</sup>., line <sup>13</sup>., delete "\$500,000" and insert "\$450,000"

4 Page <sup>4</sup>., after line <sup>16</sup>., insert:

5 "Subd. ... [APPROPRIATION.] \$50,000 in fiscal year 2006 is  
6 appropriated from the general fund to the commissioner of  
7 education for grants to promote kindergarten readiness and  
8 support families under section ... This appropriation is  
9 available until June 30, 2007."

10 Page <sup>16</sup>., after line <sup>35</sup>., insert:

11 "Sec. <sup>20</sup>.. [GRANTS TO PROMOTE KINDERGARTEN READINESS AND  
12 SUPPORT FAMILIES.]

13 Subdivision 1. [ADMINISTRATION.] The commissioner of  
14 education shall award planning grants up to \$50,000 to develop  
15 projects that will promote the school readiness of children by  
16 coordinating and improving access to community-based and  
17 neighborhood-based services that help stabilize at-risk  
18 families, and that support and assist parents in meeting the  
19 health and developmental needs of their children at the earliest  
20 possible age.

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

23 (1) collaborate and coordinate delivery of services with  
24 community organizations and agencies serving children and their  
25 families;

26 (2) target services to families with children with services  
27 increasing based on financial needs;

28 (3) build on existing services and coordinate a continuum  
29 of essential services, including but not limited to, health  
30 services, family economic assistance, parent education and  
31 support, and preschool programs;

32 (4) provide strategic outreach efforts to families using  
33 culturally specific social support, information, outreach, and  
34 other programs to promote healthy development of children and to  
35 help parents obtain the information, resources, and parenting  
36 skills needed to nurture and care for their children;

1       (5) offer programs to expand public and private  
2 collaboration to promote the development of a coordinated and  
3 culturally specific system of services available to all  
4 families; and

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

8       Subd. 3. [ELIGIBLE GRANTEEES.] An application for a grant  
9 may be submitted by a nonprofit organization, or consortium of  
10 nonprofit organizations, that demonstrates collaborative effort  
11 with at least one unit of local government.

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

19       Subd. 5. [APPLICATIONS.] The application must be submitted  
20 on forms provided by the commissioner. The grant application  
21 must include:

22       (1) a description of the specific community that will be  
23 served under the program and the name, address, and a  
24 description of each community agency or agencies involved in the  
25 planning process;

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

29       (3) a description of how public and private resources,  
30 including schools, health care facilities, government agencies,  
31 neighborhood organizations, and other resources, will be  
32 coordinated in the planning process.

33       Subd. 6. [MATCH.] Each dollar of state money must be  
34 matched with 50 cents of nonstate money. Programs may match  
35 state money with in-kind contributions, including volunteer  
36 assistance.

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

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

1 Senator ..... moves to amend S.F. No. .... (E-Child-Ed) as  
2 follows:

3 Page .., after line .., insert:

4 "Sec. ... Minnesota Statutes 2004, section 121A.17,  
5 subdivision 5, is amended to read:

6 Subd. 5. [DEVELOPMENTAL SCREENING PROGRAM INFORMATION.]

7 The board must inform each resident family with a child eligible  
8 to participate in the developmental screening program about the  
9 availability of the program and the state's requirement that a  
10 child receive developmental screening, or present health records  
11 documenting that the child has received comparable developmental  
12 screening performed within the preceding 365 days by a public or  
13 private health care organization or individual health care  
14 provider, not later than 30 days after the first day of  
15 attending kindergarten in a public school. A school district  
16 must inform each resident family that the <sup>family</sup> ~~school district~~ has  
17 the option to participate in the screening conducted by the  
18 school district or receive screening conducted by a public or  
19 private health organization or individual health care provider."

**EARLY CHILDHOOD EDUCATION FINANCE DIVISION**  
**APPROPRIATIONS AND LEVY TRACKING; 2005 SESSION**

Program	February Forecast FY 2006	February Forecast FY 2007	February Forecast FY 2006-07	Gov's Rec FY 2006	Gov's Rec FY 2007	Gov's Rec FY06-07	Dif. Gov-Feb FY06-07	Dif. Gov-Base FY06-07	Dif. Gov 06-07- FY02-03	Senate FY 2006	Senate FY 2007	Senate FY06-07	Dif. Sen-Feb FY06-07	Dif. Sen-Gov FY06-07	Senate FY 2008	Senate FY 2009	Senate FY08-09	Dif. Sen-Feb FY08-09	Dif. Sen-Gov FY06-07	
<b>GENERAL FUND</b>																				
<b>FAMILY &amp; EARLY CHILDHOOD EDUCATION</b>																				
<b>CHILDREN &amp; FAMILY SUPPORT SERVICES</b>																				
School Readiness	9,020	9,042	18,062	8,851	8,842	17,693	(369)	(369)	(1,578)	10,704	11,042	21,746	3,684	4,053	11,087	11,095	22,182	4,000	4,400	
Early Childhood Family Education Aid	11,958	12,292	24,250	11,958	12,292	24,250	0	0	(14,391)	16,765	17,969	34,734	10,484	10,484	18,512	18,929	37,441	11,741	11,741	
Health & Developmental Screening Aid	2,661	2,661	5,322	3,076	3,512	6,588	1,266	1,266	1,783	3,076	3,512	6,588	1,266	0	3,340	3,354	6,694	1,372	0	
Head Start Program	17,100	17,100	34,200	17,100	17,100	34,200	0	0	(1,990)	21,000	21,000	42,000	7,800	7,800	21,000	21,000	42,000	7,800	7,800	
<i>MN Early Learning Foundation (MELF)</i>										2,500	0	2,500	2,500		0	0				
<b>Subtotal: Children &amp; Family Support</b>	<b>40,739</b>	<b>41,095</b>	<b>81,834</b>	<b>40,985</b>	<b>41,746</b>	<b>82,731</b>	<b>897</b>	<b>897</b>	<b>(16,889)</b>	<b>54,045</b>	<b>53,523</b>	<b>107,568</b>	<b>25,734</b>	<b>22,337</b>	<b>53,939</b>	<b>54,378</b>	<b>108,317</b>	<b>24,913</b>	<b>23,941</b>	
<b>PREVENTION</b>																				
Community Education	1,918	1,189	3,107	1,918	1,189	3,107	0	0	(17,163)	2,761	2,189	4,950	1,843	1,843	1,894	1,909	3,803	1,600	1,600	
Adults with Disabilities Program Aid	710	710	1,420	710	710	1,420	0	0	133	710	710	1,420	0	0	710	710	1,420	0	0	
Hearing Impaired Adults	70	70	140	70	70	140	0	0	4	70	70	140	0	0	70	70	140	0	0	
School Age Care Aid	17	7	24	17	7	24	0	0	(294)	17	7	24	0	0	0	0	0	0	0	
<b>Subtotal: Prevention</b>	<b>2,715</b>	<b>1,976</b>	<b>4,691</b>	<b>2,715</b>	<b>1,976</b>	<b>4,691</b>	<b>0</b>	<b>0</b>	<b>(25,511)</b>	<b>3,558</b>	<b>2,976</b>	<b>6,534</b>	<b>1,843</b>	<b>1,843</b>	<b>2,674</b>	<b>2,689</b>	<b>5,363</b>	<b>1,600</b>	<b>1,600</b>	
<b>SELF-SUFFICIENCY &amp; LIFELONG LEARNING</b>																				
Adult Basic Education Aid	36,388	36,418	72,806	36,518	36,540	73,058	252	252	10,994	37,539	38,678	76,217	3,411	3,159	39,804	40,972	80,776	7,877	7,717	
GED Tests	125	125	250	125	125	250	0	0	72	125	125	250	0	0	125	125	250	0	0	
Lead Abatement	100	100	200	100	100	200	0	0	0	100	100	200	0	0	100	100	200	0	0	
Intensive English for Refugees	0	0	0	1,000	1,000	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	2,000	2,000	4,000	4,000	4,000	4,000	
<b>Subtotal: Self-Sufficiency &amp; Lifelong Learning</b>	<b>36,613</b>	<b>36,643</b>	<b>73,256</b>	<b>37,743</b>	<b>37,765</b>	<b>75,508</b>	<b>2,252</b>	<b>2,252</b>	<b>8,650</b>	<b>39,764</b>	<b>40,903</b>	<b>80,667</b>	<b>7,411</b>	<b>5,159</b>	<b>42,029</b>	<b>43,197</b>	<b>85,226</b>	<b>11,877</b>	<b>11,717</b>	
Agency Appropriation Department of Education										500	500	1,000	1,000	1,000	500	500	1,000	1,000	1,000	
<b>TOTAL: FAMILY &amp; EARLY CHILDHOOD</b>	<b>80,067</b>	<b>79,714</b>	<b>159,781</b>	<b>81,443</b>	<b>81,487</b>	<b>162,930</b>	<b>3,149</b>	<b>3,149</b>	<b>(33,750)</b>	<b>97,367</b>	<b>97,402</b>	<b>195,769</b>	<b>34,988</b>	<b>29,339</b>	<b>98,642</b>	<b>100,264</b>	<b>199,906</b>	<b>38,390</b>	<b>37,258</b>	
<b>BSF CHILD CARE ASSISTANCE GRANTS*</b>																				
<b>General Fund</b>	<b>30,262</b>	<b>30,262</b>	<b>60,524</b>	<b>22,161</b>	<b>26,188</b>	<b>48,349</b>	<b>(12,175)</b>	<b>(12,175)</b>	<b>(52,149)</b>	<b>30,262</b>	<b>30,262</b>	<b>60,524</b>	<b>0</b>	<b>12,175</b>	<b>37,085</b>	<b>37,085</b>	<b>74,170</b>	<b>13,646</b>	<b>16,293</b>	
Change Items:																				
GF REV: Accounting Solutions				(2,800)	(2,800)	(5,600)	(5,600)	(5,600)	(5,600)	(2,800)	(2,800)	(5,600)	(5,600)	0	(2,800)	(2,800)	(5,600)	(5,600)	0	
GF BSF Appropriation Change				2,800	2,800	5,600	5,600	5,600	5,600	2,800	2,800	5,600	5,600	0	2,800	2,800	5,600	5,600	0	
Federal CCDF						0	0	0	0	4,655	8,577	13,232	13,232	13,232	2,534	2,533	5,067	5,067	5,067	



**EARLY CHILDHOOD EDUCATION FINANCE DIVISION**  
**APPROPRIATIONS AND LEVY TRACKING; 2005 SESSION**

Matt Massman  
 Senate Counsel, Research, and Fiscal Analysis

<b>GENERAL FUND TOTAL</b>																				
	110,329	109,976	220,305	103,604	107,675	211,279	(9,026)	(9,026)	(85,899)	127,629	127,664	256,293	34,988	41,514	135,727	137,349	274,076	52,036	53,551	
<b>EARLY CHILDHOOD/COMMUNITY EDUCA</b>	<b>Feb. Fcst. FY 2006</b>	<b>Feb. Fcst. FY 2007</b>	<b>Feb. Fcst. FY06-07</b>	<b>FY 2006 Pay 2005 Cert.Est.</b>	<b>Gov's Rec FY 2007</b>	<b>Gov's Rec FY06-07</b>	<b>Dif. Gov-Feb FY06-07</b>	<b>Dif. Gov-Nov FY06-07</b>	<b>Dif. Gov 06-07 FY02-03</b>	<b>FY 2006 Pay 2005 Cert.Est.</b>	<b>Senate FY 2007</b>	<b>Senate FY06-07</b>	<b>Dif. Sen-Feb FY06-07</b>	<b>Dif. Sen-Gov FY06-07</b>	<b>Senate FY 2008</b>	<b>Senate FY 2009</b>	<b>Senate FY08-09</b>	<b>Dif. Sen-Feb FY08-09</b>	<b>Dif. Sen-Gov FY06-07</b>	
<b>Program</b>																				
Basic Community Education	35,001	36,216		35,020	36,182	71,202	71,202	(15)	4,937	35,020	36,182	71,202	(34)	0	36,593	37,008				
Early Childhood Family Education	22,130	22,135		22,130	22,135	44,265	44,265	0	51	22,130	22,135	44,265	0	0	22,135	22,135				
ECFE Home Visiting	539	547		540	552	1,092	1,092	6	23	540	552	1,092	5	0	557	563				
Community Education Grandfather	0	0		0	0	0	0	0	(528)	0	0	0	0	0	0	0				
School Age/Extended Day	8,893	11,312		8,893	11,038	19,931	19,931	(274)	4,392	8,893	11,038	19,931	(274)	0	12,094	13,248				
Adults with Disabilities	670	670		670	670	1,340	1,340	0	1	670	670	1,340	0	0	670	670				
Other Community Education	52	54		52	54	106	106	0	30	52	54	106	0	0	57	60				
Limit Adjustment	1,024	682		1,025	611	1,635	1,635	(71)	189	1,025	611	1,635	(71)	0	1,035	1,156				
Community Education Excess Fund Balance	(879)	(675)		(879)	(358)	(1,238)	(1,238)	317	(358)	(879)	(358)	(1,238)	317	0	(204)	0				
EDFE Excess Fund Balance	(361)	(272)		(361)	(183)	(544)	(544)	89	(183)	(361)	(183)	(544)	89	0	(117)	(38)				
Abatement Adjustment	94	166		94	241	335	335	75	208	94	143	237	(23)	(98)	148	144				
Carry-over Abatement Adjustment	0	0		0	0	0	0	0	(27)	0	0	0	0	0	0	0				
Advance Abatement Adjustment	(1)	(1)		(1)	(1)	(2)	(2)	0	15	(1)	(1)	(2)	0	0	(1)	(1)				
Net Offset Adjustment	(95)	0		(107)	0	(107)	(107)	(12)	272	(107)	0	(107)	0	0	0	0				
<b>TOTAL, COMMUNITY SERVICE FUND</b>	<b>67,067</b>	<b>70,834</b>	<b>0</b>	<b>67,076</b>	<b>70,941</b>	<b>138,017</b>	<b>138,017</b>	<b>116</b>	<b>9,020</b>	<b>67,076</b>	<b>70,843</b>	<b>137,919</b>	<b>8</b>	<b>-98</b>	<b>72,968</b>	<b>74,945</b>	<b>0</b>	<b>0</b>	<b>0</b>	

*This document provides information on how budget proposals for the FY 2006-07 biennium would impact low- and moderate-income working Minnesotans. It includes the Governor's proposed budget as updated in March 2005, and the Senate Proposal as passed on the floor in late March (SF255, SF1209, SF1683, SF1879). It will be continually updated to include additional information and reflect future budget proposals from the Minnesota House of Representatives.<sup>1</sup>*

**The Situation:** Minnesota's families working their way from poverty to self-sufficiency rely on a variety of supports to succeed in that transition. Some of the key elements to success include child care for their children while parents are at work or searching for a job, affordable health care that their employers may not provide, educational opportunities to advance their careers, and housing assistance to maintain a stable residency in an expensive housing market. Some low-income families also temporarily receive financial supplements in the form of cash and food support through the Minnesota Family Investment Program (MFIP), and others help make ends meet through tax benefits including the Minnesota Working Family Tax Credit or Renters' Credit.

Clearly, Minnesotans must piece together a complex puzzle of work supports in order to keep their families working, housed, healthy, fed, and making progress on the path to economic self-sufficiency. Unfortunately, many of these vital economic supports have been significantly eroded in recent legislative sessions, leaving families to choose which of these basic needs they will meet with their limited resources, and which will just have to wait.

The slow economic recovery from the 2001 recession has not made it any easier for families. If job growth since the end of the recession had just kept up with growth in the working-age population, Minnesota would have approximately 81,300 more jobs than we actually have now. Instead, as of December, Minnesota's unemployment rate was still slightly higher than the unemployment rate at end of the recession over three years ago.

**Understanding the Impact of FY 2004-05 Budget Decisions:** In order to really understand the impact of changes being proposed for the FY 2006-07 biennium, it is critical to recognize the dramatic reductions that were already made in the FY 2004-05 biennium to many of the programs serving this vulnerable population.<sup>2</sup>

For example, eligibility and funding for child care assistance was significantly reduced at the same time as affordable housing programs took a cut. The ability to access to educational opportunities became more challenging as tuition at the state's colleges and universities continued to increase, financial aid was cut, and funding for adult basic education and community education programs was reduced. In addition, many changes were made to the state's public health care programs, including restricting eligibility, reducing and capping benefits, instituting copayments, and increasing premiums. Low-income families making the transition from poverty to self-sufficiency with the help of the Minnesota Family Investment Program (MFIP) experienced increased restrictions and penalties. MFIP participants were also financially penalized if they live in

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<sup>1</sup> Also available in this series of reports: *The FY 2006-07 Budget: Impact on Children & Youth*, [www.mncn.org/doc/200607child.pdf](http://www.mncn.org/doc/200607child.pdf).

<sup>2</sup> The number and nature of all of the changes made in the 2003 Legislative Session are too extensive to cover here. However, additional analysis is available from the Minnesota Budget Project and the Minnesota Council of Nonprofits, including: *Impact of the Final FY 2004-05 Budget* ([www.mncn.org/doc/fy200405.pdf](http://www.mncn.org/doc/fy200405.pdf)), *Consequences: The Impact of Minnesota's Government Budget Cuts* ([www.mncn.org/bp/consequences.pdf](http://www.mncn.org/bp/consequences.pdf)), *"Do Nothing" Session Mixed Blessing for Health and Human Services* ([www.mncn.org/bp/2004hhs.pdf](http://www.mncn.org/bp/2004hhs.pdf)), *On the Edge: Communities Lose as Nonprofit Sector Struggles* ([www.mncn.org/doc/ontheedge.pdf](http://www.mncn.org/doc/ontheedge.pdf)), and *Nonprofit Workforce Hurt by Government Cuts, Slow Economic Recovery* ([www.mncn.org/doc/marchlayoffreport.pdf](http://www.mncn.org/doc/marchlayoffreport.pdf)).

subsidized housing or have a disabled family member receiving Supplemental Social Security Income (SSI).

The success of these families contributes to Minnesota's success. But as these families fail, Minnesota's future stumbles. For no one benefits when services that enable families to become healthy, productive participants in society are removed. The reality is that savings in one budget item only creates costs in other areas of the budget – sometimes the costs are immediate, sometimes the costs are in the future, and sometimes the costs are simply shifted away from state government onto others.

**Evaluating the Governor's FY 2006-07 Budget Proposal:** As the FY 2004-05 budget cuts demonstrate, the "No new taxes" pledge made by some elected officials has been very expensive for Minnesota's low-income families. That trend continues in the FY 2006-07 budget proposal, which does very little to alleviate the economic hardship low-income families are suffering as a result of the last round of budget cuts. Instead, the Governor's budget increases the burdens on working, but still struggling, Minnesotans.

Governor Pawlenty has expressed a commitment to ending homelessness in Minnesota. Success requires three elements: creating and maintaining housing stock, providing the assistance to operate the housing, and offering supportive services to keep people stable in their housing. The Governor's budget did include additional funding for some supportive services. However, in order to fund these services, he proposed significant cuts to housing programs that increase homeownership for underserved populations and preserve existing affordable housing.

In health care, Governor Pawlenty's budget creates additional burdens for low-income working families and individuals trying to achieve economic self-sufficiency. Adults without children and certain parents with children will be cut off of MinnesotaCare – a premium-based health care insurance program designed to support working families who don't have access to affordable health insurance through their employers. The Minnesota Department of Human Services (DHS) estimates that nearly 46,000 Minnesotans would lose their health care coverage through MinnesotaCare under the Governor's proposal, with only a portion of these people qualifying for alternative health care programs.

The Pawlenty budget also continues significant reductions in child care assistance. The decision to maintain the freeze in the maximum reimbursement rate to child care providers means that families will continue to lose access to affordable child care, or must make up the difference between the reimbursement rates and actual costs from their own pockets. DHS acknowledges that during the current biennium, a number of MFIP families stopped using child care assistance, even though there was no reduction in the work participation rate. DHS is not sure what other arrangements have been made for these children while their parents are at work, but is banking on the expectation that an additional 700 eligible families will stop using child care assistance in the next biennium.

At the same time as families are facing more challenges in meeting their needs for health care, child care, and housing, the costs for higher education are also increasing. Students attending both private and public colleges and universities have been experiencing rising tuition costs, while their student aid declined or was cut completely. As a result of changes at the federal level, thousands more students in Minnesota will lose eligibility for state grants in the next biennium, and many more are likely to see reductions in their aid.

Unfortunately, the Governor's proposal remains silent on many other budget reductions made in the 2003 Legislative Session that have had unintended negative consequences. Some of these "missing budget pages" might arguably include reversing the reductions in MFIP families' cash grants, eliminating caps on some health care coverage, reducing or eliminating copays, and restoring funding that helps families facing a crisis situation.

**Evaluating the Senate FY 2006-07 Budget Proposal:** On March 23, the Minnesota Senate passed two bills (SF1879 and SF1683) to fix the state's \$466 million deficit for the FY 2006-07 biennium. This "phase one" proposal focuses on balancing the budget by adopting many of the Governor's proposed spending cuts and revenue increases, but leaves the discussion over any additional spending in areas like education for a "phase two." The Senate proposal is less harmful than the Governor's proposal for many of the programs supporting working families, avoiding cuts in areas like health care, child care, and housing. In addition, the Senate passed a separate bill (SF255) which eliminates the \$5,000 cap on benefits for adults without children on MinnesotaCare.

However, the Senate's plan does not include any restoration of cuts made in 2003 or make any new investments in areas like supportive housing. For instance, the Senate reduces base funding for the University of Minnesota without including the Governor's corresponding investment in targeted initiatives.

**Summary of the FY 2006-07 Budget Proposals:  
Impact on Working Families and Individuals (General Fund Only)**

	Change from Base (\$ are in thousands)		
	Governor FY2006-07	Senate FY2006-07	House FY 2006-07
<b>Health Care Programs – Total</b>			
MinnesotaCare/General Assistance Medical Care	*	\$0	
Repeal MinnesotaCare Limited Benefit Set	\$0	**	
<b>Child Care Programs – Total</b>	-\$68,189	\$0	
Child Care Assistance	-\$68,189	\$0	
<b>Housing Programs – Total</b>	-\$15,000	\$0	
Economic Development & Housing Challenge Fund	-\$13,000	\$0	
Affordable Rental Investment Fund – Preservation	-\$1,484	\$0	
Rehabilitation Loan Program	-\$2,636	\$0	
Homeowner Assistance Fund	-\$1,770	\$0	
Nonprofit Capacity Building Program	-\$110	\$0	
Housing Trust Fund	\$4,000	\$0	
<b>Higher Education – Total</b>	\$15,950	-\$33,606	
State Grant Program	\$0	\$0	
MnSCU Enrollment Adjustment	-\$130,800	\$0	
MnSCU Targeted Initiatives	\$107,500	\$0	
University of Minnesota Enrollment Adjustment	-\$73,750	-\$33,606	
University of Minnesota Targeted Initiatives	\$113,000	\$0	
<b>Other Programs – Total</b>	-\$20,800	\$0	
Supportive Housing Service Grants	\$10,000	\$0	
Displaced Homemaker Program	***	\$0	
Renters' Credit	-\$30,400	\$0	

Note: These budget changes are all described in further detail in the following pages.

\* The General Fund impact of this change is not listed because it interacts with another change item. However, the net result is a nearly \$80 million reduction in all state spending for health care programs for the FY 2006-07 biennium.

\*\* The Senate proposal costs approximately \$51 million for the FY 2006-07 biennium. However, because MinnesotaCare is funded out of the Health Care Access Fund (HCAF), this change would not have any General Fund cost.

\*\*\* Although the elimination of this program has no impact on the General Fund, it does result in \$1.5 million in savings in the Workforce Development Fund for FY 2006-07 which is transferred to the Dislocated Workers Program, as well as \$400,000 in special revenue savings.

**A brief guide to using this document:**

Each budget change item listed below includes a brief summary of the program, information about any changes made by the 2003 Legislature, a description of the Governor's proposal and Senate

proposal for that program, and the financial details of the proposed change. Because many programs refer to Federal Poverty Guidelines (FPG) in setting eligibility, a reference table is provided below. The information in this document comes from the Governor's 2006-07 Biennial Budget materials, House and Senate analysis documents, information presented at House and Senate Committee Hearings, and details provided by affected nonprofit organizations and advocates.

- **“Committee”** – refers to the House or Senate committee that has primary responsibility for the program.
- **“Fund”** – refers to whether the change impacts the General Fund (GF) or another fund, such as the Health Care Access Fund (HCAF), Workforce Development Fund (WDF), or Special Revenue (SR).
- **“Base”** – refers to the current law level of funding for the program (if no changes were made).
- **“Governor”/“House”/“Senate”/“Final”** – represent the amount of the proposed change from base – negative numbers indicate a reduction in the program, positive numbers indicate increased funding.

### 2005 Federal Poverty Guidelines (FPG)<sup>3</sup>

Family Size	75%	100%	175%	190%	250%	275%
1	\$7,178	\$9,570	\$16,748	\$18,183	\$23,925	\$26,318
2	\$9,623	\$12,830	\$22,453	\$24,377	\$32,075	\$35,283
3	\$12,068	\$16,090	\$28,158	\$30,571	\$40,225	\$44,248
4	\$14,513	\$19,350	\$33,863	\$36,765	\$48,375	\$53,213
5	\$16,958	\$22,610	\$39,568	\$42,959	\$56,525	\$62,178
6	\$19,403	\$25,870	\$45,273	\$49,153	\$64,675	\$71,143
7	\$21,848	\$29,130	\$50,978	\$55,347	\$72,825	\$80,108
8	\$24,293	\$32,390	\$56,683	\$61,541	\$80,975	\$89,073

<sup>3</sup> Developed in the mid-1960s, the poverty line assumes a poor family can live on an income three times the estimated cost of a basic food budget. The food budget the government used to calculate the initial poverty line was the cheapest plan provided by the Department of Agriculture, one “designed for temporary or emergency use when funds are low.” Over thirty years later, the Department of Health and Human Services still uses the same formula to calculate poverty guidelines, even though food now accounts for only about one-seventh, rather than one-third, of a typical household budget. Poverty guidelines are updated each year for inflation, yet they fail to account for the rising costs of housing and health care, as well as the increased use of child care. As an alternative to using the federal poverty line, the JOBS NOW Coalition prepares family budget figures based on a “no frills” standard of living in Minnesota. They find that the minimum basic family budget for a two parent family of four is nearly two and a half times the federal poverty line for that family size.

## Impact on Working Families and Individuals – Health Care

**MinnesotaCare/General Assistance Medical Care (Dept. of Human Services)**

**Program Summary:** MinnesotaCare (MnCare) is a premium-based subsidized health care program that covers pregnant women and parents/caretakers of children with gross income no greater than 275% of Federal Poverty Guidelines (FPG) and adults without children with gross income no greater than 175% FPG. The asset test is \$10,000 for a single individual and \$20,000 for a household of two or more (there is no asset test for pregnant women).

**General Assistance Medical Care (GAMC)** covers adults without children with gross income up to 75% FPG and assets under \$1,000. **GAMC-Hospital Only (GHO)** covers adults without children who are hospitalized with gross income between 75% and 175% FPG. GHO has an asset limit of \$10,000 for individuals and \$20,000 for couples.

**Governor's Budget:** The Governor proposes the following changes to MnCare and GAMC:

- **Reduces eligibility for adult parents and caretakers on MnCare from 275% FPG to 190% FPG.** Eligibility for pregnant women would be maintained at the current level. The Department of Human Services (DHS) estimates that 8,212 parents would have their health insurance cancelled in the FY 2006-07 biennium and that number would rise to 9,049 in the FY 2008-09 biennium.
- **Eliminates eligibility for adults without children on MnCare, regardless of income level.** DHS estimates that 37,698 adults without children would lose MnCare coverage in FY 2006-07. Some of these adults without children with incomes below 75% FPG would be eligible for GAMC – an estimated 14,118 in FY 2006-07. Adults without children above 75% FPG would be given the opportunity to “spend down” into poverty in order to qualify for GAMC (see next bullet). In the end, DHS estimates net enrollment changes of 18,576 adults without children losing health care coverage in FY 2006-07 as a result of this change.
- **Restores the spend-down in GAMC.** This would enable some adults without children over 75% FPG to reduce their income and become eligible for GAMC. In order to qualify, adults with incomes over 75% FPG would need to reduce their assets to no greater than \$1,000 and they must incur medical expenses equal to the difference between their income and 75% FPG (for a family of one, 75% FPG is a gross income of \$582 per month or less).
- **Eliminates GAMC-Hospital Only.** Adults without children will need to take advantage of the “spend-down” and decrease assets to no greater than \$1,000 and have an income of 75% FPG to qualify for full GAMC benefits.

*Note: The increase in General Fund spending in the table below reflects the fact that GAMC is funded through the General Fund, whereas MnCare is funded through the Health Care Access Fund (HCAF). Therefore, because the Governor's proposal shifts adults without children from MnCare to GAMC, the HCAF shows a savings and the General Fund shows increased expenses. However, the Governor's proposal also shifts the GAMC program into the HCAF.*

**Senate Proposal (SF1879):** The Senate does not include any of these changes in eligibility.

Committee	Proposal	Fund	Change from Base (\$ are in thousands)					
			FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base							
	Governor	GF	\$49,345	\$48,679	\$98,024	\$52,029	\$57,391	\$109,420
	Governor	HCAF	-\$84,360	-\$89,445	-\$173,805	-\$84,431	-\$90,972	-\$175,403
Health	House							
Health & HS	Senate	GF/HCAF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**MinnesotaCare Limited Benefit Set (Dept. of Human Services)**

**Program Summary:** MinnesotaCare (MnCare) is a premium-based subsidized health care program that covers pregnant women and parents/caretakers of children with gross income no greater than 275% of Federal Poverty Guidelines (FPG) and adults without children with gross income no greater than 175% FPG. The asset test is \$10,000 for a single individual and \$20,000 for a household of two or more (there is no asset test for pregnant women). **2003 Changes:** The 2003 Legislature capped outpatient benefits for adults without children on MnCare at \$5,000 per calendar year and eliminated services such as physical therapy, ophthalmological care, and psychological treatment.

**Governor's Budget:** The Governor's proposal would eliminate MnCare eligibility for adults without children, making this cap irrelevant. **Senate Proposal (SF255):** The Senate passed a bill that would repeal the \$5,000 cap on MnCare benefits for adults without children and expand the benefit set. Since MnCare is funded out of the Health Care Access Fund, this proposal has no impact on General Fund spending.

Committee	Proposal	Fund	Change from Base (\$ are in thousands)					
			FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	HCAF						
	Governor	HCAF	\$0	\$0	\$0	\$0	\$0	\$0
Health	House							
Health & HS	Senate	HCAF	\$13,874	\$37,238	\$51,112	\$61,643	\$72,228	\$133,871
	FINAL							

## Impact on Working Families and Individuals – Child Care

**MFIP/TY Child Care Assistance (Dept. of Human Services)**

**Program Summary:** This program helps pay the child care costs of low- and moderate-income families who are participating in the Minnesota Family Investment Program (MFIP) or Transitional Year (TY) assistance. The program charges a sliding fee scale based on family income for child care while parents are engaged in authorized work, education, and job search activities. **2003 Changes:** In 2003, the state made a number of changes to this program – including increasing parental copays and freezing provider rates at the FY 2003 level – which resulted in a 20% reduction in General Fund spending for MFIP/TY Child Care Assistance. During the current biennium, a number of MFIP families have stopped using child care assistance even though work participation rates have not dropped. The Department of Human Services (DHS) is not sure what other arrangements have been made for these children while their parents continue to work. DHS expects that an additional 700 eligible families will stop using child care assistance in the 2006-07 biennium. One likely cause for this decline in usage is that parents are unable to afford to pay both the standard copay and the “premium” – the difference between the state’s maximum reimbursement rate and the actual rate the child care provider is charging. **Governor’s Budget:** The Governor’s proposal would continue to freeze the provider rates at the FY 2003 level through FY 2007 and afterwards would contain costs in the program by increasing maximum provider rates by the Consumer Price Index starting from the FY 2003 reimbursement levels. Previously, maximum rates were based on a statewide survey of actual provider rates. The proposal would also adjust the child care center rates in some counties that were negatively impacted by the use of regional or statewide rates by using the greater of the current rate or the highest rate reported for that county in the 2002 rate survey. **Senate Proposal (SF1879):** The Senate would allow the freeze on provider rates to be lifted.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$81,635	\$91,365	\$173,000	\$98,610	\$103,234	\$201,844
	Governor	GF	-\$22,289	-\$30,318	-\$52,607	-\$31,348	-\$32,039	-\$63,387
Jobs & Eco Opp	House							
Health & HS	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Basic Sliding Fee Child Care Assistance (Dept. of Human Services)**

**Program Summary:** Basic Sliding Fee (BSF) helps pay the child care costs of low-income families who are not participating in the Minnesota Family Investment Program (MFIP). The program charges a sliding fee scale based on family income for families who are engaged in authorized work, education, and job search activities. Currently, families with incomes below 175% of the federal poverty guidelines (FPG) and children under age 13 (age 15 for children with disabilities) are eligible to enter the program and lose eligibility when their income exceeds 250% of FPG. **2003 Changes:** The 2003 Legislature reduced General Fund spending for BSF by 50% for the FY 2004-05 biennium. The savings was achieved through a number of changes, including increasing copays for families, reducing eligibility levels, and freezing provider rates. The maximum rates for child care providers for the FY 2004-05 biennium were frozen at the 2003 level. The 2003 rates were determined by a 2001 statewide survey of actual child care rates. When these rates were initially set, approximately 80% of child care centers and family child care providers were at or below the state’s maximum reimbursement rate. Due to the rate freeze, by 2004 only 57% of centers and 68% of family child care providers were still at or below the maximum rate. Families still can use these child care providers, but they must pay the difference between the state maximum rate and the provider’s actual rate, in addition to their copayment. **Governor’s Budget:** The Governor’s proposal would continue to freeze rates paid to providers at the FY 2003 level through FY 2007. Beginning in FY 2008, the Governor would contain costs in the program by increasing maximum provider rates by the Consumer Price Index starting from the FY 2003 reimbursement levels. Previously, maximum rates were based on a statewide survey of actual provider rates. The proposal would also adjust the child care center rates in some counties that were negatively impacted by the use of regional or statewide rates by using the greater of the current rate or the highest rate reported for that county in the 2002 rate survey. **Senate Proposal (SF1879):** The Senate would allow the freeze on provider rates to be lifted.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$30,262	\$30,262	\$60,524	\$30,262	\$30,262	\$60,524
	Governor	GF	-\$10,041	-\$5,591	-\$15,632	-\$3,361	-\$1,006	-\$4,367
Jobs & Eco Opp	House							
Early Childhood	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

## Impact on Working Families and Individuals – Housing

Funding Reduced	<b>Economic Development &amp; Housing Challenge Fund (Minnesota Housing Finance Agency)</b>							
	<p><b>Program Summary:</b> This program funds the construction and rehab of rental as well as homeownership opportunities for low- and moderate-income working Minnesotans. The annual median household income of people served by the Challenge Fund is \$28,974. At current funding levels, there are five requests for funding for every project that gets funded. <b>Governor's Budget:</b> The Governor proposes to consolidate the Challenge Fund with the Tribal Indian Housing and Urban Indian programs. He then reduces base funding in the 2006-07 biennium only for these consolidated programs by nearly 60%. In FY 2004, Challenge program funds were awarded to 50 separate housing projects. As a result of the proposed reduction, approximately half as many workforce housing projects would be assisted in the FY 2006-07 biennium. <b>Senate Proposal (SF1879):</b> The Senate would continue current law funding.</p>							
Change from Base (\$ are in thousands)								
<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>	<b>Biennium Total</b>
	Base	GF	\$10,907	\$10,907	\$21,814	\$10,907	\$10,907	\$21,814
	Governor	GF	-\$6,500	-\$6,500	-\$13,000	\$0	\$0	\$0
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

Funding Reduced	<b>Affordable Rental Investment Fund - Preservation (Minnesota Housing Finance Agency)</b>							
	<p><b>Program Summary:</b> The Affordable Rental Investment Fund – Preservation (PARIF) is critical in the movement to preserve existing affordable rental housing that is at risk of being lost as a resource to the state. The rental housing being preserved serves the very lowest income households and the elderly; the annual median household income of people served by the PARIF program is \$8,320. This program also leverages considerable federal funds, securing, on average, \$5 of future federal expenditures for every \$1 of PARIF funds. <b>Governor's Budget:</b> The Governor proposes to cut base funding for this program by 8%. This reduction could result the in loss of as many as 150 affordable units of federally assisted housing or supportive housing. <b>Senate Proposal (SF1879):</b> The Senate would continue current law funding.</p>							
Change from Base (\$ are in thousands)								
<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>	<b>Biennium Total</b>
	Base	GF	\$9,273	\$9,273	\$18,546	\$9,273	\$9,273	\$18,546
	Governor	GF	-\$742	-\$742	-\$1,484	-\$742	-\$742	-\$1,484
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

Funding Reduced	<b>Rehabilitation Loan Program (Minnesota Housing Finance Agency)</b>							
	<p><b>Program Summary:</b> This program provides deferred loans for low-income households to make needed repairs to their homes. The annual median household income of people served by this program is \$11,592. <b>2003 Changes:</b> Base funding for this program was reduced by 5.7% in the 2003 Legislative Session. <b>Governor's Budget:</b> The Governor proposes to reduce base funding for this program by 33%. The agency estimates this reduction would mean that 132 fewer households would be able to access these loans that keep people in their homes and assist with preserving existing housing stock. <b>Senate Proposal (SF1879):</b> The Senate would continue current law funding.</p>							
Change from Base (\$ are in thousands)								
<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>	<b>Biennium Total</b>
	Base	GF	\$3,972	\$3,972	\$7,944	\$3,972	\$3,972	\$7,944
	Governor	GF	-\$1,318	-\$1,318	-\$2,636	-\$1,318	-\$1,318	-\$2,636
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							



**Homeowner Assistance Fund (Minnesota Housing Finance Agency)**  
**Program Summary:** The Homeowner Assistance Fund (HAF) helps first-time homebuyers with downpayment assistance and entry costs. This program is a primary resource for the agency's efforts to increase homeownership in underserved communities. The annual median household income of people served by the HAF program is \$30,996. **2003 Changes:** Funding for this program was temporarily suspended for the 2004-05 biennium, but was scheduled to return for the 2006-07 biennium. **Governor's Budget:** The Governor once again temporarily suspends all base funding for this program for the 2006-07 biennium. Although the program is currently experiencing high levels of repayment that have enabled the program to sustain a normal level of activity, repayments are expected to return to lower levels over the next two years. The agency estimates that the cut for the 2006-07 biennium will result in 327 fewer families being helped into homeownership. Base funding would be restored in the FY 2008-09 biennium. **Senate Proposal (SF1879):** The Senate would not continue to suspend funding for this program.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$885	\$885	\$1,770	\$885	\$885	\$1,770
	Governor	GF	-\$885	-\$885	-\$1,770	\$0	\$0	\$0
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Nonprofit Capacity Building Program (Minnesota Housing Finance Agency)**  
**Program Summary:** This program provides important support, training resources, and funding for networking across the state among affordable housing nonprofits. Nonprofits facilitate a majority of the affordable housing development and rehab across the state. **2003 Changes:** Base funding for this program was reduced by 8.5% in the 2003 Legislative Session. **Governor's Budget:** The Governor proposes to cut base funding for this program by 18%. Some of the activities of this program are necessary in order to draw down federal funds to support housing and services for the homeless. Activities that leverage other resources will be prioritized for the remaining funding. **Senate Proposal (SF1879):** The Senate would continue current law funding.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$305	\$305	\$610	\$305	\$305	\$610
	Governor	GF	-\$55	-\$55	-\$110	-\$55	-\$55	-\$110
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Housing Trust Fund (Minnesota Housing Finance Agency)**  
**Program Summary:** The Housing Trust Fund (HTF) provides 0% interest deferred loans for the financing of affordable permanent and supportive rental housing and limited equity cooperative housing for very low-income households. It also provides grants and loans for the costs of operating rental housing that are unique to the operation of low-income rental housing and for rental assistance. **2003 Changes:** Base funding for the HTF was reduced by 5% in the 2003 Legislative Session. **Governor's Budget:** As part of his *Business Plan to End Long-Term Homelessness*, the Governor proposes to increase the HTF by \$4 million for the biennium to assist with the capital costs and operating costs of supportive housing units for families and individuals experiencing long-term homelessness. The increased funding results from a reallocation of state appropriations from other housing programs. **Senate Proposal (SF1879):** The Senate would continue current law funding.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$4,305	\$4,305	\$8,610	\$4,305	\$4,305	\$8,610
	Governor	GF	\$2,000	\$2,000	\$4,000	\$2,000	\$2,000	\$4,000
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

## Impact on Working Families and Individuals – Higher Education

### State Grant Program (Higher Education Services Offices)

**Program Summary:** Working in combination with the federal Pell Grant program, the State Grant Program provides more than \$140 million annually (in FY 2006-07) in need-based aid to Minnesota students attending post-secondary institutions. **2003 Changes:** The 2003 Legislature did appropriate money to cover an anticipated shortfall in the grant program. However, the approved budget also included \$67 million in cuts to student aid and eliminated two scholarship programs. As a result, all 58,760 Minnesota students eligible for financial aid from the Minnesota State Grant program had their grants reduced, some receiving reductions of several thousand dollars. Around 9,000 students were expected to lose all financial aid in FY 2004. **Governor's Budget:** In December, the U.S. Department of Education announced adjustments how federal need analysis for financial aid programs would be calculated. The change means most Minnesota students will receive lower federal Pell grants for the 2005-06 school year, which would result in a reduction in their state grant. HESO estimates that over 2,500 students will lose their state grant completely. The Governor proposes using the savings in the program resulting from these changes to: 1) increase the living and miscellaneous allowance for students from \$5,205 to \$5,280, and 2) moving back to using actual tuition costs, rather than average tuition costs, when calculating a student's grant award.

Level Funding

			Change from Base (\$ are in thousands)					
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$140,500	\$140,500	\$281,000	\$140,500	\$140,500	\$281,000
	Governor	GF	\$0	\$0	\$0	\$0	\$0	\$0
Higher Education	House							
Higher Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

### MnSCU Enrollment Adjustment (Minnesota State Colleges & Universities)

**Program Summary:** The Minnesota State Colleges and Universities (MnSCU) system serves about 240,000 students in credit courses each year. MnSCU programs are delivered at 53 campus locations throughout the state. In FY 2004, state appropriations comprised 41% of the MnSCU system's revenues, and tuition and fees comprised another 36% of revenues. **Governor's Budget:** The Governor's proposal would not provide MnSCU with its statutory enrollment adjustment. MnSCU would see a one-time reduction of \$58.8 million in FY 2006 and an ongoing reduction in base funding of \$36 million per year. While reducing base funding for enrollment by \$130.8 million for the FY 2006-07 biennium, the Governor proposes funding \$107.5 million in targeted initiatives. This results in a net reduction of nearly 2% for the FY 2006-07 biennium. **Senate Proposal (SF1879):** The Senate would not make any adjustments to MnSCU's base funding. (See also "MnSCU Targeted Initiatives" change item)

Funding Reduced

			Change from Base (\$ are in thousands)					
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$642,494	\$583,695	\$1,226,188	\$583,694	\$583,694	\$1,167,388
	Governor	GF	-\$94,800	-\$36,000	-\$130,800	-\$36,000	-\$36,000	-\$72,000
Higher Education	House							
Higher Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

### MnSCU Targeted Initiatives (Minnesota State Colleges & Universities)

**Governor's Budget:** The Governor proposes funding seven targeted initiatives in the Minnesota State Colleges and Universities (MnSCU) system for a total of \$107.5 million for the FY 2006-07 biennium. These initiatives include funding for competitive salaries, expanding online programs available through MN Online, increasing the capacity and output of MnSCU's nursing programs, expanding the Farm and Small Business Management programs, developing an Innovations Fund, and creating up to eight Centers of Excellence at selected campuses. The Governor's budget does not fund MnSCU's request for additional resources to reach underserved populations. The Governor pays for these initiatives by reducing base funding for enrollment for the MnSCU system by \$130.8 million for the FY 2006-07 biennium. **Senate Proposal (SF1879):** The Senate does not include funding for these targeted initiatives. (See also "MnSCU Enrollment Adjustment" change item)

Targeted Initiatives

			Change from Base (\$ are in thousands)					
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$642,494	\$583,695	\$1,226,188	\$583,694	\$583,694	\$583,694
	Governor	GF	\$55,300	\$52,200	\$107,500	\$52,200	\$52,200	\$104,400
Higher Education	House							
Higher Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

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Questions? Contact Christina Macklin at [cmacklin@mncn.org](mailto:cmacklin@mncn.org) or 651-642-1904 x233

**University of Minnesota Enrollment Adjustment (University of Minnesota)**

**Funding Reduced**

**Governor's Budget:** The Governor's proposal would not provide the University of Minnesota with an increase in the instructional service base to adjust for increases in enrollment. As a result, the University of Minnesota would see a one-time reduction of \$43 million in FY 2006 and an ongoing reduction in base funding of \$15.4 million per year. While reducing base funding for enrollment by \$73.8 million for the FY 2006-07 biennium, the Governor proposes funding \$113 million in targeted initiatives. **Senate Proposal (SF1879):** The Senate reduces base funding for enrollment for the University of Minnesota by \$33.6 million for the FY 2006-07 biennium, but does not propose funding any of the targeted initiatives. (See also "University of Minnesota Targeted Initiatives" change item)

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$608,429	\$565,455	\$1,173,884	\$565,455	\$565,455	\$1,130,910
	Governor	GF	-\$58,362	-\$15,388	-\$73,750	-\$15,388	-\$15,388	-\$30,776
Higher Education	House							
Higher Education	Senate	GF	-\$18,218	-\$15,388	-\$33,606			
	FINAL							

**University of Minnesota Targeted Initiatives (University of Minnesota)**

**Targeted Initiatives**

**Governor's Budget:** The Governor proposes funding five targeted initiatives at the University of Minnesota for a total of \$120.5 million for the FY 2006-07 biennium. These initiatives include the University's Biosciences for a Healthy Society initiative, addressing competitive salaries, improving research support, funding Preparing Students for the 21<sup>st</sup> Century Economy, and a one-time appropriation for the Minnesota Partnership for Biotechnology and Medical Genomics. The Governor partially pays for these initiatives by reducing base funding for enrollment for the University of Minnesota by \$73.8 million for the FY 2006-07 biennium. **Senate Proposal (SF1879):** The Senate does not include funding for any of these targeted initiatives. (See also "University of Minnesota Enrollment Adjustment" change item)

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$608,429	\$565,455	\$1,173,884	\$565,455	\$565,455	\$1,130,910
	Governor	GF	\$58,500	\$62,000	\$120,500	\$62,000	\$62,000	\$124,000
Higher Education	House							
Higher Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Impact on Working Families and Individuals – Other Programs**

**Supportive Housing Service Grants (Dept. of Human Services)**

**New Program**

**Program Summary:** Supportive housing services are intended to stabilize people in their housing in order to reduce homelessness. A portion of people who experience long-term homelessness are not eligible for existing programs, and, even for those who do qualify, mainstream programs do not provide all the necessary supports to keep this population permanently housed. **Governor's Budget:** The Governor proposes creating a flexible service fund for supportive housing projects that address the needs of the long-term homeless. Regional and cooperative efforts would receive priority in order to provide seamless service delivery. Projects would need to leverage other funding as well as maximize the use of mainstream funding. The Governor cuts \$15 million from other housing programs at the Minnesota Housing Finance Agency and redirects some of the money to the Dept. of Human Services to fund this program. **Senate Proposal (SF1879):** The Senate does not include funding for this new flexible service fund.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$0	\$0	\$0	\$0	\$0	\$0
	Governor	GF	\$5,000	\$5,000	\$10,000	\$5,000	\$5,000	\$10,000
Jobs & Eco Opp	House							
Health & HS	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Displaced Homemaker Program (Dept. of Employment and Economic Development)**

Program Eliminated

**Program Summary:** The Displaced Homemaker Program provides pre-employment services to women or men who have worked in the home for a minimum of two years caring for home and family, but due to separation, divorce, death, or disability of spouse or partner, or other loss of financial support, must support themselves and their family. Eligibility is based on income guidelines, with a sliding fee scale for those with higher incomes. There are currently six sites providing services across 48 counties. **2003 Changes:** Funding for this program, which is funded out of the Workforce Development Fund, was reduced by 25% in the 2003 Legislative Session. As a result, there was a loss of six dislocated homemaker programs serving the remaining 29 counties from 2003 to 2004. **Governor's Budget:** This program is funded through the Workforce Development Fund (WDF) and special revenue generated from a portion of the marriage license fee. The Governor recommends eliminating funding from the WDF for the Displaced Homemaker Program and transferring the \$1.5 million for the biennium to the Dislocated Workers Program. The Governor also recommends revoking the portion of the marriage license fee (\$400,000 for the FY 2006-07 biennium) dedicated to the Displaced Homemakers Program. **Senate Proposal (SF1879):** The Senate leaves the Displaced Homemaker Program and marriage license fee in place.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	WDF	\$750	\$750	\$1,500	\$750	\$750	\$1,500
	Base	SR	\$200	\$200	\$400	\$200	\$200	\$400
	Governor	WDF	-\$750	-\$750	-\$1,500	-\$750	-\$750	-\$1,500
	Governor	SR	-\$200	-\$200	-\$400	-\$200	-\$200	-\$400
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	WDF/SR	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Renters' Credit (Department of Revenue/State and Local Finance)**

Renters' Credit Cut

**Program Summary:** The Renters' Credit is an important source of tax relief and housing assistance to low- and moderate-income households whose property taxes are high in relation to their income. In the 2004 tax year, the Renters' Credit will provide an average of \$554 to nearly 275,000 Minnesota households with incomes less than \$45,970. **Governor's Budget:** The Governor's budget proposal would cut the Renters' Credit by 20% in FY 2007 and 25% in FY 2008 and future years. As a result, 12,634 fewer households will receive the credit in 2005 than in 2004, and the average amount of credit will drop by \$89. **Senate Proposal (SF1209):** The Senate does not reduce the Renters' Credit. (More information on this issue is available at [www.mncn.org/bp/renterscredit.htm](http://www.mncn.org/bp/renterscredit.htm))

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$149,700	\$152,400	\$302,100	\$153,300	\$154,800	\$308,100
	Governor	GF	\$0	-\$30,400	-\$30,400	-\$41,000	-\$41,200	-\$82,200
Taxes	House							
Taxes	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

*This document provides information on how budget proposals for the FY 2006-07 biennium would impact children and youth in Minnesota. It includes the Governor's proposed budget as updated in March 2005, and the Senate Proposal as passed on the floor in late March (SF1879, SF1209, SF1683). It will be continually updated to include additional information and reflect future budget proposals from the Minnesota House of Representatives.<sup>1</sup>*

**The Situation:** Minnesota's children and youth are one of Minnesota's most valuable resources and hold the future hope for the continued social and economic success of our state. Evidence suggests that early investments in their health, education, and general welfare yield incredible benefits for our communities in the long term. Minnesota's historical concern about the welfare of our children and youth has been demonstrated through significant public investment in these key areas. This level of commitment has paid off, with Minnesota consistently ranked number one in national surveys of child well-being.<sup>2</sup>

This investment in our children and youth has yielded other benefits as well. In the past decades, Minnesota has been transformed from a state with below-average per-capita personal income to a state that not only exceeds the national average income, but is in the top ten states in the country. One important reason for this success often cited by economists is the state's strong commitment to education, which leads to a high quality workforce that attracts businesses and jobs.

Achieving these results means ensuring that our children and youth – our future workers – have a healthy beginning, are adequately prepared for school, start along a successful social path, and are helped if something goes wrong. However, recent legislative decisions have substantially eroded the public commitment to the investments needed to sustain this progress in both the well-being of our children and the economic success of the state.

**Understanding the Impact of FY 2004-05 Budget Decisions:** Sadly, in 2003, many programs for Minnesota's youngest residents were at the heart of the budget debates at the state legislature. In the end, elected officials made a number of decisions to balance the budget in the short-term by jeopardizing the immediate welfare of our children and the long-term health of our communities.<sup>3</sup>

Although policymakers enacted some improvements in mental health benefits and screening for children, Minnesota also took some steps backwards by reducing access to health care for children and their parents. Over 26,600 Minnesotans, including parents and children, were expected to lose their health care coverage in the FY 2004-05 biennium as a result of the decisions made in the 2003 Legislative Session.

The final 2003 budget also consolidated funding for over a dozen children's grant programs and several community social service programs into a single block grant, while significantly reducing the funding. This consolidation and reduction placed significant financial pressures on county

<sup>1</sup> Also available in this series of reports: *The FY 2006-07 Budget: Impact on Working Families and Individuals*, [www.mncn.org/doc/200607fam.pdf](http://www.mncn.org/doc/200607fam.pdf).

<sup>2</sup> More statistics on the welfare of children in Minnesota is available from the Children's Defense Fund Minnesota in *Minnesota Kids: A Closer Look, 2004 Databook*, [www.cdf-mn.org/PDF/KidsCountData\\_04/Databook\\_2004.pdf](http://www.cdf-mn.org/PDF/KidsCountData_04/Databook_2004.pdf).

<sup>3</sup> The number and nature of all of the changes made in the 2003 Legislative Session are too extensive to cover here. However, additional analysis is available from the Minnesota Budget Project and the Minnesota Council of Nonprofits, including: *Impact of the Final FY 2004-05 Budget* ([www.mncn.org/doc/fy200405.pdf](http://www.mncn.org/doc/fy200405.pdf)), *Consequences: The Impact of Minnesota's Government Budget Cuts* ([www.mncn.org/bp/consequences.pdf](http://www.mncn.org/bp/consequences.pdf)), *"Do Nothing" Session Mixed Blessing for Health and Human Services* ([www.mncn.org/bp/2004hhs.pdf](http://www.mncn.org/bp/2004hhs.pdf)), *On the Edge: Communities Lose as Nonprofit Sector Struggles* ([www.mncn.org/doc/ontheedge.pdf](http://www.mncn.org/doc/ontheedge.pdf)), and *Nonprofit Workforce Hurt by Government Cuts, Slow Economic Recovery* ([www.mncn.org/doc/marchlayoffreport.pdf](http://www.mncn.org/doc/marchlayoffreport.pdf)).

governments trying to provide outreach and treatment for children with severe emotional disturbances. Help for disabled children also became more of a challenge as their parents saw significant increases in the fees they pay for TEFRA services, which allows parents to care for their disabled children, usually in their own homes. And funding for special education programs, which serve nearly 116,000 students with disabilities from birth to age 21, saw a sizeable reduction when the Legislature removed the automatic growth factors built into their funding formulas.

Keeping children healthy and making the most of their early childhood years also means ensuring a quality child care situation is available for them while their parents are at work. Research indicates that the first five years of a child's life are the most critical for development. And studies show that high quality care and education has the greatest impact on children from low-income families. Unfortunately, the 2003 budget solution made child care less affordable for low- and moderate-income working families by increasing co-payments, freezing provider reimbursement rates, increasing provider fees, and reducing eligibility for access to assistance. These changes have had particularly disturbing consequences for families participating in the Minnesota Family Investment Program (Minnesota's welfare-to-work program). A number of these families have stopped using child care assistance over the current biennium even though work participation rates have not dropped. The Department of Human Services does not know what alternative arrangements have been made for these children as their parents continue to work.<sup>4</sup>

Sending our children to school prepared to learn is a proven investment. Unfortunately, budget decisions made in 2003 limited the opportunities available for children and their parents. Key early childhood programs like Head Start, School Readiness, and Early Childhood Family Education (ECFE) all experienced funding reductions. These programs assist young children and their parents in issues ranging from proper nutrition to child development, including ensuring children have the proper skills and social behaviors to enter the classroom ready to be engaged and productive, not disengaged or disruptive.

Ultimately, we want our youth to develop into healthy, productive, well-rounded adults who are equipped to give back and sustain the community. Unfortunately, youth face many potential roadblocks to these results as they pass through their adolescent years. After School Enrichment was a statewide program for youth designed to intervene before young people start making bad choices. These out-of-school programs aided youth in developing better decision-making skills, provided tutoring and homework assistance, and offered many other positive activities to ensure healthy development during this critical time in our children's lives. Funding for these programs was eliminated in the 2003 Legislative Session.<sup>5</sup> Several tobacco prevention programs, such as Target Market, also disappeared when policymakers used the Tobacco Endowment to help fill the state's budget deficit.

Minnesota has also developed a range of other opportunities to aid youth having more trouble making the transition from adolescence to adulthood. Some services for at-risk youth, including YouthBuild, the Minnesota Youth Program, and the Youth Intervention Program, saw their state funding reduced in the 2003 Legislative Session by 11 to 27%. These programs help high school dropouts, potential dropouts, homeless, chemically dependent, and otherwise at-risk youth by providing them with employment training, counseling, mentoring, and other support services.

It is difficult to evaluate the impact of these budget cuts so soon after they have taken effect. However, early information already shows that there are fewer opportunities for at-risk youth, thousands of Minnesotans have lost their health care coverage, and more children may be in unsafe

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<sup>4</sup> For more information on child care in Minnesota, see Children's Defense Fund Minnesota and Child Care Works, *Missed Opportunities Produce Costly Outcomes*, [www.cdf-mn.org/PDF/childcarereport.pdf](http://www.cdf-mn.org/PDF/childcarereport.pdf).

<sup>5</sup> For more information on how the elimination of these grants impacted communities, see Minnesota Commission on Out-of-School Time, *Sustainability of Out-of-School Time Programs*, [www.mncost.org/SustainabilityRevDeco4.pdf](http://www.mncost.org/SustainabilityRevDeco4.pdf).

situations while their parents are at work. Today's children will be the future leaders of our country, and repeated studies have established that quality programs create positive benefits for the community, including more engaged, self-sufficient, stable, and happy citizens. As a result of these funding reductions, we are losing out on the opportunity to aid our youngest residents and their families as these children progress through the most critical stages of development into adulthood. For Minnesota to continue along this path is disastrous for the well-being of our children, as well as the long-term social and economic health of the state.

**Evaluating the Governor's FY 2006-07 Budget Proposal:** While making some steps forward, the Governor's budget for the FY 2006-07 biennium also includes numerous proposals that move even further to reduce or eliminate supports for the children who need it most.

The Governor's budget includes funding for some expanded mental health coverage, creates incentives for earlier childhood health and development screening, and offers assistance to young adults transitioning from longer-term foster care. However, his proposal would continue to delay \$50 million in funding intended to support the development of regional delivery systems under the Children and Community Services block grant. Included in this block grant is money that was previously dedicated to children's mental health services, but now must compete with a wide variety of other important services for disabled or chemically dependent adults.

The Governor also proposes changes to health care eligibility levels that would result in over 8,200 working parents losing their health care coverage through MinnesotaCare. The loss of insurance coverage puts their children at risk. Research has found that children of uninsured parents may be less likely to get the health care they need. For example, a recent study by the Minnesota Department of Health found that children whose parent was uninsured were significantly less likely to meet "well child" visit guidelines.<sup>6</sup>

The Governor's proposal also continues the freeze on child care provider reimbursement rates. When reimbursement rates were initially set in 2003, approximately 80% of child care centers and family child care providers were at or below the state's maximum reimbursement rate. Due to the rate freeze for the FY 2004-04 biennium, by 2004 only 57% of centers and 68% of family child care providers were still at or below the maximum rate. Families can still use any child care provider, but they are responsible for paying the difference between the state's maximum reimbursement rate and the provider's actual rate. The continued rate freeze only serves to further reduce access to quality child care for working Minnesotans as eligible families stop using care because they cannot afford to pay both the required co-payment and this additional "premium".

Through the "Get Ready, Get Credit" program included in the Governor's budget, highly motivated and successful high school students will have more opportunities to earn college credits, with special priority given to low-income students. Their struggling peers, however, would see their opportunities dwindle under the Governor's budget. Governor Pawlenty ends state funding for programs like Minnesota YouthBuild, the Minnesota Youth Program, and Learn to Earn. These programs help high school dropouts, potential dropouts, and other at-risk youth by providing them with employment training, counseling, mentoring, and other support services.

Even early childhood programs, which saw significant reductions in the 2003 Session, are not immune in this round of budget cuts. The Governor proposes to phase in new program requirements for the School Readiness program, which enables children to begin school with the skills and behaviors necessary for success. The Governor would reduce the money available for these activities in order to fund the staff needed to administer the new requirements.

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<sup>6</sup> Minnesota Department of Health, *2002 BRFSS Child Health Module Data Book*, March 2004, [www.health.state.mn.us/divs/hpsc/hep/miscpubs/brfss2002.pdf](http://www.health.state.mn.us/divs/hpsc/hep/miscpubs/brfss2002.pdf)

**Evaluating the Senate FY 2006-07 Budget Proposal:** In late March, the Minnesota Senate passed “phase one” of their plan which focuses on balancing the budget by adopting many of the Governor’s proposed spending cuts and revenue increases, but leaves the discussion over any additional spending in areas like education for a “phase two.” So, although the Senate proposal avoids making some of the significant cuts the Governor recommends in programs for children, it also fails to make some of the small positive investments that are in the Governor’s budget. The most significant similarity between the two proposals is the decision to delay the \$50 million Children and Communities Services Act funding for regional delivery systems.

**Summary of FY 2006-07 Budget Proposals:  
Impact on Children & Youth (General Fund Only)**

	Change from Base (\$ are in thousands)		
	Governor FY 2006-07	Senate FY 2006-07	House FY 2006-07
<b>Keeping children healthy - Total</b>	-\$45,328	-\$50,000	
Mental Health Coverage	\$3,406	\$0	
Early Childhood Health & Development Screening	\$1,266	\$0	
Children and Community Services Act	-\$50,000	-\$50,000	
<b>Preparing children to learn - Total</b>	-\$68,608	\$0	
School Readiness	-\$369	\$0	
Basic Sliding Fee Child Care Assistance	-\$15,632	\$0	
MFIP/TY Child Care Assistance	-\$52,607	\$0	
<b>Helping children succeed - Total</b>	\$13,919	\$0	
Advanced Placement/Int'l Baccalaureate Program	\$7,444	\$0	
College Level Examination Program	\$2,475	\$0	
Scholarship Tax Credit	\$4,000	\$0	
<b>Helping when things go wrong - Total</b>	-\$10,844	-\$2,831	
Young Adults Transitioning from Long-Term Foster Care	\$2,247	\$0	
Adoption Assistance/Relative Custody Assistance	-\$2,831	-\$2,831	
Learn to Earn	-\$366	\$0	
Minnesota YouthBuild	-\$1,514	\$0	
Minnesota Youth Program	-\$8,380	\$0	

Note: These budget changes are all described in further detail in the following pages.

**A brief guide to using this document:**

Each budget change item listed below includes a brief summary of the program, information about any changes made by the 2003 Legislature, a description of the Governor’s proposal and Senate proposal for that program, and the financial details of the proposed change. Because many programs refer to Federal Poverty Guidelines (FPG) in setting eligibility, a reference table is provided below. The information in this document comes from the Governor’s 2006-07 Biennial Budget materials, House and Senate analysis documents, information presented at House and Senate Committee Hearings, and details provided by affected nonprofit organizations and advocates.

- **“Committee”** – refers to the House or Senate committee that has primary responsibility for the program.
- **“Fund”** – refers to whether the change impacts the General Fund (GF) or another fund, such as the Health Care Access Fund (HCAF), Workforce Development Fund (WDF), or Special Revenue (SR).
- **“Base”** – refers to the current law level of funding for the program (if no changes were made).
- **“Governor”/“House”/“Senate”/“Final”** – represent the amount of the proposed change from base – negative numbers indicate a reduction in the program, positive numbers indicate increased funding.



Family Size	75%	100%	175%	190%	250%	275%
1	\$7,178	\$9,570	\$16,748	\$18,183	\$23,925	\$26,318
2	\$9,623	\$12,830	\$22,453	\$24,377	\$32,075	\$35,283
3	\$12,068	\$16,090	\$28,158	\$30,571	\$40,225	\$44,248
4	\$14,513	\$19,350	\$33,863	\$36,765	\$48,375	\$53,213
5	\$16,958	\$22,610	\$39,568	\$42,959	\$56,525	\$62,178
6	\$19,403	\$25,870	\$45,273	\$49,153	\$64,675	\$71,143
7	\$21,848	\$29,130	\$50,978	\$55,347	\$72,825	\$80,108
8	\$24,293	\$32,390	\$56,683	\$61,541	\$80,975	\$89,073

## Keeping Children Healthy

		Change from Base (\$ are in thousands)							
		Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09
Mental Health Coverage Improved	Base								
	Governor	GF	\$205	\$3,201	\$3,406	\$4,724	\$6,228	\$10,952	
	Health House								
	Health & HS Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0	
	FINAL								

<sup>7</sup> Developed in the mid-1960s, the poverty line assumes a poor family can live on an income three times the estimated cost of a basic food budget. The food budget the government used to calculate the initial poverty line was the cheapest plan provided by the Department of Agriculture, one "designed for temporary or emergency use when funds are low." Over thirty years later, the Department of Health and Human Services still uses the same formula to calculate poverty guidelines, even though food now accounts for only about one-seventh, rather than one-third, of a typical household budget. Poverty guidelines are updated each year for inflation, yet they fail to account for the rising costs of housing and health care, as well as the increased use of child care. As an alternative to using the federal poverty line, the JOBS NOW Coalition prepares family budget figures based on a "no frills" standard of living in Minnesota. They find that the minimum basic family budget for a two parent family of four is nearly two and a half times the federal poverty line for that family size.

**Early Childhood Health & Development Screening (Dept. of Education)**  
**Program Summary:** This program promotes educational readiness and improved health of young children through the early detection of factors that may impede a child's learning, growth, and development. **Governor's Budget:** The Governor's proposal creates variable reimbursement rates to provide an incentive for school districts to screen children at age three, increasing the likelihood that children who need services will get timely help and be ready for kindergarten. School districts currently receive \$40 in state aid for each child screened, regardless of age. The Governor would change the rates to \$50 per child for age three, \$40 for ages two and four, and \$30 for children age five or older. The proposal also includes the recommendation that all pre-kindergarten children be assigned a student identification number at the time they are screened. Funding would increase by 28% in FY 2007 and then begin to taper off as the number of four and five year olds who require screening declines. **Senate Proposal (SF1879):** The Senate does not make any changes to the screening system.

		Change from Base (\$ are in thousands)						
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$2,661	\$2,661	\$5,322	\$2,661	\$2,661	\$5,322
	Governor	GF	\$415	\$851	\$1,266	\$678	\$694	\$1,372
Education	House							
Early Childhood	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Children and Community Services Act (Dept. of Human Services)**  
**Program Summary:** The Children and Community Services Act (CCSA) supports people who experience disparate treatment and poor outcomes due to factors such as dependency, abuse, neglect, poverty, disability, and chronic health conditions and provides funds for family members to support those individuals. Included in this block grant are \$21 million in state funds previously dedicated to children's mental health which must now compete with a wide variety of other important programs for disabled or chemically dependent adults. **2003 Changes:** As part of the budget balancing solution in 2003, the state consolidated funding for 15 grant programs in the CSSA and allocated funding to the counties on a formula bases. The Legislature also made a one-time 20% funding reduction for FY 2004-05. **Governor's Budget:** The Governor's proposal would continue the funding reduction through the next biennium. These funds, \$50 million for the biennium, were intended to support the development of regional delivery systems. **Senate Proposal (SF1879):** The Senate also continues the funding reduction through the FY 2006-07 biennium.

		Change from Base (\$ are in thousands)						
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$93,488	\$93,488	\$186,976	\$93,488	\$93,488	\$186,976
	Governor	GF	-\$25,000	-\$25,000	-\$50,000	\$0	\$0	\$0
Jobs & Eco Opp	House							
Health & HS	Senate	GF	-\$25,000	-\$25,000	-\$50,000	\$0	\$0	\$0
	FINAL							

### Preparing Children to Learn

**School Readiness Program (Dept. of Education)**  
**Program Summary:** School Readiness enables children to enter school with the skills and behaviors necessary for success. It includes developmental and learning components, health referral services, nutrition, parental involvement, and outreach. The program is open to all Minnesota children aged 3½ to 4 years and their families, but priority is given to children who are developmentally disadvantaged or who have risk factors that could impede their learning. Services are offered at no charge or for a small fee. **2003 Changes:** In the 2003 Legislative Session, the state transferred all school district School Readiness reserves to the General Fund, resulting in nearly \$2 million reduction in base funding for FY 2004-05 and \$2.6 million in FY 2006-07. **Governor's Budget:** The Governor's proposal would phase in new program requirements focused on academic preparation for kindergarten, with all districts required to meet the new standards by FY 2009 in order to receive state aid. The Governor reduces the School Readiness appropriation by the amount needed to fund the 2.25 staff positions necessary to administer the new requirements. **Senate Proposal (SF1879):** The Senate does not propose any changes to this program.

		Change from Base (\$ are in thousands)						
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$9,020	\$9,042	\$18,062	\$9,087	\$9,095	\$18,182
	Governor	GF	-\$169	-\$200	-\$369	-\$200	-\$200	-\$400
Education	House							
Early Childhood	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

Child Care Rates Frozen

**Basic Sliding Fee Child Care Assistance (Dept. of Human Services)**

**Program Summary:** Basic Sliding Fee (BSF) helps pay the child care costs of low-income families who are not participating in the Minnesota Family Investment Program (MFIP). The program charges a sliding fee scale based on family income for families who are engaged in authorized work, education, and job search activities. Currently, families with incomes below 175% of the federal poverty guidelines (FPG) and children under age 13 (age 15 for children with disabilities) are eligible to enter the program and lose eligibility when their income exceeds 250% of FPG. **2003 Changes:** The 2003 Legislature reduced General Fund spending for BSF by 50% for the FY 2004-05 biennium. The savings was achieved through a number of changes, including increasing copays for families, reducing eligibility levels, and freezing provider rates. The maximum rates for child care providers for the FY 2004-05 biennium were frozen at the 2003 level. The 2003 rates were determined by a 2001 statewide survey of actual child care rates. When these rates were initially set, approximately 80% of child care centers and family child care providers were at or below the state's maximum reimbursement rate. Due to the rate freeze, by 2004 only 57% of centers and 68% of family child care providers were still at or below the maximum rate. Families still can use these child care providers, but they must pay the difference between the state maximum rate and the provider's actual rate, in addition to their copayment. **Governor's Budget:** The Governor's proposal would continue to freeze rates paid to providers at the FY 2003 level through FY 2007. Beginning in FY 2008, the Governor would contain costs in the program by increasing maximum provider rates by the Consumer Price Index starting from the FY 2003 reimbursement levels. Previously, maximum rates were based on a statewide survey of actual provider rates. The proposal would also adjust the child care center rates in some counties that were negatively impacted by the use of regional or statewide rates by using the greater of the current rate or the highest rate reported for that county in the 2002 rate survey. **Senate Proposal (SF1879):** The Senate would allow the freeze on provider rates to be lifted.

		Change from Base (\$ are in thousands)						
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$30,262	\$30,262	\$60,524	\$30,262	\$30,262	\$60,524
	Governor	GF	-\$10,041	-\$5,591	-\$15,632	-\$3,361	-\$1,006	-\$4,367
Jobs & Eco Opp	House							
Early Childhood	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

Child Care Rates Frozen

**MFIP/TY Child Care Assistance (Dept. of Human Services)**

**Program Summary:** This program helps pay the child care costs of low- and moderate-income families who are participating in the Minnesota Family Investment Program (MFIP) or Transitional Year (TY) assistance. The program charges a sliding fee scale based on family income for child care while parents are engaged in authorized work, education, and job search activities. **2003 Changes:** In 2003, the state made a number of changes to this program – including increasing parental copays and freezing provider rates at the FY 2003 level – which resulted in a 20% reduction in General Fund spending for MFIP/TY Child Care Assistance. During the current biennium, a number of MFIP families have stopped using child care assistance even though work participation rates have not dropped. The Department of Human Services (DHS) is not sure what other arrangements have been made for these children while their parents continue to work. DHS expects that an additional 700 eligible families will stop using child care assistance in the 2006-07 biennium. One likely cause for this decline in usage is that parents are unable to afford to pay both the standard copay and the “premium” – the difference between the state's maximum reimbursement rate and the actual rate the child care provider is charging. **Governor's Budget:** The Governor's proposal would continue to freeze the provider rates at the FY 2003 level through FY 2007 and afterwards would contain costs in the program by increasing maximum provider rates by the Consumer Price Index starting from the FY 2003 reimbursement levels. Previously, maximum rates were based on a statewide survey of actual provider rates. The proposal would also adjust the child care center rates in some counties that were negatively impacted by the use of regional or statewide rates by using the greater of the current rate or the highest rate reported for that county in the 2002 rate survey. **Senate Proposal (SF1879):** The Senate would allow the freeze on provider rates to be lifted.

		Change from Base (\$ are in thousands)						
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$81,635	\$91,365	\$173,000	\$98,610	\$103,234	\$201,844
	Governor	GF	-\$22,289	-\$30,318	-\$52,607	-\$31,348	-\$32,039	-\$63,387
Jobs & Eco Opp	House							
Health & HS	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

## Helping Children Succeed

### Advanced Placement/International Baccalaureate Program (Dept. of Education)

**Program Summary:** AP and IB courses offer students rigorous, challenging courses of study as part of regular offerings in secondary schools. Students have the opportunity to take an exam at the conclusion of each course that can provide college credit for courses taken in high school. The program currently provides partial reimbursement of training for teachers of AB/IP programs, reimbursement of examination fees for other students. **2003 Changes:** In the 2003 Legislative Session, at the Governor's recommendation, funding for this program was reduced by 22% for the FY 2004-05 biennium. **Governor's Budget:** As part of the "Get Ready, Get Credit" proposal, the Governor would increase funding by 157% for the AP/IP program and include an additional \$5 million in one-time funds for FY 2006-07. The proposal would provide that students passing examinations with a three or above would receive college credit, would add a stipend for teachers of AP/IB programs based on numbers of students passing the examinations, and would provide resources for schools to receive one-time start-up funds to implement AP or IB programs in secondary and middle schools. **Senate Proposal (SF1879):** The Senate maintains current law funding for this program.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$778	\$778	\$1,556	\$778	\$778	\$1,556
	Governor	GF	\$3,722	\$3,722	\$7,444	\$1,222	\$1,222	\$2,444
Education	House							
K-12 Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

### College Level Examination Program (Dept. of Education)

**Governor's Budget:** As part of the "Get Ready, Get Credit" program, the Governor proposes that students who successfully earn a particular score on a College Level Examination Program (CLEP) test would earn undergraduate credit from Minnesota State Colleges and Universities (MnSCU) institutions. The Governor also encourages the University of Minnesota to agree to grant college credit under this program. Students will be eligible to receive state reimbursement for up to six exams up to a capped state appropriation. Preference will be given to low-income students. The goal is 5,000 student reimbursements for CLEP tests in FY 2007 and 7,500 in FY 2008. **Senate Proposal (SF1879):** The Senate maintains current law funding for this program.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$0	\$0	\$0	\$0	\$0	\$0
	Governor	GF	\$825	\$1,650	\$2,475	\$1,650	\$1,650	\$3,300
Education	House							
K-12 Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

### Scholarship Tax Credit (Dept. of Education)

**Governor's Budget:** The Governor proposes a tax credit for corporations contributing to qualifying scholarship granting organizations that provide financial aid to families at or less than 250% of federal poverty guidelines (FPG) to help cover the cost of tuition at K-12 private schools. Corporations could claim a tax credit equal to 50% of their contribution (not to exceed its tax liability) up to a maximum credit of \$100,000. The statewide maximum amount of the tax credit would be capped at \$3.5 million in FY 2007 and \$3.75 million in FY 2008 and beyond. The proposal includes \$250,000 a year to cover administrative expenses for the Department of Education. **Senate Proposal (SF1879):** The Senate does not include this tax credit.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$0	\$0	\$0	\$0	\$0	\$0
	Governor	GF	\$250	\$3,750	\$4,000	\$4,000	\$4,000	\$8,000
Education	House							
K-12 Education	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

## Helping When Things Go Wrong

<b>New Program</b>	<b>Young Adults Transitioning from Long-Term Foster Care (Dept. of Human Services)</b>							
	<b>Program Summary:</b> Every year there are youth graduating from high school that are "aging out" of the foster care system. A number of these youth have some disability that impairs their ability to attain stable housing. <b>Governor's Budget:</b> The Governor proposes this new program that would combine public, business, and philanthropic resources to assist older youth transitioning from foster care and reduce their risk of homelessness. The program would include a comprehensive assessment of youth in transition; development and implementation of an independent living plan for the individual; teaching youth life skills; and opportunities to pursue post-secondary education or employment. <b>Senate Proposal (SF1879):</b> The Senate does not include funding for this new program.							
	Change from Base (\$ are in thousands)							
	<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>
	Base	GF	\$0	\$0	\$0	\$0	\$0	\$0
	Governor	GF	\$1,125	\$1,122	\$2,247	\$1,122	\$1,122	\$2,244
Jobs & Eco Opp	House							
Health & HS	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

<b>Adjustment</b>	<b>Adoption Assistance/Relative Custody Assistance (Dept. of Human Services)</b>							
	<b>Program Summary:</b> Adoption Assistance provides financial assistance to families who adopt children with special needs, including serious neglect and often emotional and physical abuse. Relative Custody Assistance provides similar assistance to relatives who accept permanent custody of children with special needs. <b>Governor's Budget:</b> The Governor's proposal adjusts funding for this program to align with an expected decrease in utilization in FY 2006-07 and increase in utilization in FY 2008-09. <b>Senate Proposal (SF1879):</b> The Senate also adopts these adjustments.							
	Change from Base (\$ are in thousands)							
	<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>
	Base							
	Governor	GF	-\$1,340	-\$1,491	-\$2,831	\$1,500	\$4,508	\$6,008
Jobs & Eco Opp	House							
Health & HS	Senate	GF	-\$1,340	-\$1,491	-\$2,831	\$1,500	\$4,508	\$6,008
	FINAL							

<b>Eliminated</b>	<b>Learn-to-Earn (Dept. of Employment &amp; Economic Development)</b>							
	<b>Program Summary:</b> Learn to Earn provides positive park maintenance, work experience, and educational opportunities to approximately 120 unemployed or underemployed at-risk youth ages 14 to 18 in Minneapolis. <b>2003 Changes:</b> Base funding for this program was reduced by 23% in the 2003 Legislative Session. <b>Governor's Budget:</b> The Governor's proposal would eliminate state funding for this program. <b>Senate Proposal (SF1879):</b> The Senate proposal would continue current law state funding for this program.							
	Change from Base (\$ are in thousands)							
	<b>Committee</b>	<b>Proposal</b>	<b>Fund</b>	<b>FY06</b>	<b>FY07</b>	<b>Biennium Total</b>	<b>FY08</b>	<b>FY09</b>
	Base	GF	\$183	\$183	\$366	\$183	\$183	\$366
	Governor	GF	-\$183	-\$183	-\$366	-\$183	-\$183	-\$366
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Minnesota YouthBuild (Dept. of Employment & Economic Development)**  
**Program Summary:** Minnesota YouthBuild serves approximately 250 youth between the ages of 16 and 24 who are high school dropouts and potential dropouts, youth at risk of involvement with the juvenile justice system, chemically dependent and disabled youth, homeless youth, teen parents, and public assistance recipients. The program provides them with specialized training in the construction and building trades, leadership and basic academic skills, and construction-based work experience. This is administered through 10 local service organizations statewide. **2003 Changes:** Funding for this program was reduced by 11% in the 2003 Legislative Session. **Governor's Budget:** The Governor's proposal would eliminate state funding for this program. Youthbuild received a \$400,000 federal grant in 2004 and would continue to be eligible for federal funding. **Senate Proposal (SF1879):** The Senate proposal would continue current law state funding for this program.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$757	\$757	\$1,514	\$757	\$757	\$1,514
	Governor	GF	-\$757	-\$757	-\$1,514	-\$757	-\$757	-\$1,514
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

**Minnesota Youth Program (Dept. of Employment & Economic Development)**  
**Program Summary:** Minnesota Youth Program (MYP) provides economically disadvantaged and at-risk youth between the ages of 14 to 21 with employment and training services. MYP operates through the local Workforce Councils and is available in all 87 counties. The program offers work experience, basic skills training, work-based learning, career counseling, personal counseling, life skills training, mentoring, and peer support groups, as well as support services such as transportation and child care. **2003 Changes:** Base funding for this program was reduced by 22% in the 2003 Legislative Session. **Governor's Budget:** The Governor's proposal would eliminate state funding for this program. MYP received \$10.5 million in federal funding through the Workforce Investment Act in FY 2004. The federal program, however, is under reauthorization and the status of future funding is unknown. **Senate Proposal (SF1879):** The Senate proposal would continue current law state funding for this program.

Change from Base (\$ are in thousands)								
Committee	Proposal	Fund	FY06	FY07	Biennium Total	FY08	FY09	Biennium Total
	Base	GF	\$4,190	\$4,190	\$8,380	\$4,190	\$4,190	\$8,380
	Governor	GF	-\$4,190	-\$4,190	-\$8,380	-\$4,190	-\$4,190	-\$8,380
Jobs & Eco Opp	House							
Env, Ag, & ED	Senate	GF	\$0	\$0	\$0	\$0	\$0	\$0
	FINAL							

My ECFE Testimony:

I am the mother of 3 small children. I have 2 ½ year old twin boys that were born at 23 weeks gestation and by the grace of God, survived. They were such fragile babies when we brought them home after 4 months in the NICU that we were unable to take them outside or anywhere. We were so afraid of germs that no one was in our home more than necessary. We were in this "lockdown" state for 2 years especially in the winter. Now our boys are healthy and happy 2 ½ year olds. They began ECFE this past fall and were so behind the other kids in their class. They didn't know how to interact with other children because they had only spent time with each other and their older sister. I have witnessed these boys develop more than I could have imagined. They are now talking with the other kids and playing and sharing with them. They follow directions and listen to their teachers. ECFE has been so healthy for them. They look forward to "school" and their teachers. ECFE is the best program for young children. I have learned so much as a parent through ECFE. I now know that I am not alone in what I am going through with 3 small kids. I have gotten wonderful advice from our parent educator about behavioral issues and developmental milestones. I can't imagine a better place for me or my children.

Elizabeth & Bob Tsironis  
(Kate 4, Teddy & Nicholas 2 ½)  
18725 4<sup>th</sup> Place North  
Plymouth, MN 55447  
763-473-2444

Dear friends,

My son and I attended our first ECFE class in December, 2000, when Alex was about 4 weeks old, and ECFE has been a part of our lives since then (my husband once attended a Daddy and Me class, and loved it, but those classes have been cut in our area). Alex was born in the beginning of what was to be a long, icy winter. Although I had had a lot of experience with children, and thought I knew what I was "in for" as a mom, that winter I felt isolated and bewildered by a new baby who seemed to cry harder the more I tried to soothe him. My ECFE class was a life-line.

Today Alex is a boisterous 4 ½ year old, and his sister Megan a cautious but inquisitive 2 year old. Now it's Megan's turn to enjoy the wonderful teachers and activities at "E-C-C," as she calls it. I've come a long way from that overwhelmed mom 4 years ago, but I still cherish my parent education classes. In the classes I'm learning how to balance the demands of two children, and how to be a good mom to both of them.

Please support ECFE!

Sincerely,

Jennifer Wenner  
5423 Washburn Avenue South  
Minneapolis



Dear Members of the Senate,

I am writing this letter to stress the importance of funding Early Childhood Education. I am a parent of two boys, Joseph 3 1/2 and John Paul 2 yrs. Both of my children have had the opportunity to participate in Minneapolis ECFE classes. The program has been immensely beneficial for our entire family. Teachers in the ECFE program, have helped identify speech concerns with my older son, and aided in directing me to the appropriate assistance with diagnosing his problems.

Socially, and academically ECFE teachers, and curriculum are preparing my children for their future learning experience, and we enjoy every minute of class together. Because ECFE has contributed so positively to my parenting experience, I am currently a volunteer in our ECFE South Parent Advisory Council trying to "give back" some of the value that my children have enjoyed over the last 3 1/2 years. Please financially support this program and the teachers within it!

Thank You,  
Mary Therese Luedke  
South PAC Special Events Co-Chair  
4437 Colfax Ave S.  
Minneapolis, MN 55419  
612-827-6545

I am a parent who has participated in ECFE with two children for almost eight years. This year I am also the chair of the ECFE Parent Advisory Committee. I believe very strongly in the value of early childhood education and equally in the value of parent and family education. I have learned so much from the ECFE classes.

During the parent education time, we have had many speakers. Some of the most memorable/valuable for me:

- A child safety advocate that spoke about proper use of child safety seats
- A nurse who spoke about choking hazards and taught us what to do if a child is choking
- Firefighters who told us specific things we can do to better protect our families
- A speech therapist told us about normal speech development and things we should look for in our children

We also have group discussions led by a licensed parent educator on issues that affect us every day like:

- Ideas/recipes for nutritional meals for families, especially if you have a "picky eater"
- Toilet training tips
- Educational or recreational activities available in our communities
- Toys and books that are age appropriate
- Smart, safe discipline ideas that work
- Advice on pediatricians and dentists
- Sibling Rivalry
- Bedtime/naptime problems and how to solve them

ECFE classes have helped my family greatly and I have passed along much of what I have learned to other parents. ECFE programs should be expanded, not cut. More families should have access to these valuable resources.

Carrie Almaer  
18000 45<sup>th</sup> Ave. N  
Plymouth, MN 55446

Dear Senate Committee: This note is from a parent of a special needs child who credits the ECFE program with saving her...and in particular the ECSE (Early Childhood Special Education) component of ECFE. Her child requires nebulizer treatments, shots and tube feedings. She takes care of this child in addition to her 2 other children. She writes:

"I cannot tell you how much the special ECSE classes saved me when I was at my lowest points. The first time I got to the class with other special needs parents, I cried with relief at finding someone who was having the same feelings I was. The help I received was invaluable. From finding funding sources, to places I could take my family and feel included and safe. Thanks so much for fighting for ECFE but, don't forget that the special classes too need to be included. They cannot be replicated anyplace else in the social system."

Cindy Keller  
4712 E. 45th Street  
Minneapolis 55406

Dear Senate Committee:

I'm an ECFE parent forever thankful to the program that has enriched my family's life. It has saved me and many other parents from the isolation many experience but never speak of. In classes we are reassured that many of the trials and tribulations of parenthood and childhood are actually milestones to be celebrated. This infusion of knowledge and understanding exponentially increases our confidence in parenting...and the effects on our children are immeasurable.

I credit ECFE for alerting me to early childhood screening. The screening process has led to my son's enrollment in a preschool speech class. A class he was able to participate in at age 2! He's now 3 and his articulation skills have advanced at an incredible rate.

The educators of the ECFE and ECSE program are truly outstanding... and every budget year when the pink slips are delivered to some of the most talented educators...I am not alone in feeling despair for them and the future of the program. Please, we cannot afford to let this talented pool continually hang in limbo each summer and risk losing them over the summer to outside entities who recognize their true value and worth.

I heard a woman interviewed on NPR recently tell of her trip to investigate why European schools are so far advanced compared to US schools. She cited in France they have classes for families and children beginning at age 2. Apparently she's not aware of the fact that Minnesota ECFE offers education for families **before the birth of the child AND at the infant, early one year old, toddler and two year old stages!**

We're at the forefront of educational opportunity in the world! The sad thing is that education which should be for all, is so underfunded, that only a few can participate.

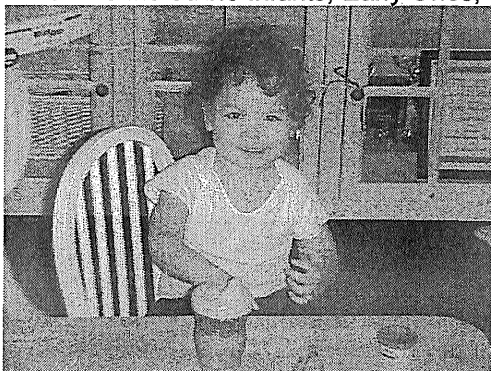
If you recognize nothing else, please note that during the early years of life (see attachment) the brain is at its most critical stage for development. These truly are the years that will set the stage for the success of us all! What happens in these years will determine the success of each individual's future, but yours, mine and ... and the futures of generations to come!

Please fund ECFE to the fullest extent possible, and once you do, set your sights on making ECFE a compulsory part of the public education.

Sincerely,

Lisa Ramirez & son Eli, (5241 3<sup>rd</sup> Ave. S. Minneapolis, MN 55419)

Alums of ECFE's Incredible Infants, Early Ones, Toddlers, Terrific Twos



**Early Childhood Family Education = Real Benefits to Minneapolis Families**

*Provided by Minneapolis South Parent Advisory Council*

**Why ECFE is Crucial:**

- Research confirms brain development is 75% complete by the age of five; and that the first 3 years are especially critical during this period of development.
- This period establishes a child's foundation for language proficiency, social skills and roots of intelligence.
- By the age of 3, children's brains are twice as active as those of adults.
- What parents learn in ECFE advances their understanding and ability to nurture their children during this incredibly short window of rapid growth!

**Importance of Parent Involvement:**

- Evidence shows: Early childhood programs involving both parents AND children are more effective than programs focusing exclusively on children.
- Parents who play an early, active role in their children's learning tend to do so throughout their child's entire education.
- Children whose parents are involved in their education are far likelier to be more successful in school.

**ECFE's Lasting Effects:**

- For every dollar investment made in quality early ed programs, economists cite a **significant cost savings**. One study cites a return of \$7.16 on each dollar invested!
  - ECFE parents are more likely to interact with their children, seek information, volunteer and initiate communication with their children's schools.
  - ECFE fosters strong families, positioning them to better contribute to community.
  - Program evaluation shows ECFE can prevent or help remedy later learning problems.
  - ECFE parents report having a better understanding of how children develop.
- 

**REAL LOSSES- REAL IMPACTS**

**Minneapolis ECFE is operating with a 20% loss of funding.**

**Current negative impacts:**

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- **ECFE sites were reduced from 12 in 2003-04 to 10 in 2004-05**
  - **Next year more sites could be eliminated.**
  - **Fewer sites mean reduced programming.**
  - **Reduced programming means fewer classes, and fewer still in proximity to families experiencing transportation issues.**
  - **Current demand for ECFE classes continues to go unmet.**
  - **Further cuts will undoubtedly lengthen waiting lists.**
- 

**Future costs resulting from an under-funded ECFE program, for special education, health and services, are UNTOLD!**

ECFE Testimony and Attached Article (Used with Permission):

What impact does ECFE have? As a police officer, I refer people to ECFE and other services as appropriate when we have contact with them in stressful situations (domestic fights, children refusing to stay in their child restraints in the van, neglect, etc). Parenting in today's society does not come naturally, and I see parents searching for solutions, struggling to cope with multiple demands, and having to try to do it all themselves without much support in the community other than ECFE, Head Start, and sympathetic child care providers. I teach safety issues at ECFE, child care, and Head Start. I serve as a member of the Early Childhood Coalition in Willmar where I work.

I also serve off-duty as a member of the ECFE/School Readiness Parent Advisory Committee in New London/ Spicer school district, where I live. I am the mother of two boys. I began taking my older son to ECFE classes when he was 2 and I was nearly 40. The parenting advice I got, and even the opportunity to explore solutions with other parents going through the same things I am, has given me the reassurance that I can do this OK! Imagine, a professional in the community to whom others look for answers needs the assistance and advice of other teachers in order to raise her children to be good citizens! ECFE Plus also helped us determine whether he would be able to cope with kindergarten, as he is small for his age and has an August birthday. That son is now 6, is confident and doing well in first grade, and we're managing sibling rivalry with advice from ECFE. His younger brother is 4. As an example of how quickly young children learn: while still 3, he attended Child Advocacy Day at the Capitol with me this February. Last weekend when we were in St. Paul, he recognized the Capitol building from a skyway a half-mile away-- without prompting! The opportunity for each son to attend their own once-a-week class with mom or dad has helped our family bonds as well as giving them some confidence to be in a classroom setting on their own for a while. I see in their classmates and other parents the advantages that early education opportunities provide-- and many parents simply do not have the resources or education to provide those opportunities on their own.

Any cuts that we make now in education, care, and support for young children and their parents will mean spending many times more in ten to fifteen years. Professionally, I see those children whose parents did not provide appropriate guidance and education taking significant sums of tax dollars. We cannot afford to lose what we have now. We cannot wait until kindergarten to recognize the learning needs of children and parents. Research proves that investments in early care and education are the most effective contributions we can make in providing a better quality of life and more peaceful world for everyone in the near and distant future.

Officer Marilee Dorn  
Crime Prevention/Community Policing Coordinator  
Willmar Police Department  
2201 NE 23rd St, PO BX 995  
Willmar, MN 56201  
320-214-6700 x3209 [mdorn@ci.willmar.mn.us](mailto:mdorn@ci.willmar.mn.us)

**Q: What does community support for young children and their parents have to do with crime prevention?**

**A: Supporting the healthy development of very young children is the most effective thing we can all do to prevent crime.**

At a time when we are seeing significant cuts in education, services and health care for the most vulnerable individuals in our communities, it is important to remember that study after study is proving to us that the most important investments our communities can make are in the support of very young children and their parents. From before birth to about 5 years old a child undergoes tremendous growth and change, especially in his or her brain. If this period of life includes support for growth in cognition, language, and motor skills, social and emotional functioning, the child is more likely to succeed in school and later contribute productively to society. However, without adequate support during these early years, or when faced with family violence, poverty, chemical abuse, inadequate parenting or inadequate nutrition, the child is more likely to drop out of school, receive welfare benefits, and commit crimes.

Children's emotional and social development is as important to school readiness as their cognitive and language development—more important than recognizing ABCs and 1-2-3s. Researchers have identified three domain areas that, if mastered, get children started well, but if seriously delayed or problematic, can cause the child to falter—to the detriment of the child and society. These three are:

1. Learning self-regulation of emotions, behavior, and attention.
2. Acquiring the capabilities that undergird communication and learning: development of language skills, reasoning, and problem solving.
3. Learning to trust, to love and nurture, and to resolve conflict constructively—to “play nicely with others”.

Children who have made progress toward these skills before entering kindergarten, and who are motivated to learn by a sense of curiosity and confidence, have a much greater chance of lifelong success. Indeed, **it is lack of these skills that lands many adults in jail.**

Many individuals in our community tell me they believe it is solely the responsibility of parents to provide for their children, and parents are held responsible for the behavior of their kids. Yet studies continue to tell us that most parents feel they don't have the information and resources they need to be able to support the social/emotional and cognitive development of their babies. Many young parents live well below the income thresholds recognized for adequate support of families in our area. Some are not aware of the support and educational services that are available, or are not able to take advantage of them due to work schedules or transportation needs. Many feel overwhelmed with the time, monetary and emotional demands placed on them without adequate family, workplace, and community supports. Parents are concerned about the influence that television, pop culture, and other community members have on even very young children. If our community is to be serious about long-term reduction in crimes and raising productive citizens, we must all do what we each can to support the youngest members of our community and their parents.

Is there anything that can prove to us how important it is for communities to support this investment? The High/Scope Perry Preschool Project, Prenatal and Infancy Nurse Home Visitation Programs including the Elmira, NY study, Department of Justice research on child delinquency and child aggression, Abecedarian Early Childhood Intervention, Chicago Longitudinal Study, analyses of Head Start and Early Childhood Family Education programs, and economic research by Federal Reserve Bank employees show us in stark terms that **every public dollar invested in quality programs to benefit infants and young children will yield a return of \$12 to \$16**, adjusted for inflation. Assistance to very young children and their families produce much greater economic returns than do investments later in life, and reduce the needs for later public supports and corrections.

Unfortunately, many of these supports have seen significant cuts in the past two years. Early Childhood Family Education funding is down, home visits by trained Public Health nurses and educators have been reduced, supplements to working families who need child care assistance have been slashed, Head Start support is down, even immunization clinics have been cut. The research proves that these targeted safety nets have long-term positive benefits for all of society. It seems that the research information has not reached those who have input into the decisions on funding and other supports.

The key is quality programs and experiences facilitated by educated caregivers, whether parents or paid providers. Only one-quarter of families in Minnesota are able to afford having a parent stay home full-time with their children. (For a couple in Kandiyohi County with one child, the wage earner must make at least \$13.38 per hour to afford basic necessities; with two children, \$16.42; and 55% of Minnesota workers earn less than that.) Parents must be educated about how best to interact with their children to help them grow into productive adults. All caregivers need adequate education, compensation and recognition. Day care is not just watching a child; it is hard work which involves providing for a child's physical and emotional growth, nutrition, safety, and activities which stimulate cognitive development and interpersonal skills. The turnover rate in the field is high, pay is low, and support does not seem adequate. Our community must see to it that education for parents and other caregivers and quality care and experiences for young children are readily accessible for everyone. Otherwise, our community will not be strong or as safe in a few years. We must also be sure effective interventions are available when poor circumstances in a child's life are recognized, whether those interventions take the form of providing for law enforcement, mental health, substance abuse treatment, education, social services, or meeting specific physical needs. As police officers, we daily see the results when children's initial life experiences have been poor and interventions inadequate.

The Willmar Early Childhood Coalition has several current initiatives designed to bring streamlined access to these efforts to the community. Anyone interested in working with the Coalition should contact Jennifer Huisinga at Willmar Community Education and Recreation. Partners in the Coalition include the Police Department, Kandiyohi County Public Health, Willmar Public Schools including Community Education and Recreation, the Southwest Minnesota Foundation and the Minnesota Early Childhood Initiative, faith community representatives, legislators, Heartland Community Action Agency, and a wide variety of other businesses and agencies dedicated to supporting families with young children in the ongoing effort to make Willmar a better place to live and work. Speakers are available about the Coalition and the research behind its efforts. A monthly calendar of activities and ideas for enhancing early childhood will be available throughout 2005 on the Kandiyohi County Public Health web site at <http://www.co.kandiyohi.mn.us/depts/publichealth/earlychildhood/>. Volunteer opportunities abound through the Kandiyohi County Community Volunteer Center at the United Way/ Willmar Lakes Area Chamber of Commerce office. The needs are there, and the research tells us what is effective in meeting the needs. **What are you willing to do to support crime prevention through these efforts?**

Submitted by: Officer Marilee Dorn, Crime Prevention Specialist



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

G-17 STATE CAPITOL  
75 REV. DR. MARTIN LUTHER KING, JR. BLVD.  
ST. PAUL, MN 55155-1606  
(651) 296-4791  
FAX: (651) 296-7747  
JO ANNE ZOFF SELLNER  
DIRECTOR

**Senate**  
State of Minnesota

**S.F. No. - Early Childhood Budget and Policy Committee  
Omnibus Bill**

**Author:** Senator John Hottinger

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

**Date:** April 22, 2005



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**Article 1** provides the appropriations.

**Article 2 Early Childhood Provisions**

**Section 1 (13.32, subdivision 2 )** amends the Data Practices Act with regard to student health and census data, by adding that results from student mental health screenings must be released to the child's parent or legal guardian, and must not be maintained in the student record.

**Section 2 (121A.17, subdivision 1)** amends the early childhood developmental screening by targeting children between three and four years old, instead of three and one-half to four years old. Also, a student identification number, as defined by the commissioner, must be assigned at the time of the early childhood screening or at the time of the provision of health records indicating comparable screening. Each school district must provide essential data to the Department of Education. Districts are encouraged to reduce screening costs by utilizing public or private health care organizations or individual health care providers.

**Section 3 (121A.17, subdivision 3)** amends the school board responsibilities by requiring that the screening program for prekindergarten include a socioemotional development screening consistent with the provisions in paragraph (b), and screening for autism spectrum disorder.

Language is added in paragraph (b) allowing the socioemotional screening only if the parent or guardian has been provided with a clear, written notice the socioemotional screening is voluntary, and the parent or guardian has signed a document developed and approved by the commissioner either allowing or declining the socioemotional component of the early childhood developmental

screening. A new paragraph is added requiring the socioemotional development screening to be conducted with a screening instrument approved by the Commissioner of Human Services, as the designated state mental health authority.

All "other" screening components must be consistent with the standards of the Commissioner of Health.

This section also adds a new paragraph (f) requiring the district to develop and implement community outreach plans to diverse populations to promote children being screened at least once before school entrance, targeting children age three and one-half to four years old. Districts are encouraged to include parents, early care and education programs, community partners, public or private health care organizations, and individual health care providers in the development of outreach plans.

**Section 4 (121A.17, subdivision 4a)** adds a subdivision to the prekindergarten screening statute, providing that if a child indicates a need for further assessment in the socioemotional development screening, the district is not financially responsible for a mental health assessment. The district must notify a child's parent or guardian of the screening results, and may provide the same with referrals to community providers. If the child is without health coverage, the district must inform the child's parent or guardian of an appropriate health care provider. This subdivision does not preclude the district from providing educational assessments.

**Section 5 (121A.19)** changes the aid formula for developmental screening, by providing \$50 for each three year old screened, \$40 for each four year old screened, and \$30 for each five year old screened. Currently, there is a flat \$40 amount for each child screened.

**Section 6 (124D.135, subdivision 1)** increases revenue for early childhood family education programs for fiscal year 2007 and later.

**Section 7 (121.145)** establishes the Early Learning Guidelines.

**Subdivision 1** requires the Commissioners of Education and Human Services to disseminate information and provide training to parents and early care and education providers on the early learning guidelines developed for three and four year old children that describe what children should know and be able to do in order to be prepared for kindergarten entrance.

**Subdivision 2** requires the Commissioner of Human Services to develop early learning guidelines and distribute them to parents and early care and education providers. The guidelines must include what children from birth to age three should know and be able to do to be prepared for kindergarten entrance. The commissioner shall provide information and training to parents and early care education providers on the guidelines.

**Subdivision 3** requires that early care and education programs or providers that receive state funding be provided a copy of the early learning guidelines to guide their early care and education practices.

**Section 8 (124D.15, subdivisions 1)** clarifies that the purpose of the school readiness program is to prepare children to enter kindergarten, and specifies that the program is for children age three to kindergarten entrance.

**Section 9 (124D.15, subdivision 3)** modifies program requirements. The program must:

- (1) conduct a child development assessment on each child to guide intentional curriculum planning and promote kindergarten readiness;
- (2) demonstrate use of comprehensive curriculum based on early childhood research, professional practice, and department guidelines that prepares children for kindergarten;
- (3) arrange for early childhood screening and appropriate referral;
- (4) involve parents in program planning and decision making;
- (5) coordinate with relevant community-based services; and
- (6) cooperate with adult basic education programs and other adult literacy programs.

**Section 10 (124D.15, subdivision 3a)** provides school readiness application and reporting requirements. A school readiness program must submit a biennial plan to the commissioner for approval to receive aid. A school district must submit a biennial plan by April 1 to the commissioner for approval to receive aid. One-half of the districts must submit the plan by April 1, 2006, and one-half of the districts by April 1, 2007.

Also, programs receiving school readiness funds must submit an annual report to the department.

**Section 11 (124D.15, subdivision 5)** amends the statute dealing with coordinating services with new or existing providers by stating that the district may contract with a charter school or community-based organization to provide services. Current law “encourages” a district to contract with a “public or nonprofit organization” to provide services. Also, a copy of the contract must be submitted to the commissioner with the biennial plan.

**Section 12 (124D.15, subdivision 10)** strikes language requiring the program to be supervised and staffed according to the terms of the contract.

**Section 13 (124D.15, subdivision 12)** requires, instead of allows, a district to adopt a sliding fee schedule. Strikes language that requires that fees charged be designed to enable eligible children of all socioeconomic levels to participate in the program.

**Section 14 (124D.15, subdivision 14)** adds a new subdivision requiring the department to provide assistance to districts with school readiness programs.

**Section 15 (124D.16, subdivision 2)** modifies the amount of aid a district is eligible to receive. A district is eligible for aid “for eligible prekindergarten pupils enrolled in a school readiness program” if the biennial plan has been approved by the commissioner. This section also strikes language consistent with other changes made in this section.

**Section 16 (124D.175, subdivision 1)** establishes the Minnesota Early Learning Foundation and provides the goal of the foundation, which is to identify cost-effective ways to deliver quality early care and education experience and parent education for families whose children are at risk of being unprepared for school. The foundation is a public-private partnership that will develop infrastructure support and accountability measures to increase the quality of early care and education, and will evaluate the resulting benefits and long-term savings to the Minnesota economy and the effectiveness of strategies for increasing children’s readiness for school.

**Subdivision 2** establishes the board, which will be made up of public and private citizens, with more than 50 percent of the members from the private sector. The Governor shall appoint the public sector members. A review and planning advisory committee shall provide knowledgeable counsel and advice to the executive director and the board. The committee shall include parents, representatives of the early care and education field, K-12 education, public library, and business leaders, and shall reflect the ethnic and geographic diversity of the state.

**Subdivision 3** requires the foundation to match dollars appropriated from the state with nonpublic dollars raised by the board. The board shall award grants for projects including pilot projects that demonstrate successful approaches to the delivery of early childhood services and parent education to low-income families; scholarships to low-income families to access early childhood parent education and high quality early learning for children; and strategies to improve the quality of care and education through early learning standards and assessments, a quality rating system, program improvement grants, and professional development grants.

**Section 17** requires the coordination of early care and education programs by the Commissioners of Education, Human Services, and Health. The commissioners must identify how they will coordinate activities and resources, with input from local communities and tribes, including setting priorities, aligning policies, and leveraging existing resources to achieve a goal for increased school readiness of all Minnesota children. The commissioners are required to report to the legislature by March 1, 2006, on progress made, including progress made on the activities listed in the bill.

**Section 18** establishes the school readiness kindergarten assessment initiative.

**Subdivision 1** requires the Commissioner of Education to establish a system for assessing the school readiness of children entering kindergarten, building on the two school readiness studies conducted by the department in 2002 and 2003. The commissioner shall set biennial milestones for progress in the number of children reaching proficiency on all measures of the assessment.

**Subdivision 2** implements the school readiness kindergarten assessment initiative in all school districts on a voluntary basis over a five-year period. Results of the assessment must be included in the annual school performance report cards.

**Subdivision 3** requires the commissioner to evaluate the effectiveness of the data gathering system for implementing developmental assessments at kindergarten entrance on a school-by-school basis. The commissioner shall also report to the Senate and House of Representatives on the progress toward reaching the milestones in odd years beginning in 2007.

**Section 19** establishes a formula for additional early childhood family education aid in fiscal year 2006.

**Section 20** repeals obsolete school readiness provisions

### **Article 3 Child Care**

**Section 1 (119B.09, subdivision 1)** modifies the eligibility for the basic sliding fee child care program by changing program entrance from 175 percent of the federal poverty guidelines to 200 percent of the federal poverty guidelines.

**Section 2 (119B.13, subdivision 7)** requires that an accredited Montessori child care provider be paid a ten percent bonus above the maximum child care assistance rate.

**Section 3** establishes a new parent fee schedule, which reduces co-payments for parents using the child care assistance program.

**Section 4** requires the Commissioner of Human Services to monitor the progress related to meeting the goals of the child care assistance program, and report the findings to the legislative committees overseeing child care issues on an annual basis beginning January 15, 2006.

**Section 5** establishes the volunteer quality rating system. This section requires the Commissioner of Human Services, in partnership with the Ready 4 K Quality Rating System Task Force, to develop a plan by January 15, 2006, for a voluntary quality rating system for child care that provides consumer information to parents, identifies quality child care settings, and raises the quality of care in child care settings. The plan must include a process for choosing an early care and education

nonprofit organization to administer the quality rating system. This section also lists what the quality rating system must include.

**Section 6** requires the Commissioner of Human Services, in conjunction with the Minnesota Association of County Social Services Administrators and the Minnesota Licensed Family Child Care Association, to study the feasibility of setting a standard statewide license fee for licensed family child care providers, and make recommendations for a statewide standard fee to the chairs of the senate and house committees having jurisdiction over child care issues by January 15, 2006.

#### **Article 4 Adult Basic Education**

**Section 1 (124D.205)** establishes a new formula to provide supplemental community education revenue to districts that currently receive this type of revenue.

**Section 2 (124D.531)** modifies the adult basic education aid formula. It increases the amount of aid in 2006 from \$36,509,000 to \$37,604,000. For later years, the formula equals the amount of aid in the preceding year, times the lesser of:

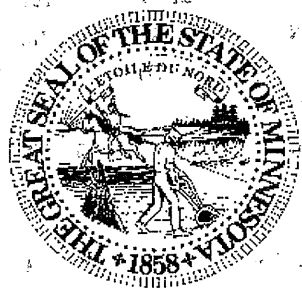
- (1) 1.03, or
- (2) the ratio of state total contact hours in the first prior program year to the state total contact hours in the second prior program year. The ratio cannot be less than 1.00.

**Section 3 (124D.531, subdivision 4)** provides that aid that is not paid to an adult basic education program due to the limitation under paragraph (a), which does not allow aid to exceed \$21 per prior year contact hour, must be added to the state total adult basic education aid for the next fiscal year. Also, any aid that is not paid to a program under other limitations in this statute must be reallocated among programs by adjusting the rate per contact hour.

**Section 4 (124D.532)** establishes adult literacy grants for recent immigrants. This grant program is established to meet the English language needs of the refugees and immigrants living in the state of Minnesota. The Commissioner of Education is required to consult with adult basic education services providers in establishing the form and manner of the grant program.

**Article 5** transfers the lead abatement program from the Department of Education to the Department of Health. The sections in this article make conforming changes.

JW:rd



**Governor's Recommended 2006-07 Biennial Budget  
Early Childhood Budget & Policy Division**



**Department of Education**  
**Family & Early Childhood Education**





## DEPARTMENT OF EDUCATION

### Program: EARLY CHILDHOOD FAMILY SUPPORT

Change Item: Early Childhood Health & Development Screening Modifications

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$323	\$752	\$716	\$690
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$323	\$752	\$716	\$690

### Recommendation

The Governor recommends setting variable reimbursement rates for the early childhood health and development screening program to provide an incentive for school districts to screen children at age three, increasing the likelihood that children who need services will get timely help, and be ready for kindergarten. The Governor also recommends that all pre-kindergarten children be assigned a student identification number at the time they are screened to ensure that all children receive screening before enrolling in kindergarten at a public school, as mandated by law.

### Background

Statutes require that a child must not be enrolled in kindergarten in a public school unless the parent submits evidence of the child's screening and the results of the screening no later than 30 days after the first day of attendance. Most children are screened at age four. Required screening components include:

- ◆ vision;
- ◆ hearing;
- ◆ height;
- ◆ weight;
- ◆ development;
- ◆ immunization review;
- ◆ identification of risk factors that may interfere with learning; and
- ◆ summary interview with parents.

School districts report summary counts of the number of children screened each year to the state, and receive state aid of \$40 for every child screened, regardless of age. If the state reimbursement is not sufficient, current statutes allow districts to make transfers from the general fund. Districts report average screening costs of \$60 to \$65 per child.

Student identification numbers are only assigned to preschool age children who receive special education services.

This recommendation will make the following two changes to the current program to achieve stated goals.

- ⇒ Set variable reimbursement rates to provide an incentive to districts to screen children at an earlier age. The rate would be increased to \$50 per child for age three, maintained at \$40 for ages two and four, and reduced to \$30 for children age five and older.
- ⇒ Assign an identification number to all children at the time of screening to ensure state and district accountability; assist with Minnesota's child find efforts; and improve documentation of educational outcomes.

### Relationship to Base Budget

For FY 2007, the increase in appropriation is approximately 28%. The increase in program costs will peak in FY 2007 as districts screen more three year olds, then begin to taper as the number of four and five year olds who require screening falls. The cost assumes that some five year olds will continue to receive screening at or shortly before kindergarten entrance.

**DEPARTMENT OF EDUCATION**

**Program: EARLY CHILDHOOD FAMILY SUPPORT**

**Change Item: Early Childhood Health & Development Screening  
Modifications**

**Key Measures**

The percentage of children in a kindergarten cohort receiving early childhood health and developmental screening at age three will increase.

**Alternatives Considered**

Increase the reimbursement rate at age three, without decreasing the reimbursement rate for children screened at age five or kindergarten entrance.

**Statutory Change:** Minnesota Statutes 121A.19.

## DEPARTMENT OF EDUCATION

Program: EARLY CHILDHOOD FAMILY SUPPORT

Change Item: School Readiness Program Changes

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures – Agency	\$164	\$200	\$200	\$200
Expenditures – State Aid	(164)	(200)	(200)	(200)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$0	\$0	\$0	\$0

### Recommendation

The Governor recommends refocusing the school readiness program on the development and assessment of academic skills to prepare four and five year old children for kindergarten as well as strengthening program oversight and accountability.

### Background

The current school readiness program provides grants to school districts for pre-kindergarten child development programs. The program's goal is to promote future success in school, but the statutory requirements of the program are broad, with no accountability for measuring the program's impact on participants' school readiness.

The Governor's proposal phases in new program requirements focused on academic preparation for kindergarten beginning in FY 2007, with all districts required to meet the new standards to receive state aid by FY 2009. Districts would be required to submit a biennial plan for commissioner's approval with evidence that the district:

- ⇒ Has adopted and implemented the Minnesota Department of Education's (MDE's) early learning standards and uses a comprehensive pre-kindergarten curriculum based on early childhood research and professional practice.
- ⇒ Conducts a child development assessment on each child at program entry and completion.

Districts may continue to contract with community providers to provide the school readiness program, as permitted under current law.

School readiness grants in FY 2005 range from less than \$1,000 to nearly \$1 million, with an average grant amount of approximately \$27,000. Several districts' pre-kindergarten programs have already begun to implement the MDE early learning standards.

### Relationship to Base Budget

This proposal adds two full-time equivalent (FTE) staff and a .25 FTE supervisory position, at a cost, including incidental administrative expenses, of \$164,000 in the first year, and \$200,000 in succeeding years. The appropriation for school readiness is decreased by the same amounts. The FY 2006 change equals 1.8% of the forecast base; the FY 2007 change equals 2.2% of the forecast base.

### Key Measures

- ⇒ The number of school district and contract-provided school readiness programs that have adopted and implemented MDE's early learning standards.
- ⇒ The number of school readiness programs that use a comprehensive pre-kindergarten curriculum based on early childhood research and professional practice.
- ⇒ The number of participating children that demonstrate progress in kindergarten readiness from their initial assessment at program entrance to their assessment upon completing a school readiness program.

**Statutory Change:** Minnesota Statutes sections 124D.15 and 124D.16.

**DEPARTMENT OF EDUCATION****Program: SELF SUFFICIENCY LIFELONG LRNG**

Change Item: Intensive English Instruction for New Adult Refugees

<b>Fiscal Impact (\$000s)</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Fund				
Expenditures	\$1,000	\$1,000	\$0	\$0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,000	\$1,000	\$0	\$0

**Recommendation**

The Governor recommends an intensive two-year English language instruction program for new adult refugees through the state Adult Basic Education (ABE) system.

**Background**

Large numbers of adult refugees are arriving in Minnesota. At present, the ABE delivery system is unable to add new ESL (English as a Second Language) classes due to existing waiting lists for ESL services in metro area ABE programs. Without intensive English instruction for these new Minnesotans, it is unlikely that individuals and families will become self-sufficient in the short term and they will continue to be dependent on other public welfare services and resources. At a cost of about \$1,000 per ESL student per year, current ABE providers could provide access to intensive ESL services (20+ hours per week) to 1,000 additional students per year. This effort would be similar to the three-year *Intensive ESL TANF (Temporary Assistance for Needy Families) Program* that was funded by the 2000 legislature. New federal resources to assist the refugee resettlement effort have not included English instruction.

**Relationship to Base Budget**

The cost of this program is \$1 million in FY 2006 and \$1 million in FY 2007.

**Key Measures**

More adult refugees would gain English language skills necessary for self-sufficiency.

**Statutory Change:** New statutory language is required.

**DEPARTMENT OF EDUCATION****Program: SELF SUFFICIENCY LIFELONG LRNG****Change Item: Reallocation of Capped ABE Funds**

<b>Fiscal Impact (\$000s)</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
General Fund				
Expenditures	\$127	\$123	\$92	\$69
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$127	\$123	\$92	\$69

**Recommendation**

The Governor recommends reallocating the excess portion of Adult Basic Education (ABE) state aid that results a cap on the reimbursement per learner contact hour and from a requirement that aid not exceed program expenditures for the year.

**Background**

Under ABE law, M.S. 124D.531, programs may not receive more than \$21 per prior year learner contact hour. In FY 2004, eight programs were capped under this mandated ABE allocation formula, which resulted in \$405,000 being returned to the state general fund. Beginning in FY 2006, the savings from this cap and from any aid reductions due to the requirement that aid not exceed program expenditures will be added to total ABE funding for the subsequent fiscal year. The projected reductions under this provision are \$154,000 for FY 2005, \$116,000 for FY 2006, \$87,000 for FY 2007, and \$65,000 for FY 2008. The 51 other ABE programs averaged \$8.00 per contact and some had waiting lists for services. This would ensure that the funding appropriated by the legislature for ABE would remain available for ABE purposes. The impact to non-capped ABE programs would be to slightly increase each program's contact hour rate.

**Relationship to Base Budget**

The proposed increase is 0.4% of the base budget for FY 2006 and 0.3% of the base budget for FY 2007.

**Key Measures**

- ⇒ Increase in number of students served.
- ⇒ More services would be provided in programs with greatest need.

**Statutory Change:** Amend M.S. 124D.531, Subd. 1 and 4.







**Budget Activities Included:**

- ⇒ Early Childhood Family Education Aid
- ⇒ School Readiness
- ⇒ Health and Developmental Screening Aid
- ⇒ Head Start Program
- ⇒ Infants and Toddlers – Part C

**DEPARTMENT OF EDUCATION**

**Program: EARLY CHILDHOOD FAMILY SUPPORT**

**Program Summary**

*Dollars in Thousands*

<b><i>Direct Appropriations by Fund</i></b>	<b>Current</b>		<b>Agency Request</b>		<b>Biennium 2006-07</b>
	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY2006-07</b>
<b>General</b>					
Current Appropriation	47,671	43,426	43,426	43,426	86,852
<b>Technical Adjustments</b>					
Current Law Base Change			7	8	15
End-of-session Estimate Cancellation			(1,878)	(1,329)	(3,207)
Aid Payment Buy Back	(69)	449			
November Forecast Adjustment		(980)	(550)	(698)	(1,248)
Subtotal-Forecast Base	47,602	42,895	41,005	41,407	82,412
<b>Governor's Recommendations</b>					
School Readiness			(164)	(200)	(364)
Health Screening Funding			323	752	1,075
<b>Total</b>	<b>47,602</b>	<b>42,895</b>	<b>41,164</b>	<b>41,959</b>	<b>83,123</b>
<b><i>Expenditures by Fund</i></b>					
<b>Direct Appropriations</b>					
General	47,602	42,895	41,328	42,159	83,487
<b>Statutory Appropriations</b>					
Special Revenue	47	55	30	30	60
Federal	6,265	6,395	6,295	6,295	12,590
<b>Total</b>	<b>53,914</b>	<b>49,345</b>	<b>47,653</b>	<b>48,484</b>	<b>96,137</b>
<b><i>Expenditures by Category</i></b>					
Total Compensation	60	60	60	60	120
Other Operating Expenses	23	28	28	28	56
Local Assistance	53,831	49,257	47,565	48,396	95,961
<b>Total</b>	<b>53,914</b>	<b>49,345</b>	<b>47,653</b>	<b>48,484</b>	<b>96,137</b>
<b><i>Expenditures by Activity</i></b>					
Early Childhood Family Education	19,126	13,744	12,217	12,588	24,805
School Readiness	9,536	9,394	9,057	9,088	18,145
Health & Development Screening	2,581	2,712	2,984	3,413	6,397
Head Start Program	16,525	17,325	17,225	17,225	34,450
Infants & Toddlers-Part C	6,146	6,170	6,170	6,170	12,340
<b>Total</b>	<b>53,914</b>	<b>49,345</b>	<b>47,653</b>	<b>48,484</b>	<b>96,137</b>
<b>Full-Time Equivalents (FTE)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	

**Activity Description**Citation: M.S. 124D.13; 124D.135; 124D.15

The Early Childhood Family Education (ECFE) program is funded by state aid and local levy. The program provides early childhood education, parent-child learning opportunities, and parent education that enhance the ability of parents to provide for their children's optimal learning and development.

**Activity at a Glance**

In FY 2003:

- ◆ over 315,000 children and parents participated; and
- ◆ more than 21,000 referrals were made from other community programs.

**Population Served**

All families with children ages birth to kindergarten are eligible for ECFE. ECFE served 147,241 children and 167,886 parents in FY 2003.

**Services Provided**

All ECFE programs are planned and implemented locally and typically include the following services. Services are provided directly by school districts or through district contracts or agreements with community-based programs:

- ◆ parent discussion groups;
- ◆ parent-child interaction;
- ◆ play and learning activities that promote children's development;
- ◆ home visits;
- ◆ special events for the entire family;
- ◆ information on community resources for young children and families; and
- ◆ libraries of books, toys, and other learning materials.

**Historical Perspective**

⇒ ECFE began as a series of pilot programs from 1974-1983. In 1984, the legislature made it possible for any school district with a community education program to establish the program. ECFE was offered in nearly all 341 school districts and the four tribal schools in Minnesota in 2003. There has been an increase of parent participants from 87,374 in FY 1990 to 167,886 in FY 2003.

**Key Measures**

*Increase the number of parents receiving the education and support they need to assist their children's development and learning.*

⇒ In a 1999 study of parents with infants, parents reported that their ECFE participation resulted in improved understanding of how infants learn and develop (83%), learning how to support their infant's learning and development (81%), improved confidence as a parent (79%), improved understanding and response to their child's behavior (76%), and making connections with other parents (73%).

*Increase the percentage of parents involved in activities at home, school, and in the community related to their children's learning, development, and education.*

⇒ A 2003 study on parent involvement in kindergarten and grade 3 education comparing former ECFE participants and non-ECFE participants found that ECFE participating parents were more likely to:

- ◆ read or tell stories with their child nearly every day (kindergarten-79% compared to 67%; grade 3-48% compared to 38%);
- ◆ regularly visit libraries (kindergarten-37% compared to 25%; grade 3-31% compared to 20%);
- ◆ volunteer in the classroom (kindergarten-65% compared to 39%; grade 3-58% compared to 37%); and
- ◆ serve on PTA advisory committees or school site councils (kindergarten-20% compared to 6%; grade 3-18% compared to 8%).

## DEPARTMENT OF EDUCATION

Program: EARLY CHILDHOOD FAMILY SUPPORT

Activity: EARLY CHILDHOOD FAMILY EDUC

Narrative

### Activity Funding

This is a state aid and levy program. A district's state aid is the difference between the revenue and levy. The ECFE levy is the lesser of a fixed rate times the district's adjusted tax capacity or the ECFE maximum revenue. A district's maximum revenue for FY 2005 equals the ECFE allowance of \$96 times the greater of 150 or the number of children under age five residing in the district on October 1 of the previous school year. This formula amount was decreased in the 2003 legislative session to the FY 2002-03 level of \$120.

State law allows districts to maintain an ECFE reserve, but limits the amount of ECFE funds districts can carry forward to 25% of their prior year revenue, including aid, levy, and fees.

Districts are required to have a sliding fee scale and formula funding may be supplemented with registration fees and funds from other sources.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8397, <http://education.state.mn.us>.

DEPARTMENT OF EDUCATION

Program: EARLY CHILDHOOD FAMILY SUPPORT

Activity: Early Childhood & Family Education

Budget Activity

Dollars in Thousands

<b>Direct Appropriations by Fund</b>	<b>Current</b>		<b>Governor's Rec</b>		<b>Biennium</b>
	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>2006-07</b>
<b>General Fund</b>					<b>FY2006-07</b>
1 Current Appropriation	19,079	14,407	14,407	14,407	28,814
a. End of Session Estimate			(1,715)	(1,166)	(2,881)
b. Aid Payment Buy Back		226	7	7	14
c. November Forecast Adjustment		(944)	(512)	(690)	(1,202)
2 Forecast Base	19,079	13,689	12,187	12,558	24,745
3 Governor's Initiatives					
4 Recommended	19,079	13,689	12,187	12,558	24,745

**District Revenue Summary (Entitlement Basis)**

<b>AID</b>	<b>State Aid</b>					
5 Statutory Formula Aid		19,877	11,880	12,254	12,626	24,880
6 Statutory Excess/(Shortfall)		(78)	944			0
7 Appropriated Entitlement		19,799	12,824	12,254	12,626	24,880
8 Adjustments						
a. Appropriation Reduction			(944)			
9 State Aid Entitlement Current Law		19,799	11,880	12,254	12,626	24,880
10 <b>Governor's Initiatives</b>						
11 <b>Governor's Aid Recommendation</b>		19,799	11,880	12,254	12,626	24,880
<b>plus</b>						
<b>LEVY</b>	<b>Levy</b>					
12 Local Levy Current Law		21,795	21,942	22,014	22,097	44,111
13 <b>Governor's Initiatives</b>						
14 <b>Governor's Levy Recommendation</b>		21,795	21,942	22,014	22,097	44,111
<b>equals</b>						
<b>REVENUE</b>	<b>15 Current Law Revenue (State Aid &amp; Levy)</b>	41,594	33,822	34,268	34,723	68,991
	<b>16 Governor's Initiatives</b>					
	<b>17 Governor's Revenue Recommendation</b>	41,594	33,822	34,268	34,723	68,991
	<b>18 Other Revenue</b>					
	<b>19 Total All Sources Current Law</b>	41,594	33,822	34,268	34,723	68,991
	<b>20 Governor's Total Revenue Recommendation</b>	41,594	33,822	34,268	34,723	68,991
	<b>Appropriations Basis for State Aid</b>					
	Prior Year (20%/18.1%)	3,239	3,959	2,150	2,217	4,367
	Current Year (80%/81.9%)	15,840	9,730	10,037	10,341	20,378
	<b>Total State Aid - General Fund</b>	19,079	13,689	12,187	12,558	24,745
	<b>Additional ECFE Revenue-Fund 200</b>					
	ECFE Partnership-Ucare	47	55	30	30	60

**Activity Description****Citation: M.S. 124D.15; 124D.16**

The School Readiness program funds school districts to provide child development programs that promote future success in school. Participants are either referred through early childhood screening or must participate in screening within 90 days of enrollment in School Readiness or the child's fourth birthday.

**Population Served**

Preschool children three and a half to four years old who are identified with health and development problems are priority participants in this program. A total of 38,063 children and 41,752 parents were served in 2003. The following are participant characteristics in 2003.

- ⇒ 5,251 children were identified with developmental delays and disabilities through an early childhood screening or special education evaluation process.
- ⇒ More than 28% of parents had no more education than a high school diploma/GED (general educational development).
- ⇒ Approximately 29% of participating families had household incomes of less than \$30,000, including almost 4% of families who had household incomes of less than \$10,000.
- ⇒ Approximately 22% of participating families were headed by a single parent.

**Services Provided**

School Readiness provides a continuum of services for three and a half to four year old children based on needs. Services are provided directly by school districts or through district contracts or agreements with community-based programs. Because this program requires close coordination and cooperation of various health, education, and human services providers, local service providers' strategies for delivering services to eligible children and families include both referrals and a wide array of coordinated or integrated services, such as:

- ◆ half day pre-kindergarten program;
- ◆ comprehensive head start and family literacy/English language learner programs;
- ◆ the addition of parent education and special needs services to preschool and center-based child care programs;
- ◆ staff development and consultation for family child care providers;
- ◆ kindergarten transition connection classes for children and parents;
- ◆ coordination of referrals and follow-up to early childhood screening;
- ◆ one or two days of child only activities added to early childhood family education; and
- ◆ early childhood special education and school readiness integrated classrooms.

**Historical Perspective**

The School Readiness program was first enacted in 1991 for four year olds. It was expanded in 1993 to cover children ages three and one-half to kindergarten and younger than three and one-half if necessary for program effectiveness.

**Key Measures**

- ⇒ Since 1994, the Minnesota Department of Education (MDE) has provided training on the use of the work sampling system of child assessment in order to measure child progress of participating children. Over 50% of the school districts reported using work sampling in FY 2003.

**Activity at a Glance**

In FY 2003:

- ◆ 79,815 children and parents participated in the program.
- ◆ Nearly 20,000 referrals were made to and from other community services and programs.
- ◆ Almost 21,000 children received 30 or more hours per year of child/parent services.

## DEPARTMENT OF EDUCATION

**Program: EARLY CHILDHOOD FAMILY SUPPORT**

**Activity: SCHOOL READINESS**

**Narrative**

⇒ In FY 2003, MDE piloted a system for assessing the school readiness of a representative sample of 1,851 Minnesota kindergarten students in the domains of personal and social development, language and literacy, mathematical thinking, the arts, and physical development. The year two study was expanded in FY 2004 to include 3,002 kindergarten students in 52 elementary schools. A parent survey collected sample family demographic data, early childhood education, and child care experiences information in year two.

### **FY 2004 (Year Two) Developmental Assessment Results**

Developmental Domain	Not Yet	In Process	Proficient
Physical Development	2%	41%	57%
Personal & Social Development	9%	44%	47%
The Arts	6%	48%	47%
Language & Literacy	12%	46%	43%
Mathematical Thinking	11%	50%	40%

The year three study in FY 2005 will include approximately 3,000 kindergarten students from 15 school districts. In addition to assessing the school readiness of all kindergarteners in the participating districts, the study will identify strategies for community planning to increase the percentage of children ready for school success and will collect more complete and accurate family demographic information.

### **Activity Funding**

This program is funded entirely with state aid. School districts receive aid equal to: 1) the number of eligible four-year old children in the district times the ratio of 50% of the total school readiness aid for that year to the total number of eligible four-year old children reported to the commissioner that year; plus 2) the number of pupils enrolled in the school district from families eligible for the free or reduced lunch program times the ratio of 50% of the total school readiness aid for that school year to the number of pupils in the state from families eligible for the free or reduced school lunch program. The average district aid for FY 2004 will be \$30,664. The state aid entitlement was \$9,543,000 in FY 2003 and \$9,536,000 in FY 2004.

State law allows districts to maintain a school readiness reserve, but limits the amount of school readiness funds districts can carry forward to 25% of their prior year revenue, including aid and fees.

### **Contact**

Additional information is available from the Minnesota Department of Education, (651) 582-8397, <http://education.state.mn.us>.

DEPARTMENT OF EDUCATION

Program: EARLY CHILDHOOD FAMILY SUPPORT

Activity: School Readiness

Budget Activity

Dollars in Thousands

<i>Direct Appropriations by Fund</i>	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>General Fund</b>					
1 Current Appropriation	9,536	9,258	9,258	9,258	18,516
a. Current Statutory Authority			(163)	(163)	(326)
b. November Forecast Adjustment		(36)	(38)	(8)	(46)
c. Aid Payment Buy Back		172		1	1
2 Forecast Base	9,536	9,394	9,057	9,088	18,145
3 Governor's Initiatives			(164)	(200)	(364)
4 Recommended	9,536	9,394	8,893	8,888	17,781

<b>District Revenue Summary (Entitlement Basis)</b>					
<b>AID</b>	<b>State Aid</b>				
5 Statutory Formula Aid	9,913	9,050	9,058	9,095	18,153
6 Statutory Excess/(Shortfall)		36			0
7 Appropriated Entitlement	9,913	9,086	9,058	9,095	18,153
8 Adjustments		(36)			
a. Appropriation Reduction					
9 State Aid Entitlement Current Law	9,913	9,050	9,058	9,095	18,153
10 Governor's Initiatives			(200)	(200)	(400)
11 Governor's Aid Recommendation	9,913	9,050	8,858	8,895	17,753
<i>plus</i>					
<b>LEVY</b>	<b>Levy</b>				
12 Local Levy Current Law	0	0	0	0	0
13 Governor's Initiatives					
14 Governor's Levy Recommendation	0	0	0	0	0
<i>equals</i>					
<b>REVENUE</b>	<b>Current Law Revenue (State Aid &amp; Levy)</b>				
15	9,913	9,050	9,058	9,095	18,153
16 Governor's Initiatives			(200)	(200)	(400)
17 Governor's Revenue Recommendation	9,913	9,050	8,858	8,895	17,753
18 Other Revenue					
19 Total All Sources Current Law	9,913	9,050	9,058	9,095	18,153
20 Governor's Total Revenue Recommendation	9,913	9,050	8,858	8,895	17,753
<b>Appropriations Basis for State Aid</b>					
Prior Year (20%/18.1%)	1,605	1,982	1,638	1,603	3,241
Current Year (80%/81.9%)	7,931	7,412	7,255	7,285	14,540
<b>Total State Aid - General Fund</b>	9,536	9,394	8,893	8,888	17,781



**Activity Description**

Citation: M.S. 121A.16; 121A.17; 121A.19

Early Childhood Health and Developmental Screening promotes educational readiness and improved health of young children through the early detection of factors that may impede children's learning, growth, and development.

**Population Served**

All children must participate in early childhood screening before entering kindergarten. This program targets children who are three and a half to four years of age. (Children who have had a comparable health and development screening through another provider are exempt from this requirement.) Districts typically notify all parents of children ages three and one half to four of the screening requirement and where the screening can be obtained.

**Services Provided**

Early Childhood Health and Developmental Screening include the following services: outreach, screening, referral, and follow-up.

- ⇒ Required screening components include 1) vision; 2) hearing; 3) height; 4) weight; 5) development (cognitive, social/emotional, fine/gross motor, and speech/language); 6) immunization review; 7) identification of risk factors that may interfere with learning; and 8) a summary interview with parents.
- ⇒ Optional screening components include 1) health history; 2) review of family factors that might affect development; 3) nutritional assessment; 4) physical and dental assessment; 5) blood pressure; and 6) laboratory tests.

The objectives of early childhood screening are to:

- ◆ detect and seek solutions to conditions interfering with children's growth, development, and learning;
- ◆ increase parental awareness of physical health, development, and learning readiness connections;
- ◆ improve access to and encourage the regular use of preventive health services; and
- ◆ link families to a wide array of community services and programs.

**Historical Perspective**

The screening program began in 1977 in order to identify children who may have possible health or development problems that could delay their future learning and to refer children to health, school, and other community services for further assessment or evaluation.

In 1990, the legislature established a comprehensive health screening program. In 1992, it was replaced with a mandated screening prior to public school enrollment. The mandatory screening is less comprehensive than the screening established in 1990. Screening now targets children ages three and a half to four years, which allows for one year of intervention services prior to school enrollment.

**Key Measures**

*Increase the percentage of children who receive the nutrition, physical activity, and health care that they need to arrive at school with healthy minds and bodies.*

- ⇒ In FY 2003, over 18,000 referrals were made for potential health or developmental problems identified at the time of Early Childhood Health and Developmental Screening. (Note: the Minnesota Department of Education (MDE) has implemented a web-based application for reporting annual aggregated Early Childhood Health and Development Screening data from school districts, including data on the status of children's immunizations, hearing, vision, growth, and access to health care coverage.)

**Activity at a Glance**

In FY 2003, a total of 57,930 children were screened. This included:

- ◆ over 2,018 children served in Early Childhood Special Education
- ◆ over 4,660 children referred to the School Readiness Program
- ◆ nearly 4,600 families referred to Early Childhood Family Education
- ◆ over 1,200 children referred to Head Start
- ◆ over 412 parents referred to adult education/literacy

# DEPARTMENT OF EDUCATION

Program: **EARLY CHILDHOOD FAMILY SUPPORT**

Activity: **HEALTH & DEVELOPMENT SCREENING**

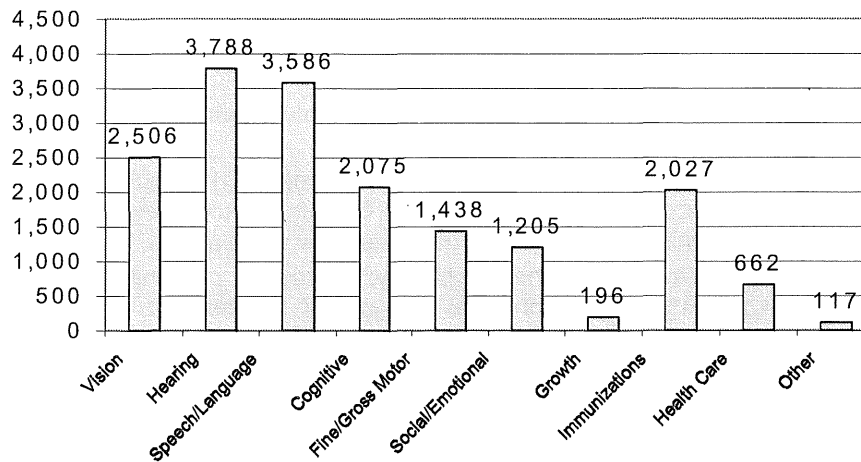
Narrative

⇒ In FY 2004, MDE translated the early childhood screening parent brochure into ten languages to facilitate outreach to linguistically diverse families.

*Increased coordination and integrated screening efforts and follow-up process with county health and social services, school districts, and other providers are implemented through the*

- ◆ provision of integrated regional staff development opportunities offered jointly by the Minnesota Departments of Education, Health (MDH), Human Services (DHS), and the state Head Start Collaboration office;
- ◆ development of common screening forms for early childhood screening, child and teen checkups/EPSTD (Early and Periodic Screening, Diagnosis and Treatment), and head start; and
- ◆ development of Minnesota Child Health and Developmental Screening Quality Indicators. A comprehensive framework to build and evaluate community-based screening systems in partnership with the DHS and MDH.

2003: Number of New Potential Problems Identified



## Activity Funding

This program is funded with state aid and supplemented with in-kind funding from other education aid and community resources.

In 1998, the Minnesota legislature increased the reimbursement to school districts from \$25 to \$40 per child screened to more closely cover the actual average cost of \$50 per child screened. In FY 2003, the average actual cost for the required components was \$65 per child screened. State funding does not reimburse for optional components.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

## Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8397, <http://education.state.mn.us>.

DEPARTMENT OF EDUCATION

Program: EARLY CHILDHOOD FAMILY SUPPORT

Activity: Health & Developmental Screening

Budget Activity

Dollars in Thousands

<b>Direct Appropriations by Fund</b>	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>General Fund</b>					
1 Current Appropriation	2,581	2,661	2,661	2,661	5,322
a. End of Session Estimate					
b. Aid Payment Buy Back		51			
2 Forecast Base	2,581	2,712	2,661	2,661	5,322
3 Governor's Recommendation					
a. Additional Funding			323	752	1,075
4 Recommended	2,581	2,712	2,984	3,413	6,397

<b>District Revenue Summary (Entitlement Basis)</b>					
<b>AID</b>	<b>State Aid</b>				
5	Statutory Formula Aid	2,661	2,661	2,661	2,661
6	Statutory Excess/(Shortfall)				
7	Appropriated Entitlement	2,661	2,661	2,661	2,661
8	Adjustments				
9	State Aid Entitlement Current Law	2,661	2,661	2,661	2,661
10	<b>Governor's Recommendation</b>				
a.	Additional Funding			394	831
11	<b>Governor's Aid Recommendation</b>	2,661	2,661	3,055	3,492
<b>plus</b>					
<b>LEVY</b>	<b>Levy</b>				
12	Local Levy Current Law	0	0	0	0
13	<b>Governor's Recommendation</b>				
14	<b>Governor's Levy Recommendation</b>	0	0	0	0
<b>equals</b>					
<b>REVENUE</b>					
15	Current Law Revenue (State Aid & Levy)	2,661	2,661	2,661	2,661
16	<b>Governor's Recommendation</b>			394	831
17	<b>Governor's Revenue Recommendation</b>	2,661	2,661	3,055	3,492
18	<b>Other Revenue</b>	0	0	0	0
19	<b>Total All Sources Current Law</b>	2,661	2,661	2,661	2,661
20	<b>Governor's Total Revenue Recommendation</b>	2,661	2,661	3,055	3,492
<b>Appropriations Basis for State Aid</b>					
	Prior Year (20%/18.1%)	452	532	481	552
	Current Year (80%/81.9%)	2,129	2,180	2,503	2,860
	<b>Total State Aid - General Fund</b>	2,581	2,712	2,984	3,413

**Activity Description**

Citation: M.S. 119A.50-119A.54; 42 U.S.C.9801 et seq.

Head Start is a comprehensive family-oriented program with the overall goal of increasing the social competence and school readiness of young children in low-income families. Research has shown that families with the highest risk factors gain the most from high quality early childhood programming.

**Activity at a Glance**

- ◆ In FY 2004, 34 head start grantees enrolled over 16,000 children; about 2,400 of these children were served with state funds.
- ◆ In FY 2003, 14% of enrolled children ages three to five had a diagnosed disability.

**Population Served**

Head start primarily serves three to five year olds from low-income families. Some programs also receive funds to serve infants, toddlers, and pregnant mothers. At least 90% of enrolled children must come from families who are living at or below the federal poverty level or participating in Minnesota Family Investment Program (MFIP). Ten percent of enrollment in head start is reserved for children with diagnosed disabilities.

**Services Provided**

Head start provides a comprehensive, individualized program of health, nutrition, education, parent involvement, and social services to children and families. Approximately 68% of the enrolled families received one or more of needed family services such as assistance with housing and transportation, health and parenting education, adult education and job training. Approximately 70% of referred families received mental health services.

Grantees provide required services that respond to local needs and available resources. Programs use a center-based, home-based, and/or combination option with the most common design operating four to five hours a day, four or five days a week for nine months of the year. In response to changing needs of children and their families, most grantees also offer some full-day, full-year services through head start-child care partnerships. Other collaborative partners include public health, early childhood screening, early childhood special education, early childhood family education, school readiness, adult basic education, family literacy, public school kindergarten, child support and other self-sufficiency programs.

Parent participation is integral to head start. Parents work in classrooms as volunteers and employees, participate in parent education activities and program governance, and work in partnership with head start staff. Former or current head start parents made up 24% of the staff and 61% of the 31,824 volunteers in 2003.

**Historical Perspective**

Head start began as a federal program in 1965. In 1988, the Minnesota legislature first appropriated state funds. Federal funding has increased modestly to allow the programs to serve the same number of participants.

**Key Measures**

*The percentage of children who complete all appropriate medical screenings and examinations within the last twelve months and the percentage of children who receive follow-up services for identified health and developmental needs.*

- ⇒ In 2003, over 87% of all enrolled children completed all medical screenings.
- ⇒ In 2003, over 88% of children with identified health needs received treatment.

*Increase the percentage of head start grantees providing all-day care.*

- ⇒ In FY 2003, 30% of children enrolled attended full-day programming.
- ⇒ 31 of 34 head start grantees are involved in partnerships to integrate services resulting in expanded service offerings and all-day care.

**Activity Funding**

Federal head start funds flow directly from the federal agency to 35 local head start grantees (\$82 million in FFY 2003 and \$83 million in FFY 2004). At least 20% of the total cost of a head start program must come from local resources. In-kind contributions constitute much of this match through volunteer hours and donated space, materials and services. Only federally funded head start agencies in existence as of 1989 are eligible to receive state head start funds. The Minnesota legislature chose to use the existing programs, administrative structure, and program performance standards already in place for head start. State allocation of funds is based equally on the grantee share of federal head start funds and on the proportion of eligible children in the grantee service area who are not currently being served.

**Minnesota Head Start Collaboration Project** – Since 1992, Minnesota has annually received a \$100,000 federal grant from the Head Start Bureau in the U.S. Department of Health and Human Services for the Minnesota Head Start Collaboration Project. The purpose of the grant is to create significant statewide partnerships between head start and local communities in order to meet the challenges of improving services for low-income children and their families.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

**Contact**

Additional information is available from the Minnesota Department of Education, (651) 582-8397, <http://education.state.mn.us>.

DEPARTMENT OF EDUCATION  
 Program: EARLY CHILDHOOD FAMILY SUPPORT  
 Activity: HEAD START PROGRAM

Budget Activity Summary

	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<i>Dollars in Thousands</i>					
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	16,475	17,100	17,100	17,100	34,200
Subtotal - Forecast Base	16,475	17,100	17,100	17,100	34,200
<b>Total</b>	<b>16,475</b>	<b>17,100</b>	<b>17,100</b>	<b>17,100</b>	<b>34,200</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	16,406	17,100	17,100	17,100	34,200
<b>Statutory Appropriations</b>					
Federal	119	225	125	125	250
<b>Total</b>	<b>16,525</b>	<b>17,325</b>	<b>17,225</b>	<b>17,225</b>	<b>34,450</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	60	60	60	60	120
Other Operating Expenses	23	28	28	28	56
Local Assistance	16,442	17,237	17,137	17,137	34,274
<b>Total</b>	<b>16,525</b>	<b>17,325</b>	<b>17,225</b>	<b>17,225</b>	<b>34,450</b>
<b>Full-Time Equivalents (FTE)</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	

**Activity Description**

**Citation:** M.S.125A.26-125A.48; **Part C, IDEA (Individuals with Disabilities Act)**

The Part C - Infants and Toddlers Program is a federally funded program that provides comprehensive interagency family-centered services to eligible children with disabilities, ages birth to age three, and their families, based upon identified need.

**Population Served**

Eligible infants and toddlers with disabilities birth to age three and their families are served by the program.

**Services Provided**

The program assists and provides funds to the 96 local Interagency Early Intervention Committees (IEICs) through the IEIC annual application planning process. IEICs are responsible for the development, coordination, and implementation of comprehensive local interagency early childhood intervention services for young children with disabilities and their families. IEIC members include representatives of school districts, county human service agencies, county boards, and early childhood family education programs, parents of young children with disabilities under age 12, and health care providers.

Early intervention services are offered in conformity with an Individual Family Services Plan (IFSP) and provided in natural environments including the home, child care setting, early childhood special education (ECSE) program, or other early childhood education settings.

Additional components of the Part C state and local system to enhance quality and accountability include

- ◆ local staff development, including occupational therapists, ECSE staff, speech pathologists, physical therapists, physicians, nurses, nutritionists, and child care providers;
- ◆ technical assistance to local areas through the Minnesota Technical Assistance for Family Support, Early Hearing Detection and Intervention Network, Project Exceptional for inclusive child care, and the Autism Network;
- ◆ the development of web-based applications to serve as a resource for those interested in the health and development of young children with disabilities;
- ◆ the central directory and the 1-800 number which provides parents with referral and resource information;
- ◆ local and state interagency agreements that include procedures for intra- and interagency dispute resolution, complaints, agency roles and responsibilities for child find, services, service coordination, financial commitments, and data collection;
- ◆ due process procedures for families and providers; and
- ◆ coordination with child care providers and other early childhood care and education service providers is used to improve Child Find.

**Historical Perspective**

Minnesota has participated in Part C, IDEA (Individuals with Disabilities Education Act) (formerly Part H), a federal, interagency family centered change initiative for infants and toddlers with disabilities and their families since 1987.

**Activity at a Glance**

In FY 2003:

- ◆ over 3,502 Minnesota children and families received services through an Individual Family Services Plan.
- ◆ 96 community coordinating committees design comprehensive intervention services for children with disabilities.

# DEPARTMENT OF EDUCATION

**Program: EARLY CHILDHOOD FAMILY SUPPORT**

**Activity: INFANTS & TODDLERS-PART C**

Narrative

The Minnesota Department of Education (MDE), designated by the state as the lead agency, Minnesota Department of Health (MDH); and Department of Human Services (DHS) work together with local IEICs to provide coordinated interagency services and funding for each eligible child and family. The Governor's Interagency Coordinating Council on Early Childhood Intervention (ICC) serves in an advisory role.

The number of eligible children, birth to age three, with an IFSP on December 1 of each year has increased from 2,312 in 1993 to 3,502 in 2003.

	Children and Their Families with an IFSP on December 1						
	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
Number of Children and Their Families Participating with IFSPs	2,658	2,806	2,820	2,948	3,053	3,278	3,502
Percentage of Children Participating (est.)	1.42%	1.49%	1.49%	1.54%	1.53%	1.72%	1.85%

## Key Measures

The percentage of infants and toddlers birth to age three (particularly under one year of age) and their families who have IFSPs is increased and is proportional to the general state population.

## Activity Funding

Minnesota's federal allocation for Part C is based on the number of all children in the cohorts from birth to age three annually.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

## Contact

Additional information is available from the Minnesota Department of Education (651) 582-8397, <http://education.state.mn.us>.



**DEPARTMENT OF EDUCATION**

**Program: EARLY CHILDHOOD FAMILY SUPPORT**

Activity: INFANTS & TODDLERS-PART C

Budget Activity Summary

	<i>Dollars in Thousands</i>				Biennium 2006-07
	Current FY2004	Current FY2005	Governor's Recomm. FY2006	Governor's Recomm. FY2007	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Federal	6,146	6,170	6,170	6,170	12,340
<b>Total</b>	<b>6,146</b>	<b>6,170</b>	<b>6,170</b>	<b>6,170</b>	<b>12,340</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	6,146	6,170	6,170	6,170	12,340
<b>Total</b>	<b>6,146</b>	<b>6,170</b>	<b>6,170</b>	<b>6,170</b>	<b>12,340</b>

**Budget Activities Included:**

- ⇒ Community Education
- ⇒ Adults with Disabilities Aid
- ⇒ Hearing Impaired Adults
- ⇒ School Age Care Revenue
- ⇒ 21<sup>st</sup> Century Community Learning Centers
- ⇒ Coordinated School Health
- ⇒ Safe and Drug Free Schools



# DEPARTMENT OF EDUCATION

Program: COMMUNITY ED & PREVENTION

Program Summary

*Dollars in Thousands*

	Current		Agency Request		Biennium 2006-07
	FY 2004	FY 2005	FY 2006	FY 2007	FY2006-07
<b><i>Direct Appropriations by Fund</i></b>					
<b>General</b>					
Current Appropriation	6,149	3,941	3,941	3,941	7,882
<b>Technical Adjustments</b>					
Current Law Base Change			(14)	(14)	(28)
End-of-session Estimate			(1,198)	(1,812)	(3,010)
Aid Payment Buy Back		63			
November Forecast Adjustment		(4)	24	(80)	(56)
Subtotal-Forecast Base	6,149	4,000	2,753	2,035	4,788
<b>Total</b>	<b>6,149</b>	<b>4,000</b>	<b>2,753</b>	<b>2,035</b>	<b>4,788</b>
<b><i>Expenditures by Fund</i></b>					
<b>Direct Appropriations</b>					
General	6,149	4,000	2,753	2,035	4,788
<b>Statutory Appropriations</b>					
Federal	10,930	14,839	14,839	14,839	29,678
<b>Total</b>	<b>17,079</b>	<b>18,839</b>	<b>17,592</b>	<b>16,874</b>	<b>34,466</b>
<b><i>Expenditures by Category</i></b>					
Local Assistance	17,079	18,839	17,592	16,874	34,466
<b>Total</b>	<b>17,079</b>	<b>18,839</b>	<b>17,592</b>	<b>16,874</b>	<b>34,466</b>
<b><i>Expenditures by Activity</i></b>					
Community Education	5,351	3,178	1,958	1,250	3,208
Adults with Disabilities Aid	688	724	710	710	1,420
Hearing Impaired Adults	70	70	70	70	140
School Age Care Revenue	40	28	15	5	20
21st Century Comm Learning Centers	4,573	8,800	8,800	8,800	17,600
Coordinated School Health	112	150	150	150	300
Safe & Drug Free Schools	6,245	5,889	5,889	5,889	11,778
<b>Total</b>	<b>17,079</b>	<b>18,839</b>	<b>17,592</b>	<b>16,874</b>	<b>34,466</b>

## DEPARTMENT OF EDUCATION

Program: **COMMUNITY EDUCATION & PREVENTION**

Activity: **COMMUNITY EDUCATION**

Narrative

### Activity Description

Citation: M.S. 124D.18; 124D.19; 124D.20

This state aid and local levy program provides funding for community education programs to provide lifelong learning opportunities for all community members and allows access to school facilities for public use.

### Population Served

Every Minnesota school district operates a community education program. Programs may include (as specified in M.S. 124D.20, subd. 8):

- ◆ Adults with Disabilities;
- ◆ Adult Basic Education (ABE);
- ◆ Youth development;
- ◆ Youth service;
- ◆ Early Childhood Family Education (ECFE);
- ◆ School-Age Care;
- ◆ Summer programs for elementary and secondary pupils;
- ◆ Youth after-school enrichment programs; and
- ◆ Non-vocational, recreational, and leisure activities.

### Services Provided

Community education is a partnership between the community and the school district through which the resources of each are used for the continuing growth and betterment of both. Community education provides services beyond the regular K-12 program as recommended by the Community Education Advisory Council and approved by the local school board (State Board Rule 3530.5600).

Community education administers many popular programs, such as family literacy, ABE, School Age Care, youth athletics, and ECFE.

Local school boards establish community education advisory councils and hire local staff to promote and implement the program. With some exceptions, a district operating a community education program must employ a licensed community education director.

### Historical Perspective

State funding for community education began in 1971 with the idea that the community should be able to use the public schools beyond the regular school day. Since that time, community education has grown rapidly and in many different directions depending upon the needs/desires of the local community. Many programs emphasize strong recreational opportunities while others focus on skill development. Others emphasize general interest topics or provide opportunities to explore the arts. This local flexibility allows communities to build programs that meet their own interests and demands.

### Key Measures

Districts reported over three million participants in FY 2001, not including those reported separately under ECFE or ABE. New reporting procedures have been implemented to ascertain expenditure data, but may not be consistently applied across all school districts.

An annual Phi Delta Kappa poll found that offering activities that bring people into school buildings increases citizens' overall support for education.

### Activity at a Glance

- ◆ Every Minnesota school district operates a community education program.
- ◆ More than 250,000 activities offered in 2003.
- ◆ Programs serve participants of all ages from preschool through senior citizens.

## DEPARTMENT OF EDUCATION

**Program: COMMUNITY EDUCATION & PREVENTION**

**Activity: COMMUNITY EDUCATION**

**Narrative**

### **Activity Funding**

A district's maximum revenue equals the community education allowance times the greater of 1,335 or the population of the district. The community education allowance has remained at \$5.95 for the past 14 years and dropped to \$5.23 beginning in FY 2005.

Districts that have implemented a youth development plan and a youth service program receive an additional \$1 times the greater of 1,335 or the population of the district.

The community education levy is the lesser of a fixed tax rate times the district Adjusted Net Tax Capacity (ANTC) or the community education revenue. The district's community education aid is the difference between the revenue and the levy.

Formula funding is supplemented with registration fees and funds from other sources. General community education revenue is not used to subsidize the direct activity costs for adult enrichment programs (the cost of the activity leader or instructor, cost of materials, transportation costs, etc.). Funding commonly supports parenting education and parent/child classes, youth recreation and athletics, community meetings, and community service activities.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### **Contact**

Additional information is available from the Minnesota Department of Education, Adult and Career Education section, (651) 582-8330.

DEPARTMENT OF EDUCATION

Program: COMMUNITY EDUCATION & PREVENTION

Activity: Community Education

Budget Activity

Dollars in Thousands

	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>Direct Appropriations by Fund</b>					
<b>General Fund</b>					
1 Current Appropriation	5,351	3,137	3,137	3,137	6,274
a. End of Session Estimate			(1,187)	(1,795)	(2,982)
b. November Forecast Adjustment		(7)	21	(78)	(57)
c. Aid Payment Buy Back		48	(13)	(14)	(27)
2 Forecast Base	5,351	3,178	1,958	1,250	3,208
3 Governor's Initiatives					
4 Recommended	5,351	3,178	1,958	1,250	3,208

**District Revenue Summary (Entitlement Basis)**

<b>AID</b>					
<b>State Aid</b>					
5 Statutory Formula Aid	5,494	2,539	1,830	1,122	2,952
6 Statutory Excess/(Shortfall)	(12)	7			
7 Appropriated Entitlement	5,482	2,546	1,830	1,122	2,952
8 Adjustments					
a. Appropriation Reduction		(7)			
b. Prior Year Payments	11				
9 State Aid Entitlement Current Law	5,493	2,539	1,830	1,122	2,952
10 Governor's Initiatives					
11 Governor's Aid Recommendation	5,493	2,539	1,830	1,122	2,952
<b>plus</b>					
<b>LEVY</b>					
<b>Levy</b>					
12 Local Levy Current Law	32,761	33,357	34,816	36,182	70,998
13 Governor's Initiatives					
14 Governor's Levy Recommendation	32,761	33,357	34,816	36,182	70,998
<b>equals</b>					
<b>REVENUE</b>					
15 Current Law Revenue (State Aid & Levy)	38,254	35,896	36,646	37,304	73,950
16 Governor's Initiatives					
17 Governor's Revenue Recommendation	38,254	35,896	36,646	37,304	73,950
18 Other Revenue					
19 Total All Sources Current Law	38,254	35,896	36,646	37,304	73,950
20 Governor's Total Revenue Recommendation	38,254	35,896	36,646	37,304	73,950
<b>Appropriations Basis for State Aid</b>					
Prior Year (20%/18.1%)	956	1,098	459	331	790
Current Year (80%/81.9%)	4,395	2,080	1,499	919	2,418
<b>Total State Aid - General Fund</b>	<b>5,351</b>	<b>3,178</b>	<b>1,958</b>	<b>1,250</b>	<b>3,208</b>

**Activity Description****Citation: M.S. 124D.56**

This state aid and local levy program provides funding to school districts to support activities that integrate adults with disabilities with other people in their community.

**Population Served**

The number of adults with disabilities participating in this program increased from approximately 9,000 in FY 1988 to 39,000 in 1999 and has remained relatively stable since that time.

**Services Provided**

Community education programs locally administer the Adults with Disabilities program. Thirty of 77 supported school districts are in the seven county metropolitan area. The local programs use the following service strategies to achieve their objectives:

- ◆ services enabling adults to participate in community activities, such as training for community members, one-on-one assistance, Braille and interpreter services;
- ◆ classes specifically for adults with disabilities;
- ◆ outreach to identify adults needing services; and
- ◆ activities to increase public awareness of the roles of people with disabilities.

**Key Measures**

Local community education teachers work with others to

- ◆ identify and encourage adults with disabilities to enjoy community life;
- ◆ develop specific learning and leisure time opportunities for those with disabilities;
- ◆ teach community members how to include people with differing abilities; and
- ◆ raise awareness of contributions of people with disabilities.

**Activity Funding**

To be eligible for specific categorical revenue to serve adults with disabilities, a school district's community education program must receive approval from the Minnesota Department of Education.

State aid formula provides the lesser of \$30,000 or one-half the actual expenditures. A district is required to match this aid amount from local sources. A district is permitted to levy the lesser of \$30,000 or the actual expenditures minus the amount of state aid for the program.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

**Contact**

Additional information is available from the Minnesota Department of Education, Adult and Career Education section, (651) 582-8330.

**Activity at a Glance**

- ◆ 77 school districts are approved for Adults with Disabilities Program Aid.
- ◆ The number of participants supported has remained relatively constant since 1999.
- ◆ Many more adults with disabilities are served by community education than are supported by the program.



DEPARTMENT OF EDUCATION

Program: COMMUNITY EDUCATION & PREVENTION

Activity: Adults with Disabilities

Budget Activity

Dollars in Thousands

<b>Direct Appropriations by Fund</b>	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	FY2006-07
<b>General Fund</b>					
1 Current Appropriation	688	710	710	710	1,420
a. End of Session Estimate					
b. Aid Payment Buy Back		14			
2 Forecast Base	688	724	710	710	1,420
3 Governor's Initiatives					
4 Recommended	688	724	710	710	1,420

<b>District Revenue Summary (Entitlement Basis)</b>					
<b>AID</b>	<b>State Aid</b>				
	5 Statutory Formula Aid	710	710	710	1,420
	6 Statutory Excess/(Shortfall)				
	7 Appropriated Entitlement	710	710	710	1,420
	8 Adjustments				
	9 State Aid Entitlement Current Law	710	710	710	1,420
	10 <b>Governor's Initiatives</b>				
	11 <b>Governor's Aid Recommendation</b>	710	710	710	1,420
<b>plus</b>					
<b>LEVY</b>	<b>Levy</b>				
	12 Local Levy Current Law	670	670	670	1,340
	13 <b>Governor's Initiatives</b>				
	14 <b>Governor's Levy Recommendation</b>	670	670	670	1,340
<b>equals</b>					
<b>REVENUE</b>	15 Current Law Revenue (State Aid & Levy)	1,380	1,380	1,380	2,760
	16 <b>Governor's Initiatives</b>				
	17 <b>Governor's Revenue Recommendation</b>	1,380	1,380	1,380	2,760
	18 <b>Other Revenue</b>				
	19 <b>Total All Sources Current Law</b>	1,380	1,380	1,380	2,760
	20 <b>Governor's Total Revenue Recommendation</b>	1,380	1,380	1,380	2,760
	<b>Appropriations Basis for State Aid</b>				
	Prior Year (20%/18.1%)	120	142	128	256
	Current Year (80%/81.9%)	568	582	582	1,164
	<b>Total State Aid - General Fund</b>	688	724	710	1,420

## DEPARTMENT OF EDUCATION

**Program:** COMMUNITY EDUCATION & PREVENTION

**Activity:** HEARING IMPAIRED ADULTS

Narrative

### Activity Description

**Citation:** M.S. 124D.57

This state aid program provides funding to districts and other organizations to assure access to educational opportunities for deaf and hard of hearing adults by paying for interpreter or note-taker services.

### Activity at a Glance

- ◆ 24 sites received funding under this program in FY 2003 with aid ranging from \$88 to more than \$30,000.

### Population Served

Both public and private agencies providing adult education classes to hearing impaired adults may apply to the Minnesota Department of Education (MDE) for reimbursement of the costs of providing interpreting services. Applications for aid are received throughout the year with a single payment made at the end of the year, prorated as necessary to stay within the budgeted amount.

### Services Provided

This program:

- ◆ targets part-time adult students with hearing impairments;
- ◆ provides access to vocational education programs and avocational programs promoting educational growth and development; and
- ◆ enhances and encourages lifelong learning.

Services provided include interpretation and note-taking.

Access to education programs for persons with disabilities is assured by the American with Disabilities Act (ADA). Providers are learning ways to cover the costs of interpreter services within their budget plans. Nevertheless, some providers still turn to this program for assistance with the one-time costs of interpreter and note-taker services. The aid allocation is not meant to support all the interpreter services for deaf and hard of hearing adult learners, but to help in unforeseen situations.

### Key Measures

Approximately 70% of reimbursement requests come from school districts providing adult education. The remaining 30% come from other public and private organizations.

During FY 2003, 24 different agencies received funds, ranging from over \$30,000 for St. Paul Technical College to \$88 for a local school district to interpret a one-time community education class for one adult.

### Activity Funding

MDE provides reimbursement of the actual costs of direct services. The cost of providing interpreter services to one person for an activity/program is the same as providing that service to a group of people. The average cost for an hour of American Sign Language interpretation ranges between \$30 and \$60.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, Adult and Career Education section, (651) 582-8330.

DEPARTMENT OF EDUCATION  
 Program: COMMUNITY ED & PREVENTION  
 Activity: HEARING IMPAIRED ADULTS

Budget Activity Summary

	<i>Dollars in Thousands</i>				
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	70	70	70	70	140
Subtotal - Forecast Base	70	70	70	70	140
<b>Total</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>140</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	70	70	70	70	140
<b>Total</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>140</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	70	70	70	70	140
<b>Total</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>140</b>

## DEPARTMENT OF EDUCATION

**Program:** COMMUNITY EDUCATION & PREVENTION

**Activity:** SCHOOL AGE CARE REVENUE

Narrative

### Activity Description

**Citation:** M.S. 124D.19; 124D.22

School-Age Care (SAC) revenue is a state aid and levy program that supports after school programming for children with disabilities or children experiencing family or related problems of a temporary nature. While funding is provided only for these students, many districts offer school age programming funded primarily through parent fees to other students.

### Activity at a Glance

- ◆ 195 school districts offered school age care programs in FY 2004.
- ◆ 155 school districts certified levies in FY 2005.
- ◆ Over 56,000 children participate annually.

### Population Served

Services funded by this program are for children with disabilities or who experience problems of a temporary nature and participate in out-of-school time programs while parents are at work.

### Services Provided

Activities of these "after school" programs include tutoring, recreational programs, and work in computer, sports, and arts that help build well-rounded youth, particularly during key time periods during the day when youth lack adult supervision and opportunities to engage in structured activities. Local school districts set the standards of the program which must include the following components:

- ◆ adult supervised activities while school is not in session;
- ◆ parent involvement in program design and direction;
- ◆ partnerships with K-12 system and other public, private, or nonprofit entities;
- ◆ opportunities for trained secondary school pupils to work with younger children as part of a community service program; and
- ◆ access to available school facilities when otherwise not in use as part of the operation of the school.

### Historical Perspective

The Minnesota legislature created the school age care program (previously called Extended Day) in 1989. No authorized levy or state aid was appropriated at that time.

In 1992, the legislature authorized school districts to levy for programs to serve children with disabilities or children experiencing family or related problems of a temporary nature who participate in the school age care program. Problems of a temporary nature include events such as medical emergency, divorce, and behavioral changes due to a move. All state aid and levy funding goes to fund the additional costs of providing services for these children.

The number of districts authorized to levy has grown from 109 in 1995 to 155 for FY 2005.

### Activity Funding

The SAC revenue for a district equals the eligible additional cost of providing services to children with disabilities or who experience problems of a temporary nature and participate in out of school time programs while parents are a work. The levy authority equals the revenue times the lesser of one or the ratio of the quotient derived by dividing the adjusted net tax capacity by the actual pupil units to \$2,433. State aid equals the difference between the revenue and the levy.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8352.

DEPARTMENT OF EDUCATION

Program: COMMUNITY EDUCATION & PREVENTION

Activity: School Age Care

Budget Activity

Dollars in Thousands

	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>Direct Appropriations by Fund</b>					
<b>General Fund</b>					
1 Current Appropriation	40	24	24	24	48
a. End of Session Estimate			(11)	(17)	(28)
b. November Forecast Adjustment		3	3	(2)	1
c. Aid Payment Buy Back		1	(1)		(1)
2 Forecast Base	40	28	15	5	20
3 Governor's Recommendation					
4 Recommended	40	28	15	5	20

<b>District Revenue Summary (Entitlement Basis)</b>					
<b>AID</b>					
State Aid					
5 Statutory Formula Aid	45	26	13	3	16
6 Statutory Excess/(Shortfall)	(13)	(3)			
7 Appropriated Entitlement	32	23	13	3	16
8 Adjustments					
a. Supplemental Appropriation		3			
9 State Aid Entitlement Current Law	32	26	13	3	16
10 Governor's Recommendation					
a. Pupil unit calculation change				0	0
11 Governor's Aid Recommendation	32	26	13	3	16
<b>plus</b>					
<b>LEVY</b>					
Levy					
12 Local Levy Current Law	8,355	9,176	10,067	11,038	21,105
13 Governor's Recommendation					
a. Pupil unit calculation change				0	0
14 Governor's Levy Recommendation	8,355	9,176	10,067	11,038	21,105
<b>equals</b>					
<b>REVENUE</b>					
15 Current Law Revenue (State Aid & Levy)	8,387	9,202	10,080	11,041	21,121
16 Governor's Recommendation					
17 Governor's Revenue Recommendation	8,387	9,202	10,080	11,041	21,121
18 Other Revenue					
19 Total All Sources Current Law	8,387	9,202	10,080	11,041	21,121
20 Governor's Total Revenue Recommendation	8,387	9,202	10,080	11,041	21,121
<b>Appropriations Basis for State Aid</b>					
Prior Year (20%/18.1%)	14	6	4	2	6
Current Year (80%/81.9%)	26	22	11	3	14
<b>Total State Aid - General Fund</b>	<b>40</b>	<b>28</b>	<b>15</b>	<b>5</b>	<b>20</b>

**Activity Description**

**Citation:** Elementary-Secondary Education Act, Title IV, Part B, Sec. 4201-4026

The 21<sup>st</sup> Century Community Learning Centers is a federal program that funds academic, artistic, and cultural enrichment programs during out-of-school time to help children and adolescents attending low performing schools or schools with concentrations of families in poverty improve academic achievement.

**Activity at a Glance**

- ◆ 21<sup>st</sup> Century Community Learning Centers was transferred from federal to state administration beginning July 1, 2002.
- ◆ Grants were made to local school/community partnerships through two open competitions during the fall of 2002 and spring of 2004. A total of 38 grants are funded statewide.

**Population Served**

School aged youth attending Title 1 schools with a rate of poverty of 40% or greater and/or schools identified as "in need of improvement" and their families are targeted by this program.

**Services Provided**

Programs provide academic and cultural enrichment activities to support academic achievement before and after school, on weekends, summer breaks, and school early release times. Allowable activities include tutoring services, youth development activities, drug and violence prevention programs, counseling programs, art, music and recreation, technology education programs, and character education programs that are designed to reinforce and complement the regular academic instruction. Literacy and other educational opportunities may be offered for the families of eligible youth.

**Historical Perspective**

This program was funded and administered by the U.S. Department of Education from 1998 to June 30, 2002. Currently, 38 Minnesota programs receive these federal grant funds.

Three programs focusing on out-of-school time, school-age care, community education, and the 21<sup>st</sup> Century Learning Centers work on promoting school connectedness. These programs provide complementary activities to what goes on during the school day and function to support the work of the schools. Activities of these after school programs include tutoring, recreational programs, computer skills, sports, and arts that help build well-rounded youth during key time periods during the day when youth lack adult supervision and opportunities to engage in structured activities.

**Key Measures**

Minnesota impact data is not currently available because the program was transferred from federal to state administration in July 2002. Grants issued by the Minnesota Department of Education (MDE) in 2002 were for a two-year period and outcome data will be available late fall of 2004.

- ⇒ Increase the percentage of youth meeting school district attendance goals.
- ⇒ Increase the percentage of youth meeting or exceeding local academic achievement standards in reading or math.
- ⇒ Maintain youth participation level at two hours or more per week as measured by average contact hour reports.

**Activity Funding**

Two announcements of new funds available for local programming were made in July 2002 and February 2004 by the Minnesota Department of Education (MDE). Nineteen programs were funded during each process for up to five years of programming based on continued availability of federal funds.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

## DEPARTMENT OF EDUCATION

Program: **COMMUNITY EDUCATION & PREVENTION**

Activity: 21ST CENTURY COMM LRNG CTRS

Narrative

### Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8453.

For more information relating to 21<sup>st</sup> Century Community Learning Centers, access the following web sites:

[www.ed.gov/21stcclc](http://www.ed.gov/21stcclc) The Federal government's official site for 21st Century Community Learning Centers.

[www.ncrel.org/21stcclc](http://www.ncrel.org/21stcclc) North Central Regional Educational Laboratory: Resources for After-School Programming provides resources for effective school-based after-school programs with links to potential partners.

[www.afterschool.gov/cgi-bin/home.pl](http://www.afterschool.gov/cgi-bin/home.pl) Clearinghouse to federal resources that support youth in the out of school hours.

[www.gse.harvard.edu/hfrp/projects/afterschool/about.html](http://www.gse.harvard.edu/hfrp/projects/afterschool/about.html) Harvard Family Research Project's out of School Time Evaluation Database provides accessible information on programs and initiatives.

[www.nydic.org/nydic/](http://www.nydic.org/nydic/) National Youth Development Information Center provides program, policy and evaluation information on youth development issues, including out of school time.

**DEPARTMENT OF EDUCATION**

**Program: COMMUNITY ED & PREVENTION**

Activity: 21ST CENTURY COMM LRNG CTRS

Budget Activity Summary

	<i>Dollars in Thousands</i>				
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Federal	4,573	8,800	8,800	8,800	17,600
<b>Total</b>	<b>4,573</b>	<b>8,800</b>	<b>8,800</b>	<b>8,800</b>	<b>17,600</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	4,573	8,800	8,800	8,800	17,600
<b>Total</b>	<b>4,573</b>	<b>8,800</b>	<b>8,800</b>	<b>8,800</b>	<b>17,600</b>



**Activity Description****Citation: P.L. 101-381**

Coordinated School Health (CSH) HIV Prevention is a federally funded program promoting coordinated efforts among schools, communities, and families to measurably improve the health and educational status of Minnesota's young children.

**Activity at a Glance**

- ◆ Over 2,500 teachers, school staff, and public health educators were trained on best-practice, science-based health curricula.
- ◆ Over 75% of Minnesota health teachers have used CSH school health resources.

**Population Served**

CSH works with school district and public health agency staff statewide to provide health education to children.

**Services Provided**

CSH is a partnership between the Minnesota Department of Education (MDE) and the Minnesota Department of Health (MDH). The partnership agreement requires implementation of strategies to

- ◆ build infrastructure in state and local agencies so policies, procedures, and resources are in place to support school health programs;
- ◆ strengthen the health education curriculum in the area of these health behaviors: unintended injuries, alcohol and other drug use, tobacco, diet and physical activity; with a focus on sexuality/HIV/AIDS, and
- ◆ assist school districts in providing effective HIV/AIDS/STD education (M.S.121A.23).

Currently, staff provide training for both school and public health audiences, produce and identify written materials for distribution, conduct statewide conferences and workshops, and provide technical assistance to customers. A coordinated school health resource center is maintained to review, purchase and distribute videos, curricula and other instructional material for use in prevention programs focusing on sexuality and HIV prevention. A 23-member panel representing a cross section of Minnesotans reviews materials for the resource center.

**Historical Perspective**

In 1987, the Centers for Disease Control and Prevention (CDC) established cooperative agreements with many of the nation's state education agencies to help them implement health education programs designed to prevent HIV infection among youth. Each state, including Minnesota, received \$240,000.

In 1995, Minnesota became one of 13 states to be funded for a new program in coordinated school health. This program expanded the HIV/STD/Unintended Pregnancy Cooperative partnerships to include other youth risk behavior areas identified as leading causes of death in young people, such as drug and alcohol abuse; tobacco use; poor dietary habits; sedentary lifestyles; and intentional and unintentional injuries. The partnership agreement required staffing of four positions, a director at MDH and MDE, a training facilitator, and an HIV/AIDS specialist. Funding is restricted to activities and programs detailed in the partnership agreement.

In 1996, the state of Minnesota began a pilot program to develop regional training sites for HIV/STD prevention. The purpose of these sites was to assist school districts in implementing M.S. 121A.23. Two sites in greater Minnesota and one site in the metro area were established. In 1998, the legislature extended funding to those sites and created two additional sites in greater Minnesota and an evaluation component. In 2003, state funding for the five HIV regional training sites was eliminated.

In 2003, Minnesota was not funded for CSH infrastructure, but was funded for HIV prevention education. Currently, 1.5 staff positions provide training, resources, and technical assistance to health education programs.

**Key Measures**

*Maintain the number of school districts incorporating education into classroom instruction relating to increasing youth health as reported in the School Health Profile report. Data collected from the 2002 School Health Profile report shows that of the 97% of Minnesota school districts requiring health education for 6<sup>th</sup> through 12<sup>th</sup> grade students:*

## DEPARTMENT OF EDUCATION

**Program: COMMUNITY EDUCATION & PREVENTION**

**Activity: COORDINATED SCHOOL HEALTH**

**Narrative**

- ◆ 99% reported teaching about positive dietary practices;
- ◆ 100% reported teaching about tobacco use prevention;
- ◆ 98% reported teaching about alcohol and drug prevention;
- ◆ 98% reported teaching about prevention of sedentary lifestyles;
- ◆ 99% reported teaching about HIV prevention; and
- ◆ 98% reported teaching about preventing other sexually transmitted diseases (STDs).

### **Activity Funding**

Funding for the CSH project is provided through a federal cooperative agreement with the CDC. Current annual funding is \$558,000 for the following purposes:

- ◆ federal HIV/AIDS funding (\$254,000),
- ◆ federal supplemental abstinence and HIV Prevention for Native American youth funding (\$155,000), and
- ◆ coordinated school health funding (\$149,000).

The department must apply every year to renew the five-year cooperative agreement with the CDC. This is a competitive grant process. Currently, CDC funds 21 states for CHS and all states for HIV prevention education. The next reauthorization is FFY 2008.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### **Contact**

Additional information is available from the Minnesota Department of Education, (651) 582-8453.

For more information about Coordinated School Health and other related programs go to:

<http://www.mnschoolhealth.com/index2.html>

DEPARTMENT OF EDUCATION  
 Program: COMMUNITY ED & PREVENTION  
 Activity: COORDINATED SCHOOL HEALTH

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Federal	112	150	150	150	300
<b>Total</b>	<b>112</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>300</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	112	150	150	150	300
<b>Total</b>	<b>112</b>	<b>150</b>	<b>150</b>	<b>150</b>	<b>300</b>

**Activity Description**

**Citation:** Elementary and Secondary Education Act, 2001, Title IV, Part A, Secs. 4001-4124, 4126; 20 U.S.C. 7111-7117

This federally funded initiative assists and supports programs to foster a safe and drug-free learning environment that supports academic achievement.

**Population Served**

Youth in grades kindergarten through grade 12 are the participants in Safe and Drug-Free Schools and Communities (SDFSC) programs. These funds are targeted through grants or contracts to school districts and charter schools and public and private organizations to address violence and drug abuse problems in schools and communities. Recipients are encouraged to work closely with parents, parent groups, law enforcement, community action groups, and prevention initiatives.

**Services Provided**

The purpose of SDFSC funding is to:

- ◆ support research-based programs that are exemplary or promising according to federal criteria;
- ◆ focus on safe, disciplined and drug-free schools that involve parents and are coordinated with community prevention efforts and resources;
- ◆ provide grants to local and intermediate educational agencies and charter schools to establish, operate, and improve local programs that prevent violence and drug abuse and encourage early intervention, rehabilitation referral, and education in elementary and secondary schools; and
- ◆ provide grants to and contracts with schools and local nonprofit organizations for early identification of school dropouts, reconnecting them to schools, and providing education and social supports.

**Historical Perspective**

The original Drug-Free Schools Act was passed in 1986 authorizing the U.S. Department of Education to provide funding to states to prevent substance abuse by youth and the act was reauthorized in 2001 as part of the No Child Left Behind (NCLB) Act.

**Key Measures**

Findings reported here are based on 2001 data. The Minnesota Student Survey 2004 findings will be available in October 2004.

***Increase the proportion of youth reporting they feel safe and are at school.***

- ⇒ About 90% of youth reported in 2001 that they feel relatively safe at school for each of grades 6, 9, and 12 based on the Minnesota Student Survey results.
- ⇒ As in schools across the nation, Minnesota students experienced other threats at school in 2001: 1% of 9<sup>th</sup> graders had property stolen one or more times; 23% were offered, sold, or given illegal drugs; 28% were threatened at school; 48% pushed or shoved; and 28% were kicked, bitten, or hit.
- ⇒ The National Adolescent Health Study at the University of Minnesota reports that feelings of safety and security at school and a positive school climate are one of the strongest factors associated with academic success and positive health and social behaviors.

***Increase the number of youth remaining abstinent from alcohol, tobacco, and other drug use, while delaying the onset of experimentation with alcohol, tobacco, and other drugs.***

- ⇒ Data from the Minnesota Student Survey show small but positive shifts relating to youth choosing not to use tobacco, alcohol, and marijuana between 1998 and 2001.

**Activity at a Glance**

- ◆ All children and youth enrolled in public schools are served annually in 341 districts and charter schools.
- ◆ 12 dropout prevention grants funded annually.
- ◆ All school districts receive formula-based allocation from \$2.30-\$10.40 per student.

## DEPARTMENT OF EDUCATION

Program: **COMMUNITY EDUCATION & PREVENTION**

Activity: **SAFE & DRUG FREE SCHOOLS**

Narrative

*Reduce the number of youth engaging in high-risk patterns of substance use, such as binge drinking.*

⇒ Data from the Minnesota Student Survey show the pattern of binge drinking has stayed relatively stable from 1998 to 2001. In 2001, 17% of 9<sup>th</sup> grade males and 15% of 9<sup>th</sup> grade females reported drinking 5+ drinks at a time within the past two weeks, as did 39% of 12<sup>th</sup> grade males and 25% of 12<sup>th</sup> grade females.

### **Activity Funding**

Minnesota receives the SDFSC funding under Title IV from the U.S. Department of Education. This grant is divided into two different categories: 1) state education agency (SEA), and 2) Governor's Safe and Drug-Free Schools. 80% of the SDFSC funds received by the state are allocated to the school-based program; the remaining 20% is allocated to the Governor's Program.

Public school districts, regional education agencies, charter schools, and other school district consortia access funds by submitting a three-year application to the Minnesota Department of Education (MDE). The 2004 plan was part of a consolidated NCLB plan. School-based program funds are allocated according to an entitlement formula based 60% on the relative amount such agencies received under Part A of the Elementary and Secondary Education Act (ESEA) Title I for the preceding year and 40% on public and nonpublic school enrollment with a district.

93% of the SEA funds are used for sub-grants to local education agencies. In accordance with federal law, 4% is used by the state agency for technical assistance, capacity building, training, evaluation, and program improvement and coordination activities; and 3% is used for administrative costs. 97% of the governor's funds are distributed to local grants.

Community-based program funds, the Governor's program, are targeted to impact youth at-risk of school failure, specifically dropout prevention. Through a competitive grant process, 12 sites received Project Reconnect funds in 2003, renewed annually for five years given adequate progress and available federal resources.

There are several federal policy and requirements for state and local agencies related to SDFSC: expulsion for students carrying weapons to school (Title IV), reporting of dangerous or unsafe incidents in schools (including students carrying weapons to schools – Title IX, Part E ), identification of persistently dangerous schools (Title IX, Part E), and notification of parents when schools are conducting surveys regarding health and social behaviors (Title X).

### **Contact**

Additional information is available from the Minnesota Department of Education, (651) 582-8453, [http://education.state.mn.us/html/intro\\_safe\\_healthy.htm](http://education.state.mn.us/html/intro_safe_healthy.htm).

DEPARTMENT OF EDUCATION  
 Program: COMMUNITY ED & PREVENTION  
 Activity: SAFE & DRUG FREE SCHOOLS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Expenditures by Fund</u></b>					
<b>Statutory Appropriations</b>					
Federal	6,245	5,889	5,889	5,889	11,778
<b>Total</b>	<b>6,245</b>	<b>5,889</b>	<b>5,889</b>	<b>5,889</b>	<b>11,778</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	6,245	5,889	5,889	5,889	11,778
<b>Total</b>	<b>6,245</b>	<b>5,889</b>	<b>5,889</b>	<b>5,889</b>	<b>11,778</b>

**Budget Activities Included:**

- ⇒ Adult Basic Education Aid
- ⇒ GED Tests
- ⇒ Lead Hazard Reduction





# DEPARTMENT OF EDUCATION

Program: SELF SUFFICIENCY LIFELONG LRNG

Program Summary

*Dollars in Thousands*

	Current		Agency Request		Biennium 2006-07
	FY 2004	FY 2005	FY 2006	FY 2007	FY2006-07
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	34,937	36,457	36,457	36,457	72,914
<b>Technical Adjustments</b>					
Current Law Base Change				1	1
Cancellation	(9)				
End-of-session Estimate		72	504	552	1,056
Program/agency Sunset			(424)	(424)	(848)
Aid Payment Buy Back		691			
November Forecast Adjustment			75	57	132
Subtotal-Forecast Base	<b>34,928</b>	<b>37,220</b>	<b>36,612</b>	<b>36,643</b>	<b>73,255</b>
<b>Governor's Recommendations</b>					
Reallocation of Capped ABE Funds			127	123	250
Intensive English for Refugees			1,000	1,000	2,000
<b>Total</b>	<b>34,928</b>	<b>37,220</b>	<b>37,739</b>	<b>37,766</b>	<b>75,505</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	34,928	37,220	37,739	37,766	75,505
<b>Statutory Appropriations</b>					
Federal	4,224	6,007	6,007	6,007	12,014
<b>Total</b>	<b>39,152</b>	<b>43,227</b>	<b>43,746</b>	<b>43,773</b>	<b>87,519</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	39,152	43,227	43,746	43,773	87,519
<b>Total</b>	<b>39,152</b>	<b>43,227</b>	<b>43,746</b>	<b>43,773</b>	<b>87,519</b>
<b><u>Expenditures by Activity</u></b>					
Adult Basic Education	38,927	43,002	42,521	42,548	85,069
Intensive English for Refugees			1,000	1,000	2,000
Ged Tests	125	125	125	125	250
Lead Hazard Reduction	100	100	100	100	200
<b>Total</b>	<b>39,152</b>	<b>43,227</b>	<b>43,746</b>	<b>43,773</b>	<b>87,519</b>

**Activity Description**

Citation: M.S. 124D.52; 124D.53 ;

Federal Citation: P.L. 105-220, Title II - The Adult Education and Family Literacy Act Adult Education and Family Literacy Act of 1998

This state and federal funded program provides education opportunities for adults who lack basic academic skills and whose low educational levels are barriers to employment and to productive participation in their families and in our society.

**Population Served**

Adults are eligible to participate when they are at least 16 years old, are not enrolled in school (formally withdrawn or dropped out), and function below the high school completion level in basic skills. The 2000 U.S. census reports that 12% of Minnesotans over 25 lack high school equivalency, over 380,000 people. Over 200,000 Minnesota residents are immigrants or refugees in need of English skills. Enrollment in English as a Second Language (ESL) programs has doubled in the past five years. During FY 2004, over 40,000 adults enrolled in ESL classes and 46% of all enrollees in Adult Basic Education (ABE) were ESL learners.

**Activity at a Glance**

- ◆ 52 ABE consortia, 500 delivery sites statewide.
- ◆ 1,200 licensed teachers and 3,000 volunteers served over 80,000 learners in FY 2004.
- ◆ 1 out of every 11 diplomas issued in Minnesota during 2004 was a GED or Adult High School Diploma.
- ◆ 46% of all learners were ESL students, 66% were parents, and 19% were unemployed.
- ◆ Research shows that the average high school graduate earns about \$7,000 more per year than a dropout.

**Services Provided**

Adult basic education program options include the following choices.

- ⇒ **GED** (General Education Development diploma) - high school equivalency program.
- ⇒ **Adult Diploma** - programs for adults leading to a Minnesota high school diploma.
- ⇒ **English as a Second Language** - for learners whose native language is not English.
- ⇒ **Family Literacy** - features instruction for adults in literacy and parenting, and their children receive education services as well through other funding sources.
- ⇒ **Basic Skills Education** - for learners who need to brush-up on some specific basic skills, such as math or reading (typically related to their employment).
- ⇒ **Workforce Preparation** - literacy skills related to learners' need to obtain, retain, or improve their employment. Instruction uses work-related content, often delivered at the learner's work site.
- ⇒ **U.S. Citizenship and Civics** - programs for legal non-citizens and immigrants to attain English and civic knowledge necessary for U.S. citizenship and civic participation.

State ABE funding supports individual public school districts or groups of districts (consortia) and other eligible nonprofit providers including community-based organizations and correctional institutions. ABE is provided at over 500 sites located in every Minnesota county at public schools, workforce centers, community/technical colleges, prisons/jails, libraries, learning centers, tribal centers, and nonprofit organizations. Programs have voluntarily formed ABE consortia (52 administrative units) to maximize efficiency and to share resources.

The ABE priority for the coming biennium is "accountability" – includes measurable outcomes of academic level completion, diploma/GED attainment, job placement/retention, and transition to higher education/training.

As a result of increased immigration and resettlement into Minnesota, particularly in the Twin Cities and in regional hub cities, ABE programs typically have waiting lists for ESL services.

**Key Measures**

Decrease the percentage of Minnesota adults who currently lack basic skills to achieve their educational and economic goals through participation in ABE programs.

# DEPARTMENT OF EDUCATION

## Program: SELF SUFFICIENCY LIFELONG LEARNING

Activity: ADULT BASIC EDUCATION

Narrative

Selected Outcome Results	FY 2000	FY 2004	Percent Change
Enrollment	73,213	81,388	11%
GEDs Earned	6,885	6,433	-7%
High School Diplomas Earned	1,102	1,224	11%
Left Public Assistance	145	176	21%
Entered Post-Secondary Education	742	809	4%
Gained U.S. Citizenship or Civics Skills	884	957	8%
Able to Assist Children in School	2,221	2,246	1%
Gained or Better Employment	1,621	1,789	10%
Annual Cost Per Learner	\$462	\$494	7%

### Activity Funding

ABE aid distributed to approved consortia is formula-based on the following factors:

- ◆ base population aid at the greater of \$3,844 or \$1.73 times the census population of the member district; and
- ◆ of the remaining funds available, 84% is distributed based on prior year contact hours, 8% is distributed based on the population of K-12 Limited English Proficient (LEP) learners in the member district, and 8% is distributed based on the census population of adults aged 20 and over who do not hold a high school diploma.

Under the state funding formula, two funding caps are in law: 1) programs are held to a 8% or \$10,000 growth cap (the greater of) on contact hour revenue; and 2) programs are held to a gross revenue per contact hour of \$21 per prior year contact hour. The increase in learner contact hours over the past five years is given in the table below.

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Contact Hours	3,205,283	3,552,917	4,170,176	4,420,210	4,845,106
% Increase in Contact Hours Over Prior Year	42.0%	10.8%	17.4%	6.0%	9.6%

Under the federal Adult Education and Family Literacy Act (P.L.105-220), federal funds are received and must be used to coordinate with and supplement other ABE funds. Federal maintenance of effort provisions exist to promote the existing level of state resources.

Because Minnesota ABE programs exceeded their negotiated target goals (learner outcomes) for FY 2003, the state was awarded \$750,000 in federal Workforce Investment Act (WIA) Incentive funds. The Governor's Workforce Development Council manages that award as a grant program.

### ABE Transition Aid

The 2003 legislature eliminated the Adult Graduation Aid program, formerly under auspices of the K-12 system and authorized the ABE system to assume responsibility for all adult diploma students age 21 and over. A one-year aid program was created called ABE Transition Aid that funded the diploma services (contact hours) for FY 2004 that were transitioning into the ABE delivery system. Without this one-time funding, ABE programs would not have been able to serve this new service demand. For FY 2005 and beyond, the ABE state aid base was increased by \$2.1 million for serving diploma students and therefore, the need to continue the categorical funding (ABE Transition Aid) for this specific population was not necessary.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, ABE Office, (651) 582-8442.

DEPARTMENT OF EDUCATION

Program: SELF SUFFICIENCY & LIFELONG LEARNING

Activity: Adult Basic Education

Budget Activity

Dollars in Thousands

	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>Direct Appropriations by Fund</b>					
<b>General Fund</b>					
1 Current Appropriation	33,014	35,808	36,312	36,360	72,672
a. End of Session Estimate		72	75	57	132
b. Cancellation	(9)				
c. Aid Payment Buy Back		691		1	
2 Forecast Base	33,005	36,571	36,387	36,418	72,804
3 Governor's Recommendation					
a. Reallocation of ABE Funds			127	123	250
4 Recommended	33,005	36,571	36,514	36,541	73,054

**District Revenue Summary (Entitlement Basis)**

<b>AID</b>					
<b>State Aid</b>					
5 Statutory Formula Aid	33,983	36,355	36,394	36,423	72,817
6 Statutory Excess/(Shortfall)		(72)			
7 Appropriated Entitlement	33,983	36,283	36,394	36,423	72,817
8 Adjustments					
a. Supplemental Appropriation		72			
9 State Aid Entitlement Current Law	33,983	36,355	36,394	36,423	72,817
<b>10 Governor's Recommendation</b>					
a. Reallocation of ABE funds			154	116	270
11 Governor's Aid Recommendation	33,983	36,355	36,548	36,539	73,087
<b>plus</b>					
<b>LEVY</b>					
<b>Levy</b>					
12 Local Levy Current Law	0	0	0	0	0
<b>13 Governor's Recommendation</b>					
14 Governor's Levy Recommendation	0	0	0	0	0
<b>equals</b>					
<b>REVENUE</b>					
15 Current Law Revenue (State Aid & Levy)	33,983	36,355	36,394	36,423	72,817
16 Governor's Recommendation			154	116	270
17 Governor's Revenue Recommendation	33,983	36,355	36,548	36,539	73,087
<b>18 Other Revenue</b>					
a. Federal (FY 06-07 at Award Amount)	4,224	6,007	6,007	6,007	12,014
19 Total All Sources Current Law	38,207	42,362	42,401	42,430	84,831
20 Governor's Total Revenue Recommendation	38,207	42,362	42,555	42,546	85,101
<b>Appropriations Basis for State Aid</b>					
Prior Year (20%/18.1%)	5,827	6,796	6,580	6,615	13,195
Current Year (80%/81.9%)	27,187	29,775	29,933	29,926	59,859
Cancellation (20%)	(9)				
<b>Total State Aid - General Fund</b>	<b>33,005</b>	<b>36,571</b>	<b>36,514</b>	<b>36,541</b>	<b>73,054</b>

DEPARTMENT OF EDUCATION

Program: SELF SUFFICIENCY & LIFELONG LEARNING

Activity: Adult Basic Education Transition

Budget Activity

Dollars in Thousands

<b>Direct Appropriations by Fund</b>	Current		Governor's Rec		Biennium
	FY 2004	FY 2005	FY 2006	FY 2007	2006-07 FY2006-07
<b>General Fund</b>					
1 Current Appropriation	1,698	424	0	0	0
a. End of Session Estimate					
b. November Forecast Adjustment					
2 Forecast Base	1,698	424	0	0	0
3 Governor's Initiatives					
4 Recommended	1,698	424	0	0	0

<b>District Revenue Summary (Entitlement Basis)</b>					
<b>AID</b>	<b>State Aid</b>				
5 Statutory Formula Aid	2,122	0	0	0	0
6 Statutory Excess/(Shortfall)					
7 Appropriated Entitlement	2,122	0	0	0	0
8 Adjustments					
9 State Aid Entitlement Current Law	2,122	0	0	0	0
10 <b>Governor's Initiatives</b>					
11 Governor's Aid Recommendation	2,122	0	0	0	0
<i>plus</i>					
<b>LEVY</b>	<b>Levy</b>				
12 Local Levy Current Law	0	0	0	0	0
13 <b>Governor's Initiatives</b>					
14 Governor's Levy Recommendation	0	0	0	0	0
<i>equals</i>					
<b>REVENUE</b>	<b>15 Current Law Revenue (State Aid &amp; Levy)</b>				
	2,122	0	0	0	0
16 <b>Governor's Initiatives</b>			0	0	0
17 Governor's Revenue Recommendation	2,122	0	0	0	0
18 <b>Other Revenue</b>	0	0	0	0	0
19 <b>Total All Sources Current Law</b>	2,122	0	0	0	0
20 <b>Governor's Total Revenue Recommendation</b>	2,122	0	0	0	0
<b>Appropriations Basis for State Aid</b>					
Prior Year (20%)	0	424	0	0	0
Current Year (80%)	1,698	0	0	0	0
<b>Total State Aid - General Fund</b>	1,698	424	0	0	0

**Activity Description****Citation: M.S. 124D.55**

This state aid program provides increased access for eligible individuals to complete the test of general educational development (GED) by paying a portion of the student's GED testing fees.

**Population Served**

To be eligible to take the GED exam and have the cost subsidized by the state, an individual must meet three criteria:

- ◆ be a Minnesota resident and have been so for at least 90 days;
- ◆ not be currently enrolled in a program leading to a high school diploma; and
- ◆ not have the testing fee paid by another government agency.

In FY 2003:

- ◆ 23.4 years = average age of GED examinee;
- ◆ 10.3 years = average years of education of GED examinee\*; and
- ◆ 16-18 year olds accounted for 1,623 of the graduates, 24.1 % of the total.

\*This represents a decline by 10% in the past three years.

**Services Provided**

This budget activity provides supplementary funds to GED testing centers to help offset the cost of the testing for eligible students. As a result of this subsidy, fees for individual GED examinees are reduced. There are 58 testing centers in Minnesota including 10 at state correctional facilities.

The GED examination consists of a battery of five tests that measure major and lasting outcomes associated with a high school education. The five tests (social studies; science; language arts reading; language arts writing; and mathematics) employ a multiple-choice format with the two-part mathematics test also using alternative format questions. The writing skills test requires an essay. Many GED candidates are from low-income backgrounds and cannot afford the full cost of the five-test GED battery.

Successful completion of the GED test battery results in the awarding of a state of Minnesota GED diploma by the Minnesota Department of Education. A high school diploma or GED is required by many employers and virtually all of Minnesota's post-secondary educational institutions accept the GED as a valid high school credential for admission purposes.

**Historical Perspective**

State funding for the GED testing reimbursement program began in 1992 when the state began to pay the lesser of \$20 or 60% of the fee charged to an eligible individual for the full battery of the GED test. Nearly all GED applicants qualify for GED test financial support. Test leasing fees established by the GED Testing Service have tripled over the past five years.

**Key Measures**

Provide increased access for eligible individuals to complete the GED test by paying a portion of the student's testing fees.

FY 2004 Statistics

- ⇒ Passing rate in Minnesota is 84.3 % (Top 10 in US).
- ⇒ In 2003, more than one of nine high school credentials issued in Minnesota was a GED. This translates to 6,743 GED diplomas.

**Activity at a Glance**

- ◆ 58 GED testing centers.
- ◆ In FY 2003, 10,857 examinees took at least one GED test and 7,827 took all five tests.
- ◆ In 2004, 5,743 adults were granted GED diplomas.
- ◆ Individuals who receive their high school diploma or GED earn about \$7,000 more per year than a dropout.

# DEPARTMENT OF EDUCATION

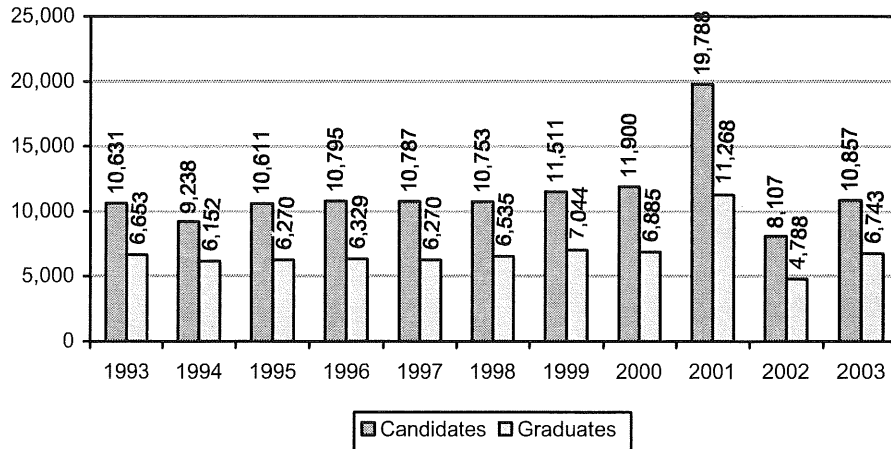
## Program: SELF SUFFICIENCY LIFELONG LEARNING

Activity: GED TESTS

Narrative

⇒ 55% of examinees wanted a GED to be able to further education; 40% for employment; and 5% for entrance into the military.

Candidates Taking All or Part of Test  
GED Graduates



### Activity Funding

The average GED test fee per participant is \$75. Test leasing fees established by the GED Testing Service have tripled during in the last three years.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, Adult Basic Education, (651) 582-8437.

DEPARTMENT OF EDUCATION  
 Program: SELF SUFFICIENCY LIFELONG LRNG  
 Activity: GED TESTS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	125	125	125	125	250
Subtotal - Forecast Base	125	125	125	125	250
<b>Total</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>250</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	125	125	125	125	250
<b>Total</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>250</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	125	125	125	125	250
<b>Total</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>125</b>	<b>250</b>



**Activity Description****Citation: M.S. 119A.46**

The purpose of this program is to reduce the potential for lead poisoning in the homes of children from low-income families.

**Population Served**

This program serves low-income families statewide. One in every six children, under six years of age, is lead poisoned which can lead to learning and behavioral problems, kidney damage, hearing deficits, speech and language problems, and poor attention span in children.

**Activity at a Glance**

- ◆ One in every six children under six years of age is lead poisoned.
- ◆ 100 homes receive lead hazard inspections and dust sampling each year from this program.
- ◆ 50 homes receive lead hazard reduction services each year from this program.
- ◆ The program provides outreach and educational activities related to lead poisoning for 5,000 Minnesota residents each year.

Exposure to residential sources of lead is the most common environmental health hazard to children under six years of age. Homes built prior to 1978 likely contain some levels of lead paint. In addition, leaded gasoline contributed to widespread lead exposure in soil, especially near busy roadways. The Third National Health and Nutrition Examination Survey estimates 12-15% of the population under age six have blood levels of 15 micrograms of lead per deciliter of blood (mg/dl) or greater (high risk of lead poisoning) and 1.1% have blood lead levels of 20 mg/dl or greater (lead poisoned). The social costs of health effects of childhood lead blood (Pb) exposure go beyond the personal suffering of the child and the family. They include direct societal costs (medical and educational expenses) and indirect costs (reduced future earnings of the afflicted children).

**Services Provided**

AmeriCorp member crews visit households identified as lead contaminated. The crews are trained to assess homes for lead levels, educate residents on measures to keep safe from lead, clean and repaint surfaces using special equipment to reduce lead dust levels to make the home lead safe for children, and provide assistance necessary to meet the residents immediate needs while lead hazard reduction services are being completed on their residence.

- ⇒ The program provides outreach and educational activities related to lead poisoning for 5,000 Minnesota residents each year.
- ⇒ Residential houses for the lead hazard reduction services are identified by the Minnesota Department of Health. Activities include: 1) lead hazard inspections and dust sampling; and 2) lead hazard reduction services, including treating windows, stabilizing paint surfaces and re-painting, and treating and recovering soil.
- ⇒ Sustainable Resources Center (SRC), the organization that receives the state funds, provides lead hazard reduction activities statewide. These funds are used to supplement federal funding received by SRC.

**Historical Perspective**

The lead abatement program was originally funded in 1993 for a two-year period. The program was not funded from 1995 to 1997, but was re-established in the 1997 legislative session.

**Key Measures**

- ⇒ Lead hazard reduction services are provided at an average cost of \$2,000 each for an average of 50 households each year.
- ⇒ 100 homes receive lead hazard inspections and dust sampling each year.
- ⇒ 50 homes receive lead hazard reduction services.

## DEPARTMENT OF EDUCATION

Program: SELF SUFFICIENCY LIFELONG LEARNING

Activity: LEAD HAZARD REDUCTION

Narrative

### Activity Funding

Sustainable Resources Center uses state funds to leverage other funds for the project including: federal funding through the Department of Health and Human Services, the city of Minneapolis, the Center for Disease Control (CDC), foundations, private donations, CLEARcorps National Project of Service to America Volunteers, and supplies and paint donated by paint manufacturers which together provide more complete education and community collaborative activities. Federal funding is contingent upon receipt of matching funds.

The amounts in the narrative may differ when compared to the fiscal summary due to timing of the state fiscal year-end close and forecast changes.

### Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8397, <http://education.state.mn.us>.

**DEPARTMENT OF EDUCATION**

**Program: SELF SUFFICIENCY LIFELONG LRNG**

**Activity: LEAD HAZARD REDUCTION**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	100	100	100	100	200
Subtotal - Forecast Base	100	100	100	100	200
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	100	100	100	100	200
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	100	100	100	100	200
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>200</b>

DEPARTMENT OF EDUCATION  
 Program: SELF SUFFICIENCY LIFELONG LRNG  
 Activity: INTENSIVE ENGLISH-REFUGEES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
<b>Governor's Recommendations</b>					
Intensive English for Adult Refugees		0	1,000	1,000	2,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	0	0	1,000	1,000	2,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>
<b><u>Expenditures by Category</u></b>					
Local Assistance	0	0	1,000	1,000	2,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>	<b>2,000</b>

Discontinued Programs

**Program Description**

Education activities with expenditures in FY 2004, but with no appropriation for FY 2005 and later are reported in this program.

- ⇒ Discontinued State Programs
- ⇒ Discontinued Federal Programs

**DEPARTMENT OF EDUCATION**

Program: DISCONTINUED PROGRAMS

Program Summary

*Dollars in Thousands*

<b><i>Direct Appropriations by Fund</i></b>	<b>Current</b>		<b>Agency Request</b>		<b>Biennium</b>
	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>2006-07</b>
					<b>FY2006-07</b>
<b>General</b>					
Current Appropriation	108,978	97,562	97,562	97,562	195,124
<b>Technical Adjustments</b>					
Biennial Appropriations			500	0	500
End-of-session Estimate			25,461	33,967	59,428
Transfers Between Agencies	(104,562)	(97,562)	(123,523)	(131,529)	(255,052)
Subtotal-Forecast Base	4,416	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Expenditures by Fund</i></b>					
<b>Direct Appropriations</b>					
General	1,073	0	0	0	0
<b>Statutory Appropriations</b>					
General	23	0	0	0	0
Federal	3,320	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Expenditures by Category</i></b>					
Other Compensation	62	0	0	0	0
Other Operating Expenses	87	0	0	0	0
Local Assistance	4,267	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Expenditures by Activity</i></b>					
Discontinued Programs-Federal	3,320	0	0	0	0
Discontinued Programs-State	1,096	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

DEPARTMENT OF EDUCATION

Program: DISCONTINUED/TRANSFER PROGRAMS

Program Summary

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<i>Dollars in Thousands</i>					
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	108,978	97,562	97,562	97,562	195,124
<b>Technical Adjustments</b>					
Biennial Appropriations			500	0	500
End-of-session Estimate			25,461	33,967	59,428
Transfers Between Agencies			(123,523)	(131,529)	(255,052)
Subtotal - Forecast Base	108,978	97,562	0	0	0
<b>Total</b>	<b>108,978</b>	<b>97,562</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>State Government Spec Revenue</b>					
Current Appropriation	96	96	96	96	192
<b>Technical Adjustments</b>					
Transfers Between Agencies			(96)	(96)	(192)
Subtotal - Forecast Base	96	96	0	0	0
<b>Total</b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	1,073	0	0	0	0
<b>Statutory Appropriations</b>					
General	23	0	0	0	0
Federal	3,320	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Category</u></b>					
Total Compensation	62	0	0	0	0
Other Operating Expenses	87	0	0	0	0
Local Assistance	4,267	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Expenditures by Activity</u></b>					
Discontinued Programs-Federal	3,320	0	0	0	0
Discontinued Programs-State	1,096	0	0	0	0
<b>Total</b>	<b>4,416</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Full-Time Equivalents (FTE)</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	



**Program: DISCONTINUED PROGRAMS**

Activity: DISCONTINUED PROGRAMS-FEDERAL

Narrative

Statute requires a report of discontinued education aids or grants if there is an expenditure in FY 2003, FY 2004, FY 2005.

<u>Discontinued Federal Programs</u>	Dollars in Thousands	
	<u>FY 2003</u>	<u>FY 2004</u>
State Incentive Grants	\$ 2,241	\$ 37
Emergency Immigrant Education	28	
Goals 2000 Grants	3,917	6
Title 2	5,906	
School to Work	1,511	
Advance Placement	362	127
Bilingual Research	29	97
Class Size Reduction	9,588	
Serve America	32	3
School Renovation	5,413	2,950
Food Safety Education		100
Capital Expense Private	16	
<b>Total</b>	<b>\$29,043</b>	<b>\$3,320</b>

**Program: DISCONTINUED PROGRAMS**

Activity: TRANSFERRED PROGRAMS

Narrative

Statute requires a report of discontinued education aids or grants if there is an expenditure in FY 2003, FY 2004, FY 2005.

<u>Transferred Programs – State</u>	<u>Dollars in Thousands</u>
MFIP Child Care	\$ 76,344
Child Care Development	1,360
Children's Trust Fund	28
Basic Sliding Fee Child Care	48,595
Family Visitation Centers	200
Abused Children	945
Food Shelf Grants	1,278
Transitional Housing Grants	1,982
MN Economic Opportunity Grants	5,607
Emergency Services Grants	223
Emergency Services State	250
Tobacco Free Community-Health	60
Visitation Facilities	96
Child Care Integrity	175
Family Collaboration	697
Child Trust Fund Spec Rev	1,358
<b>Total</b>	<b>\$139,198</b>

<u>Transferred Programs – Federal</u>	<u>Dollars in Thousands</u>
Child Care Support Fund	\$ 2,839
MFIP Federal Share	67,008
Maternal & Child Health	113
Child Care	14,363
Child Trust Fund-Fed Challenge	2,661
Migrant Day Care	229
TANF TRF-MFIP Child Care	30,953
MN Child Care Research	274
HUD Grants	1,188
CSBG Grants	7,476
CSBG Training & Technical	35
Comm Food & Nutrition Grants	53
HUD Support Housing Grants	737
Intensive ESL TANF Grants	1,453
TANF Transitional Housing-ADM	2,595
Emergency Services TANF	235
Surplus Commodities	725
<b>Total</b>	<b>\$132,937</b>

### Program Description

This program provides the funding for operating programs within the department to staff and support the mission, goals and objectives of MDE. Funding is provided for the following operating divisions:

- ⇒ **The Office of Academic Excellence** is designed to provide leadership for the implementation of academic standards; provides professional development to educators; administers Indian education and scholarship programs; school choice, charter school and supplemental service programs; oversees the state library services; school technology, the Faribault Library for the Blind; and licensing for educators and administrators.
- ⇒ **The Office of Student Support Services** provides programs for adult basic education (General Education Development); adult and career education; special education policy development and implementation, including programs designed for special education students; early learning services focused on preparation for kindergarten; and food and nutrition service programs to provide meals for students, child care providers and adult care providers.
- ⇒ **The Office of Finance and Administrative Services** is responsible for the distribution of aid payments to school districts and charter schools; calculating school district property tax levy limitations; providing information technology support for the agency and programs administered; providing policy, management, fiscal and human resource direction and leadership; and compliance monitoring for special education and food and nutrition programs.
- ⇒ **The Office of Accountability and Improvement** is responsible for statewide testing programs, administration of federal education programs (No Child Left Behind), and research and evaluation of educational programs.
- ⇒ **The Pass Through Programs** provide funding for the Board of Teaching, Board of School Administrators, Academy of Science, Children's Museum, and Student Organizations.

### Program at a Glance

FY 2004 general fund budget was approximately \$22 million.

Five operating divisions:

- ◆ Office of Academic Excellence
- ◆ Office of Student Support Services
- ◆ Office of Finance and Administrative Services
- ◆ Office of Accountability and Improvement
- ◆ Pass Through Programs

Oversees, with the assistance of local boards, the \$8.5 billion spent annually in support of K-12 education in Minnesota.

### Population Served

This program directly serves 343 school districts, 88 charter schools, 55,400 teachers, and state public policy makers. All residents of the state are indirectly impacted by services provided by this program. Services are provided to all children enrolled in pre-K – 12 education programs. Parents are the beneficiaries of agency services provided to their children. Adult participants in education programs are also served.

### Services Provided

This program provides the infrastructure for services and assistance to students, teachers, parents, and school districts in the following areas:

- ◆ Academic Standards and Professional Development;
- ◆ Adult and Career Education and Service-Learning;
- ◆ Assessment and Testing;
- ◆ Compliance and Assistance;
- ◆ Early Learning Services;
- ◆ English Language Learners/Limited English Proficiency (LEP);
- ◆ Food and Nutrition Service;
- ◆ Library Development and Services;
- ◆ No Child Left Behind (NCLB) Consolidated Programs;
- ◆ Personnel Licensing;
- ◆ Safe and Healthy Learners;



**Department of Human Services**  
**Family & Early Childhood Education**

Trkg. Line	Page #	TITLE OF PROPOSAL			NET FISCAL IMPACT					
		Fund	APPR	Line item explanation	FY 2006	FY 2007	FY 06-07	FY 2008	FY 2009	FY 08-09
78		GF			1,125	1,122	2,247	1,122	1,122	2,244
79		HCAF			0	0	0	0	0	0
80		The Governor proposes an appropriation for a partnership to help transition and prevent homelessness for older youth as they leave long-term foster care.								
81		GF	26	Demonstration Project: Transition planning with supportive housing	1,085	1,085	2,170	1,085	1,085	2,170
82		GF	35	Staff to administer and coordinate demonstration programs (1 FTE)	72	66	138	66	66	132
83		GF	REV	Administrative ffp	(32)	(29)	(61)	(29)	(29)	(58)
84										
85	Page 17	<b>ADDRESS HOMELESSNESS WITH SUPPORTIVE HOUSING SERVICES GRANTS</b>			<b>5,000</b>	<b>5,000</b>	<b>10,000</b>	<b>5,000</b>	<b>5,000</b>	<b>10,000</b>
86		GF			5,000	5,000	10,000	5,000	5,000	10,000
87		HCAF			0	0	0	0	0	0
88		The Governor recommends providing flexible service funding to support the State's goal of ending long-term homelessness in Minnesota by 2010. This proposal would provide \$5 million per year in flexible service funding to consortia of counties for supportive housing projects that address the needs of the long-term homeless.								
89		GF	32	Other children's & families grants	5,000	5,000	10,000	5,000	5,000	10,000
90										
91	Page 18	<b>DELAY PROJECTS OF REGIONAL SIGNIFICANCE</b>			<b>(25,000)</b>	<b>(25,000)</b>	<b>(50,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>
92		GF			(25,000)	(25,000)	(50,000)	0	0	0
93		HCAF			0	0	0	0	0	0
94		The Governor recommends a reduced appropriation to accompany a two-year delay in implementation of the projects of regional significance portion of the Children and Community Services Act grant program.								
95		GF	27	Delay projects of regional significance	(25,000)	(25,000)	(50,000)	0	0	0
96										
97	Page 19	<b>FREEZE MAXIMUM RATES PAID FOR CHILD CARE ASSISTANCE</b>			<b>(33,351)</b>	<b>(37,214)</b>	<b>(70,565)</b>	<b>(37,006)</b>	<b>(36,433)</b>	<b>(73,439)</b>
98		GF			(33,351)	(37,214)	(70,565)	(37,006)	(36,433)	(73,439)
99		HCAF			0	0	0	0	0	0
100		The Governor recommends extending the freeze on maximum rates paid to child care providers under the Child Care Assistance Program through June 30, 2007 and restricting growth in rates to a general inflation factor beginning July 1, 2007.								
101		GF	22	MFIP child care assistance grants	(21,910)	(29,850)	(51,760)	(31,396)	(32,716)	(64,112)
102		GF	23	BSF child care assistance grants	(11,441)	(7,414)	(18,855)	(5,610)	(3,717)	(9,327)
103		GF	36	MAXIS-MEC <sup>2</sup>	0	50	50	0	0	0
104										
105	Page 20	<b>MDE TRANSFER ACCOUNTING SOLUTIONS</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
106		GF			0	0	0	0	0	0
107		HCAF			0	0	0	0	0	0
108		The Governor recommends a technical budget neutral adjustment to appropriations and revenues for federal grants transferred from the Department of Education to make accounting for indirect costs consistent with standard statewide policy, and simplify the financing of a small component of the Basic Sliding Fee Child Care Assistance Program (BSF).								
109		GF	10	Financial operations	802	802	1,604	802	802	1,604
110		GF	REV	Administrative ffp	(802)	(802)	(1,604)	(802)	(802)	(1,604)
111		GF	23	BSF child care assistance grants	3,340	3,340	6,680	3,340	3,340	6,680
112		GF	REV	BSF child care support collections	(3,340)	(3,340)	(6,680)	(3,340)	(3,340)	(6,680)
113										
114	Page 21	<b>FINALIZE 2003 SESSION TANF REFINANCING</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
115		GF			0	0	0	0	0	0

## HUMAN SERVICES DEPT

**Program:** CHILDREN & ECONOMIC ASSISTANCE GRANTS

**Activity:** MFIP CHILD CARE ASSISTANCE GRANTS

Narrative

### Activity Description

The Minnesota Family Investment Program (MFIP) Child Care Assistance Grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. This program is supervised by the Department of Human Services and administered by county social services agencies.

### Activity at a Glance

- ◆ Purchases child care for nearly 19,000 children in 10,000 families each month

### Population Served

Families who participate in welfare reform activities are served through the (MFIP) child care program which includes MFIP and Transition Year (TY) subprograms.

### Services Provided

The following families are eligible to receive MFIP or TY child care assistance: 1) MFIP and Diversionary Work Program (DWP) families who are employed or pursuing employment, or participating in employment, training, or social services activities authorized in an approved employment services plan; and 2) employed families who are in their first year off MFIP or DWP (transition year).

### Historical Perspective

MFIP child care was called AFDC (Aid to Families with Dependent Children) child care and funded by federal Title IV(A) funds prior to the 1996 federal welfare reform act. Demand for child care assistance has increased as parents participating in welfare reform are required to be employed or looking for work. The total number of families served has increased from 9,800 in FY 1999 to 10,200 in FY 2003. Total expenditures have increased from \$77 million to \$117 million over those years.

### Key Measures

- ⇒ Percent of child care assistance leavers who are still employed six months later (under development).
- ⇒ Percent of young children in quality early childhood care and education settings who are ready for school as measured by an observational performance assessment (under development).

More information on Department of Human Services measures and results is available on the web: <http://www.departmentresults.state.mn.us/hs/index.html>.

### Activity Funding

MFIP Child Care Assistance Grants is funded with appropriations from the General Fund and federal funds.

### Contact

For more information on Employment and Training Grants, contact

- ◆ Assistant Commissioner Chuck Johnson, (651) 297-4727
- ◆ Transition to Economic Stability Division Acting Director Ann Sessoms, (651) 297-7515
- ◆ Child Care Assistance Manager Cherie Kotilinek, (651) 284-4203

Information is also available on the DHS web site: <http://www.dhs.state.mn.us>.

**HUMAN SERVICES DEPT**  
**Program: CHILDREN & ECONOMIC ASST GR**  
**Activity: MFIP CHILD CARE ASSISTANCE GR**

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	0	0	0	0	0
<b>Technical Adjustments</b>					
November Forecast Adjustment		(14,988)	3,676	2,479	6,155
Transfers Between Agencies			82,555	91,061	173,616
Subtotal - Forecast Base	0	(14,988)	86,231	93,540	179,771
<b>Governor's Recommendations</b>					
Freeze Max. Child Care Rates		0	(21,910)	(29,850)	(51,760)
Finalize 2003 TANF Refinancing		0	(6,692)	(3,192)	(9,884)
<b>Total</b>	<b>0</b>	<b>-14,988</b>	<b>57,629</b>	<b>60,498</b>	<b>118,127</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	67,935	53,647	57,629	60,498	118,127
<b>Statutory Appropriations</b>					
Federal	32,402	47,471	39,223	40,099	79,322
<b>Total</b>	<b>100,337</b>	<b>101,118</b>	<b>96,852</b>	<b>100,597</b>	<b>197,449</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	12,328	12,335	5,000	5,000	10,000
Local Assistance	88,009	88,783	91,852	95,597	187,449
<b>Total</b>	<b>100,337</b>	<b>101,118</b>	<b>96,852</b>	<b>100,597</b>	<b>197,449</b>

## HUMAN SERVICES DEPT

**Program: CHILDREN & ECONOMIC ASSISTANCE GRANTS**

**Activity: BSF CHILD CARE ASSISTANCE GRANTS**

Narrative

### Activity Description

Basic Sliding Fee (BSF) Child Care Assistance Grants provide financial subsidies to help low-income families pay for child care so that parents may pursue employment or education leading to employment. This program is supervised by the Department of Human Services and administered by county social services agencies.

### Activity at a Glance

- ◆ Purchases child care for 21,000 children in 12,500 families each month

### Population Served

Low-income families who are not connected to the Minnesota Family Investment Program (MFIP) or Diversionary Work Program (DWP) programs are served through the BSF child care program.

### Services Provided

BSF Child Care Assistance Grants help families pay child care costs on a sliding fee basis. As family income increases, so does the amount paid by the family.

- ⇒ BSF child care helps pay the child care costs of low-income families not currently participating in MFIP or DWP or in their first year after leaving MFIP or DWP. Families with household income at or under 175% of the federal poverty guidelines at program entry and less than 250% of the federal poverty guidelines at program exit, who participate in authorized activities, such as employment, job search, and job training, are eligible for BSF child care.
- ⇒ At Home Infant Care (AHIC) allows BSF eligible families with children under one year of age to receive a subsidy for a period of up to 12 months, while staying at home with their infant (and any other children). The family receives 90% of the amount that would be paid to a licensed family child care provider for infant care in the county of the family's residence. Three percent of state funds are set aside within the BSF grant for this program.

### Historical Perspective

The BSF program was developed in the 1970s as a pilot program serving 24 counties in recognition that child care was essential to the employment of low-income families. The total number of families served has increased from 11,150 in SFY 1999 to 12,500 in FY 2003, with 5,500 families on waiting lists. Total expenditures have increased from \$69 million to \$98 million over those years.

### Key Measures

- ⇒ Percent of child care assistance leavers who are still employed six months later (under development).
- ⇒ Percent of young children in quality early childhood care and education settings who are ready for school as measured by an observational performance assessment (under development).

More information on Department of Human Services measures and results is available on the web: <http://www.departmentresults.state.mn.us/hs/index.html>.

### Activity Funding

BSF Child Care Assistance Grants are funded by state General Fund appropriations, federal Child Care and Development Fund (CCDF) monies (which include Temporary Assistance to Needy Families (TANF) transfer funds, county contributions, and child care support collections).

### Contact

For more information on Child Care Assistance Programs, contact:

- ◆ Assistant Commissioner Maria Gomez, (651) 297-3209
- ◆ Transitions to Economic Stability Division Director Chuck Johnson, (651) 297-4727
- ◆ Child Care Assistance Manager Cherie Kotilinek, (651) 284-4203

Information is also available on the DHS web site: <http://www.dhs.state.mn.us>.



# HUMAN SERVICES DEPT

Program: CHILDREN & ECONOMIC ASST GR

Activity: BSF CHILD CARE ASSISTANCE GR

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<b><u>Direct Appropriations by Fund</u></b>					
<b>General</b>					
Current Appropriation	0	0	0	0	0
<b>Technical Adjustments</b>					
Transfers Between Agencies			30,262	30,262	60,524
Subtotal - Forecast Base	0	0	30,262	30,262	60,524
<b>Governor's Recommendations</b>					
Freeze Max. Child Care Rates		0	(11,441)	(7,414)	(18,855)
MDE Transfer Accounting Solutions		0	3,340	3,340	6,680
<b>Total</b>	<b>0</b>	<b>0</b>	<b>22,161</b>	<b>26,188</b>	<b>48,349</b>
<b><u>Expenditures by Fund</u></b>					
<b>Direct Appropriations</b>					
General	29,080	18,721	22,161	26,188	48,349
<b>Statutory Appropriations</b>					
General	0	3,091	3,091	3,091	6,182
Special Revenue	3,340	3,340	3,340	3,340	6,680
Federal	39,912	52,865	49,279	45,996	95,275
<b>Total</b>	<b>72,332</b>	<b>78,017</b>	<b>77,871</b>	<b>78,615</b>	<b>156,486</b>
<b><u>Expenditures by Category</u></b>					
Payments To Individuals	13,685	13,919	5,000	5,000	10,000
Local Assistance	58,647	64,098	72,871	73,615	146,486
<b>Total</b>	<b>72,332</b>	<b>78,017</b>	<b>77,871</b>	<b>78,615</b>	<b>156,486</b>