

**Senators Skoglund and Stumpf introduced--**

**S.F. No. 357:** Referred to the Committee on Finance.

1                                   A bill for an act

2           relating to education finance; removing the limit on  
3           funding for limited English proficiency programs;  
4           amending Minnesota Statutes 2004, sections 124D.59,  
5           subdivision 2; 124D.65, subdivision 5; 126C.10,  
6           subdivision 4.

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

8           Section 1. Minnesota Statutes 2004, section 124D.59,  
9           subdivision 2, is amended to read:

10           Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)

11           "Pupil of limited English proficiency" means a pupil in  
12           kindergarten through grade 12 who meets the following  
13           requirements:

14           (1) the pupil, as declared by a parent or guardian first  
15           learned a language other than English, comes from a home where  
16           the language usually spoken is other than English, or usually  
17           speaks a language other than English; and

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

23           (b) Notwithstanding paragraph (a), a pupil in grades 4  
24           through 12 who was enrolled in a Minnesota public school on the  
25           dates during the previous school year when a commissioner  
26           provided assessment that measures the pupil's emerging academic

1 English was administered, shall not be counted as a pupil of  
 2 limited English proficiency in calculating limited English  
 3 proficiency pupil units under section 126C.05, subdivision 17,  
 4 and shall not generate state limited English proficiency aid  
 5 under section 124D.65, subdivision 5, unless the pupil scored  
 6 below the state cutoff score on an assessment measuring emerging  
 7 academic English provided by the commissioner during the  
 8 previous school year.

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

15 ~~(1)~~ the pupil is not enrolled during the current fiscal  
 16 year in an educational program for pupils of limited English  
 17 proficiency in accordance with sections 124D.58 to 124D.64; or

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

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

22 Sec. 2. Minnesota Statutes 2004, section 124D.65,  
 23 subdivision 5, is amended to read:

24 Subd. 5. [SCHOOL DISTRICT LEP REVENUE.] (a) A district's  
 25 limited English proficiency programs revenue equals the product  
 26 of (1) \$700 ~~\$584~~ in fiscal year ~~2004~~ 2006 and later times (2)  
 27 the greater of 20 or the adjusted marginal cost average daily  
 28 membership of eligible pupils of limited English proficiency  
 29 enrolled in the district during the current fiscal year.

30 (b) A pupil ceases to generate state limited English  
 31 proficiency aid in the school year following the school year in  
 32 which the pupil attains the state cutoff score on a  
 33 commissioner-provided assessment that measures the pupil's  
 34 emerging academic English.

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

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

3       Subd. 4. [BASIC SKILLS REVENUE.] A school district's basic  
4 skills revenue equals the sum of:

5       (1) compensatory revenue under subdivision 3; plus

6       (2) limited English proficiency revenue under section  
7 124D.65, subdivision 5; plus

8       (3) ~~\$250~~ \$190 times the limited English proficiency pupil  
9 units under section 126C.05, subdivision 17.

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

**Fiscal Note – 2005-06 Session**

**Bill #:** S0357-0 **Complete Date:** 02/10/05

**Chief Author:** SKOGLUND, WESLEY

**Title:** REMOVE LEP FUNDING RESTRICTION

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

**Agency Name:** Education Department

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

Dollars (in thousands)	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund		2,176	2,923	2,848	2,820
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		2,176	2,923	2,848	2,820
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		2,176	2,923	2,848	2,820
<b>Total Cost &lt;Savings&gt; to the State</b>		2,176	2,923	2,848	2,820

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

## **Bill Description**

Effective in FY 2006, eliminates the five-year limit on pupils' eligibility for limited English proficiency (LEP) funding and reduces LEP funding parameters to prior levels.

## **Assumptions**

Assumes that the increase in LEP average daily membership (ADM) that would be created in FY 2006 and later years by elimination of the five-year funding limit equals the corresponding LEP ADM increase that would have applied in FY 2004 in the absence of the 5-year limit. (Under current law the FY 2004 total LEP ADM is 38,949. Without the 5 year cap the total LEP ADM would have been 54,258 – an increase of 15,309. This increase of 15,309 has been assumed constant for FY 2006 and later years.)

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

Changes the multiplier for regular LEP revenue from \$700 to \$584. Changes the multiplier for LEP concentration revenue from \$250 to \$190.

	A	B	C	D
	ENTITLEMENT	CURRENT PAYMENT = A X 81.9%	CLEANUP FOR PRIOR YEAR	COST = B+C
2005-06	2,656,796	2,175,916	0	2,175,916
2006-07	2,982,440	2,442,618	480,880	2,923,498
BIENNIUM	5,639,236	4,618,534	480,880	5,099,414
2007-08	2,817,850	2,307,819	539,822	2,847,641
2008-09	2,820,406	2,309,913	510,031	2,819,944
BIENNIUM	5,638,256	4,617,732	1,049,853	5,667,585

## **Long-Term Fiscal Considerations**

This is a continuing program.

## **Local Government Costs**

This bill would provide additional revenue to school districts serving eligible students.

## **References/Sources**

Agency Contact Name: Porter, Bob 651-582-8851  
FN Coord Signature: AUDREY BOMSTAD  
Date: 02/10/05 Phone: 582-8793

## **EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA-MUELLER  
Date: 02/10/05 Phone: 296-6661

Senators Moua; Stumpf; Pogemiller; Johnson, D.J. and Dille introduced--  
S.F. No. 312: Referred to the Committee on Finance.

A bill for an act

relating to education finance; restoring funding for  
limited English proficiency programs; amending  
Minnesota Statutes 2004, section 124D.59, subdivision  
2.

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

Section 1. Minnesota Statutes 2004, section 124D.59;  
subdivision 2, is amended to read:

Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)

"Pupil of limited English proficiency" means a pupil in  
kindergarten through grade 12 who meets the following  
requirements:

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

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

(b) Notwithstanding paragraph (a), a pupil in grades 4  
through 12 who was enrolled in a Minnesota public school on the  
dates during the previous school year when a commissioner  
provided assessment that measures the pupil's emerging academic

1 English was administered, shall not be counted as a pupil of  
2 limited English proficiency in calculating limited English  
3 proficiency pupil units under section 126C.05, subdivision 17,  
4 and shall not generate state limited English proficiency aid  
5 under section 124D.65, subdivision 5, unless the pupil scored  
6 below the state cutoff score on an assessment measuring emerging  
7 academic English provided by the commissioner during the  
8 previous school year.

9 (c) Notwithstanding paragraphs (a) and (b), a pupil in  
10 kindergarten through grade 12 shall not be counted as a pupil of  
11 limited English proficiency in calculating limited English  
12 proficiency pupil units under section 126C.05, subdivision 17,  
13 and shall not generate state limited English proficiency aid  
14 under section 124D.65, subdivision 5, if-

15 ~~(1) the pupil is not enrolled during the current fiscal~~  
16 ~~year in an educational program for pupils of limited English~~  
17 ~~proficiency in accordance with sections 124D.58 to 124D.64, or~~

18 ~~(2) the pupil has generated five or more years of average~~  
19 ~~daily membership in Minnesota public schools since July 1, 1996.~~

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

Senator Rest introduced--

S.F. No. 1597: Referred to the Committee on Finance.

1                                   A bill for an act  
2           relating to education finance; restoring funding for  
3           limited English proficiency programs; amending  
4           Minnesota Statutes 2004, section 124D.59, subdivision  
5           2.

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

7           Section 1. Minnesota Statutes 2004, section 124D.59,  
8           subdivision 2, is amended to read:

9           Subd. 2. [PUPIL OF LIMITED ENGLISH PROFICIENCY.] (a)

10 "Pupil of limited English proficiency" means a pupil in  
11 kindergarten through grade 12 who meets the following  
12 requirements:

13           (1) the pupil, as declared by a parent or guardian first  
14 learned a language other than English, comes from a home where  
15 the language usually spoken is other than English, or usually  
16 speaks a language other than English; and

17           (2) the pupil is determined by developmentally appropriate  
18 measures, which might include observations, teacher judgment,  
19 parent recommendations, or developmentally appropriate  
20 assessment instruments, to lack the necessary English skills to  
21 participate fully in classes taught in English.

22           (b) Notwithstanding paragraph (a), a pupil in grades 4  
23 through 12 who was enrolled in a Minnesota public school on the  
24 dates during the previous school year when a commissioner  
25 provided assessment that measures the pupil's emerging academic

1 English was administered, shall not be counted as a pupil of  
2 limited English proficiency in calculating limited English  
3 proficiency pupil units under section 126C.05, subdivision 17,  
4 and shall not generate state limited English proficiency aid  
5 under section 124D.65, subdivision 5, unless the pupil scored  
6 below the state cutoff score on an assessment measuring emerging  
7 academic English provided by the commissioner during the  
8 previous school year.

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

15 ~~(1)~~ the pupil is not enrolled during the current fiscal  
16 year in an educational program for pupils of limited English  
17 proficiency in accordance with sections 124D.58 to 124D.64; ~~or~~

18 ~~(2) the pupil has generated five or more years of average~~  
19 ~~daily membership in Minnesota public schools since July 1, 1996.~~

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

**Fiscal Note – 2005-06 Session**

**Bill #:** S1597-0 **Complete Date:** 03/21/05

**Chief Author:** REST, ANN

**Title:** LIMITED ENGLISH PROF PRGM FUNDING

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

**Agency Name:** Education Department

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

Dollars (in thousands)	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
<b>Expenditures</b>					
General Fund		13,212	15,585	15,561	15,569
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund		13,212	15,585	15,561	15,569
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund		13,212	15,585	15,561	15,569
<b>Total Cost &lt;Savings&gt; to the State</b>		13,212	15,585	15,561	15,569

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

## Bill Description

SF 1597 cancels the 5-year limit on pupils' eligibility for limited English proficiency (LEP) funding.

The bill is effective FY 2006.

## Assumptions

Assumes that the percentage increase in each school district's LEP average daily membership (ADM) that would be created in FY 2006 and later years by canceling the 5-year limit on eligibility for LEP funding equals the corresponding percentage increase that would have applied in FY 2004 if the limit had not applied.

Uses the same current-law pupil projections that were used for the February 2005 state budget forecast.

In FY 2004 the total LEP ADM in school districts and charter schools was 38,949. If the 5-year eligibility limit had been eliminated, the total LEP ADM would have been 54,257.

The cost of this program would 100% state aid.

## Expenditure and/or Revenue Formula

Uses current-law formulas for calculating LEP revenue and LEP concentration revenue. The only change in the revenue calculations is the change in the LEP counts.

Projected appropriation increases:

	FY 2006	FY 2007	FY 2008	FY 2009
CURRENT				
1 LEP ADM	43,045	42,249	42,249	42,249
2 LEP REVENUE, REGULAR	31,257,485	30,633,526	30,526,300	30,526,300
3 LEP REVENUE, CONCENTRATION	8,588,745	8,492,233	8,508,470	8,533,405
4 LEP REVENUE, COMBINED = (2)+(3) =	39,846,230	39,125,759	39,034,770	39,059,705
PROPOSED				
5 LEP ADM	59,537	58,555	58,555	58,555
6 LEP REVENUE, REGULAR	42,737,737	41,982,388	41,844,026	41,844,026
7 LEP REVENUE, CONCENTRATION	12,780,790	12,712,220	12,750,540	12,786,908
8 LEP REVENUE, COMBINED = (6)+(7) =	55,518,527	54,694,608	54,594,566	54,630,934

## DIFFERENCE

9 LEP ADM = (5)-(1) =	16,492	16,306	16,306	16,306
10 LEP REVENUE, REGULAR = (6)-(2) =	11,480,252	11,348,862	11,317,726	11,317,726
11 LEP REVENUE, CONCENTRATION = (7)-(3) =	4,192,045	4,219,988	4,242,070	4,253,503
12 LEP REVENUE, COMBINED = (8)-(4) =	15,672,297	15,568,850	15,559,796	15,571,229
13 CURRENT PAYMENT PORTION	0.843	0.843	0.843	0.843
14 APPROPRIATION	13,211,746	15,585,091	15,561,217	15,569,434

**Long-Term Fiscal Considerations**

This is a continuing program.

**Local Government Costs**

This bill would provide additional revenue to school districts serving eligible students. All of the revenue increase would come in the form of state aid.

**References/Sources**

Agency Contact Name: Porter, Bob 651-582-8851  
 FN Coord Signature: AUDREY BOMSTAD  
 Date: 03/21/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: BRIAN STEEVES  
 Date: 03/21/05 Phone: 296-8674

Senator Saxhaug introduced--  
S.F. No. 1410: Referred to the Committee on Finance.

1                                   A bill for an act

2           relating to education finance; allowing school

3           districts to levy for all-day kindergarten; proposing

4           coding for new law in Minnesota Statutes, chapter 126C.

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

6           Section 1. [126C.458] [ALL-DAY KINDERGARTEN LEVY.]

7           A school district may levy an amount equal to the

8 district's average daily membership, times .558, times the

9 formula allowance to provide for all-day kindergarten programs.

10           [EFFECTIVE DATE.] This section is effective for taxes

11 payable in 2006 and thereafter.

**Fiscal Note – 2005-06 Session**

**Bill #:** S1410-0 **Complete Date:** 03/21/05

**Chief Author:** SAXHAUG, TOM

**Title:** ALL DAY KINDERGARTEN PRGM LEVY AUTH

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

**Agency Name:** Education Department

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

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

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

**Bill Description**

Effective for taxes payable in 2006, the bill provides school districts with a new levy authority to provide for all-day kindergarten programs.

**Assumptions**

The bill states that the new authority equals the district's average daily membership (ADM) times 0.558, times the formula allowance. It is assumed that 1) the relevant ADM is adjusted ADM for regular kindergarten, and 2) taxes payable in CY 2006 are based on FY 2007 ADMs.

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

**Expenditure and/or Revenue Formula**

The approximate aggregate annual increase to districts' levy authorities are:

Payable 2006	\$133,572,577
Payable 2007	\$133,939,979
Payable 2008	\$132,645,792
Payable 2009	\$132,645,792

Cost by Year – the bill would not increase any state aids, except for the effect on the tax shift.

Tax Shift for Fiscal Notes	Rate	0.486	
\$=in thousands			
Levy Year	Pay 2006	Pay 2007	Pay 2008
Revenue Year	FY 2007	FY 2008	FY 2008
Levy Amt	133,573.0	133,940.0	132,646.0
Early Levy Recognition	64,916.5	65,094.8	64,466.0
Aid Cost (Savings)			
General Education	(64,916.5)	(178.4)	628.9

Actual tax shift savings and local levy impact is dependent upon school districts and school boards decisions and actions regarding education programs and authorization of local property taxes.

**Long-Term Fiscal Considerations**

The new levy authority would be permanent.

**Local Government Costs**

This bill would increase local property taxes who choose to offer all-day kindergarten and who approval local levy authority to fund the program.

**References/Sources**

Agency Contact Name: Porter, Bob 651-582-8851  
FN Coord Signature: AUDREY BOMSTAD  
Date: 03/17/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
Date: 03/21/05 Phone: 296-6661

Senators Skoglund and Dibble introduced--  
S.F. No. 221: Referred to the Committee on Finance.

1 A bill for an act

2 relating to education finance; authorizing voluntary  
3 full-day kindergarten; authorizing prekindergarten  
4 school readiness services for certain four-year-old  
5 students; amending Minnesota Statutes 2004, section  
6 126C.05, subdivision 1.

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

8 Section 1. Minnesota Statutes 2004, section 126C.05,  
9 subdivision 1, is amended to read:

10 Subdivision 1. [PUPIL UNIT.] Pupil units for each  
11 Minnesota resident pupil in average daily membership enrolled in  
12 the district of residence, in another district under sections  
13 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or  
14 124D.68; in a charter school under section 124D.10; or for whom  
15 the resident district pays tuition under section 123A.18,  
16 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
17 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or  
18 125A.65, shall be counted according to this subdivision.

19 (a) A prekindergarten pupil with a disability who is  
20 enrolled in a program approved by the commissioner and has an  
21 individual education plan is counted as the ratio of the number  
22 of hours of assessment and education service to 825 times 1.25  
23 with a minimum average daily membership of 0.28, but not more  
24 than 1.25 pupil units.

25 (b) A prekindergarten pupil who is assessed but determined  
26 not to be handicapped is counted as the ratio of the number of

1 hours of assessment service to 825 times 1.25.

2 (c) A prekindergarten pupil who is at least four years of  
3 age and identified by the school district as lacking the  
4 preliteracy skills necessary to be at grade level by the end of  
5 the first grade. A prekindergarten pupil who qualifies under  
6 this paragraph is only eligible for revenue equal to the general  
7 education aid under section 126C.10, subdivision 2, times the  
8 ratio of the number of hours of education services to 875, but  
9 not more than one. Notwithstanding any law to the contrary, a  
10 school district may contract for these educational services with  
11 a provider that would otherwise qualify under section 124D.15.

12 (d) A kindergarten pupil with a disability who is enrolled  
13 in a program approved by the commissioner is counted as the  
14 ratio of the number of hours of assessment and education  
15 services required in the fiscal year by the pupil's individual  
16 education program plan to 875, but not more than one.

17 ~~(d)~~ (e) A kindergarten pupil who is not included in  
18 paragraph (c) is counted as ~~1.557~~ 1.0 of a pupil unit ~~for-fiscal~~  
19 ~~year-2000-and-thereafter.~~

20 ~~(e)~~ (f) A pupil who is in any of grades 1 to 3 is counted  
21 as ~~1.115~~ pupil units ~~for-fiscal-year-2000-and-thereafter.~~

22 ~~(f)~~ (g) A pupil who is any of grades 4 to 6 is counted as  
23 ~~1.06~~ pupil units ~~for-fiscal-year-1995-and-thereafter.~~

24 ~~(g)~~ (h) A pupil who is in any of grades 7 to 12 is counted  
25 as 1.3 pupil units.

26 ~~(h)~~ (i) A pupil who is in the postsecondary enrollment  
27 options program is counted as 1.3 pupil units.

28 [EFFECTIVE DATE.] This section is effective for revenue for  
29 fiscal year 2006 and later.

**Fiscal Note – 2005-06 Session**

**Bill #:** S0221-0 **Complete Date:** 03/21/05

**Chief Author:** SKOGLUND, WESLEY

**Title:** KINDERGARTEN VOL FULL DAY FUNDING

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

**Agency Name:** Education Department

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

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund	0	175,820	206,838	206,849	206,733
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund	0	175,820	206,838	206,849	206,733
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund	0	175,820	206,838	206,849	206,733
<b>Total Cost &lt;Savings&gt; to the State</b>	0	175,820	206,838	206,849	206,733

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

**Bill Description**

This bill provides increases the pupil unit weighting factor from .557 to 1.0 for kindergarten pupils beginning in FY 2006. Clarification is required whether this is to provide full-day kindergarten programs as no standard hours are provided for full-day and no provision is made for decreasing the pupil unit for half-day programs.

The bill also funds pre-kindergarten programs by providing basic revenue for qualifying four-year olds. To qualify the four-year old must be identified by the school district as lacking the pre-literacy skills necessary to be at grade level by the end of the first grade.

**Assumptions**

It is assumed that the intent of this bill is to provide full-day kindergarten.

Total kindergarten adjusted daily membership (ADM) under current law is 54,647 for FY06, 54,596 for FY07, 55,218 for FY08, and 55,218 for FY09.

The increased weighting factor for kindergarten pupils would apply to all funding formulas based upon pupil units (including adjusted marginal cost pupil units and resident marginal cost pupil units). This analysis is limited to general education revenue, integration revenue, and charter school lease aid. The change in pupil weighting would have financial impact on all pupil unit driven formulas and programs, levy equalization rates, and aid and levy ratios. These fiscal impacts are not included in this analysis.

The current statewide number of four-year olds not enrolled in a kindergarten program or a pre-kindergarten special education program is 67,671. It is assumed this number will remain constant.

It is assumed that 25% of the four year olds not already enrolled in a kindergarten program or pre-kindergarten special education program would qualify for the pre-kindergarten revenue by assessment of being lacking in pre-literacy skills based on local school board determination and be enrolled in a full-day program. If a standard statewide assessment is to be applied, clarification is needed as to criteria.

Pupil units for qualifying four year olds would qualify only for the basic general education formula allowance. This allowance is currently set at \$4,601 per pupil unit and is assumed to remain at this level through FY 2009.

The Payable 2005 levy for FY 2006 revenue was certified by the districts in December 2004. Districts will levy in the Payable 2006 levy cycle for both FY 2006 and FY 2007 revenues. The portion of the levy attributable to FY 2006 revenue will be recognized 100% in FY 2006 and per M.S. 126C.48, subd 6, will not have a tax shift aid adjustment attributable to that portion of the levy. Levies shown for general education revenue and integration revenue in individual tables below are shown in the revenue year. The summary table shows the total levy to be certified in the Pay 2006 cycle as the sum of levies for FY 2006 and FY 2007 revenues.

Levy changes for FY 2007 and beyond resulting from this bill will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

**Expenditure and/or Revenue Formula**

General Education				
(\$ in Thousands)				
Revenue Year	FY 2006	FY 2007	FY 2008	FY 2009
Tax Year	Pay 2005	Pay 2006	Pay 2007	Pay 2008
Total Revenue	210,700	211,100	212,200	212,600
Kindergarten				
State Aid	127,900	126,600	126,900	125,400
Property Taxes	4,900	6,700	7,400	9,300
Subtotal	132,800	133,300	134,300	134,700
Pre-Kindergarten				
State Aid	77,800	77,800	77,800	77,800
Total Aid	205,700	204,400	204,700	203,200
Appropriations				

84.3% Current	173,405	172,309	172,562	171,298
15.7% Final	0	32,295	32,091	32,138
<b>Total Appropriation</b>	<b>173,405</b>	<b>204,604</b>	<b>204,653</b>	<b>203,436</b>

Integration Revenue				
(\$=thousands)	FY 2006	FY 2007	FY 2008	FY 2009
Revenue Chg	3,215	2,366	2,367	2,368
Levy	758	743	743	743
Aid	2,457	1,623	1,624	1,624
84.3% Current	2,071	1,368	1,369	1,369
15.7% Final	0	386	255	255
<b>Appropriation</b>	<b>2,071</b>	<b>1,754</b>	<b>1,624</b>	<b>1,624</b>

Charter School Lease Aid				
	FY 2006	FY 2007	FY 2008	FY 2009
Aid Entitlement	407.6	493.7	587.2	689.1
84.3% Current	344	416	495	581
15.7% Final	0	64	78	92
<b>Total</b>	<b>344</b>	<b>480</b>	<b>573</b>	<b>673</b>

Summary Totals				
(\$=Thousands)	FY 2006	FY 2007	FY 2008	FY 2009
<b>State Aid</b>				
General Education	173,405	204,604	204,653	203,436
Integration	2,071	1,754	1,624	1,624
Lease Aid	344	480	573	673
<b>Total</b>	<b>175,820</b>	<b>206,838</b>	<b>206,849</b>	<b>205,733</b>
<b>Levies</b>				
General Education	4,900	11,600	7,400	9,300
Integration	758	1,500	743	743
<b>Total</b>	<b>5,658</b>	<b>12,100</b>	<b>8,143</b>	<b>10,043</b>

The amount of state savings or cost due to early levy recognition (tax shift) shown below is dependent upon actual district participation and the amount districts choose to levy given tax base and current local property tax burden.

Tax Shift for Fiscal Notes	Rate		
in thousands			0.486
Levy Year	Pay 2006	Pay 2007	Pay 2008
Levy Amt	7,443	8,143	10,043
Early Levy Recognition	3,617	3,958	4,881
<b>Aid Cost (Savings) General Education</b>	<b>(3,617)</b>	<b>(340)</b>	<b>(924)</b>

### Long-Term Fiscal Considerations

This change is considered to be permanent.

### Local Government Costs

District revenue and levy will increase.

Agency Contact Name: Leemon, Colleen 651-582-8566  
FN Coord Signature: AUDREY BOMSTAD  
Date: 03/21/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
Date: 03/21/05 Phone: 296-6661

Senators Hottinger, Stumpf and Kelley introduced--  
S.F. No. 190: Referred to the Committee on Finance.

1                                   A bill for an act

2           relating to education finance; establishing funding  
3           for voluntary, full-day kindergarten; amending  
4           Minnesota Statutes 2004, section 126C.05, subdivision  
5           1.

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

7           Section 1. Minnesota Statutes 2004, section 126C.05,  
8           subdivision 1, is amended to read:

9           Subdivision 1. [PUPIL UNIT.] Pupil units for each  
10          Minnesota resident pupil in average daily membership enrolled in  
11          the district of residence, in another district under sections  
12          123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or  
13          124D.68; in a charter school under section 124D.10; or for whom  
14          the resident district pays tuition under section 123A.18,  
15          123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
16          subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or  
17          125A.65, shall be counted according to this subdivision.

18          (a) A prekindergarten pupil with a disability who is  
19          enrolled in a program approved by the commissioner and has an  
20          individual education plan is counted as the ratio of the number  
21          of hours of assessment and education service to 825 times 1.25  
22          with a minimum average daily membership of 0.28, but not more  
23          than 1.25 pupil units.

24          (b) A prekindergarten pupil who is assessed but determined  
25          not to be handicapped is counted as the ratio of the number of

1 hours of assessment service to 825 times 1.25.

2 (c) A kindergarten pupil with a disability who is enrolled  
3 in a program approved by the commissioner is counted as the  
4 ratio of the number of hours of assessment and education  
5 services required in the fiscal year by the pupil's individual  
6 education program plan to 875, but not more than one.

7 (d) A kindergarten pupil who is not included in paragraph  
8 (c) is counted as ~~557-of-a~~ 1.115 pupil unit-for-fiscal-year  
9 2000-and-thereafter units times the lesser of one, or the ratio  
10 of the number of hours attended to 875.

11 (e) A pupil who is in any of grades 1 to 3 is counted as  
12 1.115 pupil units for fiscal year 2000 and thereafter.

13 (f) A pupil who is any of grades 4 to 6 is counted as 1.06  
14 pupil units for fiscal year 1995 and thereafter.

15 (g) A pupil who is in any of grades 7 to 12 is counted as  
16 1.3 pupil units.

17 (h) A pupil who is in the postsecondary enrollment options  
18 program is counted as 1.3 pupil units.

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

**Fiscal Note – 2005-06 Session**

**Bill #:** S0190-0 **Complete Date:** 03/21/05

**Chief Author:** HOTTINGER, JOHN

**Title:** KINDERGARTEN VOL FULL DAY FUNDING

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

**Agency Name:** Education Department

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

Dollars (in thousands)	FY05	FY06	FY07	FY08	FY09
<b>Expenditures</b>					
General Fund	0	134,080	156,037	154,736	152,002
<b>Less Agency Can Absorb</b>					
-- No Impact --					
<b>Net Expenditures</b>					
General Fund	0	134,080	156,037	154,736	152,002
<b>Revenues</b>					
-- No Impact --					
<b>Net Cost &lt;Savings&gt;</b>					
General Fund	0	134,080	156,037	154,736	152,002
<b>Total Cost &lt;Savings&gt; to the State</b>	0	134,080	156,037	154,736	152,002

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

**Bill Description**

This bill provides funding for full-day kindergarten beginning in FY 2006 by increasing the pupil unit weighting factor for kindergarten pupils from .557 to 1.115. A student attending kindergarten at least 875 hours during the school year would generate 1.115 pupil units for that year.

A student attending kindergarten less than 875 hours during the school year would generate less than 1.115 pupil units. The pupil units for these students would be equal to 1.115 times the ratio of the number of hours of attendance divided by 875.

**Assumptions**

The increased weighting factor would apply to all funding formulas based upon pupil units (including adjusted marginal cost pupil units and resident marginal cost pupil units). This analysis is limited to general education revenue (including referendum revenue), integration revenue, and charter school lease aid. The change in pupil weighting would have financial impact on all pupil unit driven formulas and programs, levy equalization rates, and aid and levy ratios. These fiscal impacts are not included in this analysis.

Total kindergarten adjusted daily membership (ADM) under current law is 54,647 for FY06, 54,596 for FY07, 55,218 for FY08, and 55,218 for FY09.

The levy required for FY 2006 revenue would have been certified by the school district in December 2004. It is assumed that the levy shown below for FY 2006 would be certified by the districts in December 2005 along with the levy for FY 2007 revenue. The FY 2006 revenue portion of the Payable 2006 levies would be recognized 100% in FY 2006 according to M.S. 126C.48, subd. 6, without aid adjustment related to the early revenue recognition.

Levies occurring in Payable 2006 and later, for revenue in FY 2007 and later, will affect early levy recognition (tax shift) under M.S. 123B.75, Subd. 5. State aid adjustments related to the early recognition will change the required general education appropriation.

**Expenditure and/or Revenue Formula**

Although a property tax increase is shown for FY 2006 (taxes payable 2005), school districts have already certified their property taxes for 2005. This amount would be levied for taxes payable 2006, with the full levy recognized a year early for FY 2006. Each individual program shows levy in the district revenue year. The summary table displays levy as it would be certified, with Pay 2006 levy inclusive of both FY 2006 and FY 2007 amounts.

**General Education**

(\$ in Thousands)	FY 2006	FY 2007	FY 2008	FY 2009
Revenue Change	\$161,682	\$161,081	\$161,054	\$160,148
Levy Change	\$6,143	\$8,378	\$9,342	\$11,639
Aid Change	\$155,539	\$152,703	\$151,712	\$148,509
84.3% of current year	\$131,119	\$128,729	\$127,893	\$125,193
15.7% of prior year	\$0	\$24,420	\$23,974	\$23,819
Aid change	\$131,119	\$153,148	\$151,868	\$149,012

**Integration Revenue**

(in thousands)				

Fiscal Year	FY 2006	FY 2007	FY 2008	FY 2009
Revenue Chg	4,031	3,167	3,168	3,170
Levy Change	1,014	994	995	995
Aid Change	3,017	2,173	2,174	2,174
84.30%	2,543	1,832	1,833	1,833
15.70%	0	474	341	341
Appropriation	2,543	2,306	2,174	2,174

**Charter School Lease Aid**

(in thousands)	FY 2006	FY 2007	FY 2008	FY 2009
Aid Change	495	599	713	836
84.3% Current	417	505	601	705
15.7% Final	0	78	94	112
Appropriation Change	417	583	695	817

**TOTALS**

(\$=000s)	FY 2006	FY 2007	FY 2008	FY 2009
State Aid				
General Education	131,119	153,148	151,868	149,012
Integration	2,543	2,306	2,174	2,174
Lease Aid	417	583	695	817
<b>Total</b>	<b>134,080</b>	<b>156,037</b>	<b>154,736</b>	<b>152,002</b>
Levies		Pay 2006	Pay 2007	Pay 2008
General Education		14,521	9,342	11,639
Integration		2,009	995	995
<b>Total</b>		<b>16,529</b>	<b>10,336</b>	<b>12,634</b>

The amount of state savings or cost due to early levy recognition (tax shift) shown below is dependent upon actual district participation and the amount districts choose to levy given tax base and current local property tax burden.

Tax Shift for Fiscal Notes		Rate	0.486
in thousands			
Levy Year	Pay 2006	Pay 2007	Pay 2008
Levy Amt	9,372	10,336	12,634
Early Levy Recognition	4,555	5,023	6,140
Aid Cost (Savings)			
General Education	(4,555)	(469)	(1,117)

**Long-Term Fiscal Considerations**

This change is permanent.

**Local Government Costs**

District revenue and local levy will increase.

Agency Contact Name: Porter, Bob 651-582-8851

FN Coord Signature: AUDREY BOMSTAD  
Date: 03/21/05 Phone: 582-8793

**EBO Comments**

I have reviewed this Fiscal Note for accuracy and content.

EBO Signature: LISA MUELLER  
Date: 03/21/05 Phone: 296-6661

# Fiscal Status -- Category Sort

K-12 Education Finance Committee, March 23, 2005, 10:00 a.m.

Bill Numb	Author	Description	Fiscal Impact Final?	Fiscal Note		Aid? Levy?	Bill Aid Bill Levy				
				Req'd/Received	Dates		FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
<b>Category General Ed</b>											
190	Hottinger	Voluntary All-Day Kindergarten Funding	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/27/2005	<input checked="" type="checkbox"/>	0	134,080,000	156,037,000	154,736,000	152,002,000
				<input checked="" type="checkbox"/>	3/21/2005	<input checked="" type="checkbox"/>		0	16,529,000	10,336,000	12,634,000
221	Skoglund	Voluntary Full-Day Kindergarten: Prekindergarten School Readiness	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/27/2005	<input checked="" type="checkbox"/>	0	175,820,000	206,838,000	206,849,000	206,733,000
				<input checked="" type="checkbox"/>	3/21/2005	<input checked="" type="checkbox"/>		5,658,000	12,100,000	8,143,000	10,043,000
<b>Category General Levy</b>											
1410	Saxhaug	All-Day Kindergarten Levy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/4/2005	<input checked="" type="checkbox"/>	0	0	0	0	0
				<input checked="" type="checkbox"/>	3/21/2005	<input checked="" type="checkbox"/>		0	133,573,000	133,940,000	132,646,000
<i>Bill would create shift savings on property tax recognition shift</i>											
<b>Category LEP</b>											
357	Skoglund	Removing LEP Funding Limit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	1/27/2005	<input checked="" type="checkbox"/>	0	2,176,000	2,923,000	2,848,000	2,820,000
				<input checked="" type="checkbox"/>	2/10/2005	<input type="checkbox"/>		0	0	0	0
1597	Rest	Restoring LEP Funding	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	3/11/2005	<input checked="" type="checkbox"/>	0	13,212,000	15,585,000	15,561,000	15,569,000
				<input checked="" type="checkbox"/>	3/21/2005	<input type="checkbox"/>		0	0	0	0
<b>Total Aid Impact:</b>							0	325,288,000	381,383,000	379,994,000	377,124,000
<b>Total Levy Impact:</b>								5,658,000	162,202,000	152,419,000	155,323,000

# The Concerns with All-Day Kindergarten

Karen R. Effrem, M.D.

EdWatch/EdAction

[www.edwatch.org](http://www.edwatch.org) /

[www.edaction.org](http://www.edaction.org)

952-361-4931

Karen R. Effrem M.D. -2005

## The Concerns with All-Day Kindergarten

Karen R. Effrem, M.D.  
EdWatch/EdAction  
[www.edwatch.org](http://www.edwatch.org) /  
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952-361-4931

Karen R.Effrem M.D. -2005

## Flawed Arizona Studies

- Small sample size
- No pre-test
- No random assignment
- Selection bias
- No comparison between full-day and half-day
- Results not generalizable
- Any actual differences quickly fade by end of first grade

Karen R.Effrem M.D. -2005

## Early Childhood Longitudinal Study

“In terms of Kindergarten program type, there is little meaningful difference in the level of children’s end-of-year reading and mathematics knowledge.” (Amy Rathburn, Jerry West, and Elvira Germino-Hausken, “From Kindergarten Through Third Grade: Children’s Beginning School Experiences,” U.S Department of Education, National Center for Education Statistics, NCES 2004-007, August 2004, 33, available at [nces.ed.gov/pubs2004/2004007.pdf](http://nces.ed.gov/pubs2004/2004007.pdf))

Karen R.Effrem M.D. -2005

## Early Childhood Longitudinal Study

“This report did not detect any substantive differences in children’s third-grade achievement relative to the type of kindergarten program (full-day vs. half-day) they attended.” (Rathburn, et.al)

Karen R.Effrem M.D. -2005

## Early Childhood Longitudinal Study

“Third-grade reading, mathematics, and science achievement did not differ substantively by children’s sex or kindergarten program type.” (Rathburn, et. al.)

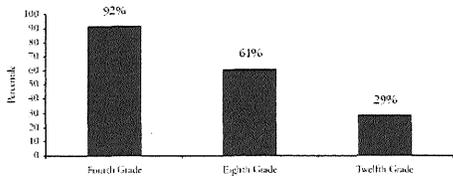
Karen R.Effrem M.D. -2005

## No Crisis

- 94% are proficient at recognizing numbers, shapes, and counting to ten
- 92% are eager to learn
- 97% are in good health
- 82% basic pre-literacy skills such as knowing that print is read from left to right. (America’s Kindergartners - NCES 2000-070, February, 2000)

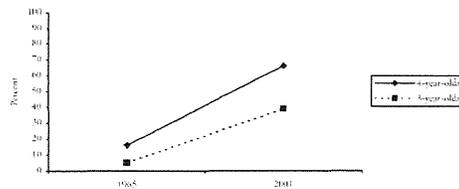
Karen R.Effrem M.D. -2005

Figure 6: Decline in U.S. Science Performance by Grade Level



Source: Fourth grade: "TIMSS highlights from the Primary Grades." Boston College, June 1997: 2. Table 2, based on 1994-1995 TIMSS data, available at [iebc.edu/timss1995/TIMSS5DF/PH1H1ite.pdf](http://iebc.edu/timss1995/TIMSS5DF/PH1H1ite.pdf). Eighth grade: "TIMSS Highlights from the Middle School Years," Boston College, November 1996: 2. Table 1, based on 1994-1995 TIMSS data, available at [iebc.edu/timss1995/H1LightB.html](http://iebc.edu/timss1995/H1LightB.html). Twelfth grade: "TIMSS Highlights from the Final School Years," Boston College, February 1998: 2. Table 2, based on 1995-1996 TIMSS, available at [iebc.edu/timss1995/TIMSS5DF/C\\_H1ite.pdf](http://iebc.edu/timss1995/TIMSS5DF/C_H1ite.pdf).

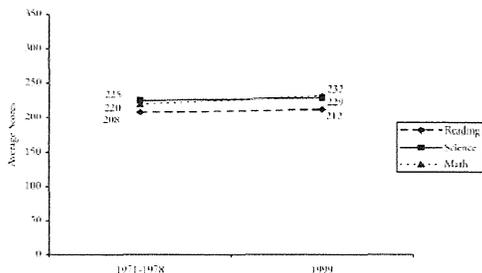
Figure 1: Percentage of Three- and Four-year-olds Enrolled in Preprimary Programs, 1965-2001



Source: National Center for Education Statistics, *Digest of Education Statistics, 2003*, Table A3, available at [nces.ed.gov/ipeds/data/digest/d03/tables/d03a3.asp](http://nces.ed.gov/ipeds/data/digest/d03/tables/d03a3.asp).

Karen R.Effrem M.D. -2005

Figure 2: Fourth Grade Reading, Science and Math Scores on the NAEP, 1971-1999



Karen R.Effrem M.D. -2005

## Readiness Programs Don't Work

"Evaluations of the School Readiness Program have not provided definitive evidence of its effects. The department has sometimes declared that School Readiness has a positive impact without acknowledging other possible explanations for the results of its evaluations." - Joel Alter, Judy Randall, and Leah Goldstein, The Early Childhood Programs, Minnesota Office of the Legislative Auditor, report 01-01, January 12, 2001

Karen R.Effrem M.D. -2005

## Readiness Programs Don't Work

"In other words, the study sample [of those participating in preschool] does not differ from the entire kindergarten population in GKAP capability scores. Reports also show that GKAP scores are essentially the same as they were before Georgia adopted the \$1.15 billion universal preschool program." (Laura Henderson, Kathleen Basile, and Gary Henry, "Prekindergarten Longitudinal Study 1997-1998 School Year Annual Report," Georgia State University Applied Research Center School of Policy Studies, April 1999: 39)

Karen R.Effrem M.D. -2005

## Better Late Than Early

"These areas [of development that mature near the same time] include neurophysiology, cognition, vision, hearing, intersensory perception, and socio-emotional development. And the importance of their relative maturity to success in school is underscored by nearly all studies that have compared ages at school entrance with performance. There is virtually no replicated evidence that favors taking a youngster from an adequate home and placing him in the care of others before he is 8 to 10 or 11 when he has reached his integrated maturity level. And boys will almost always reach this level later than girls, which makes most school entrance laws even more unfair to boys." (Raymond Moore, p. 213)

Karen R.Effrem M.D. -2005

### **Better Late Than Early**

Compared to later starters, early kindergarten starters had more problems with:

- Speech defects
- Nervous indications
- Personal and social maladjustment
- Lack of leadership skills
- Poor grades
- Poor reading ability
- Poor attitude towards school

Karen R. Effern M.D. -2005

### **Harm of Early Education**

“There is no evidence that such early instruction has lasting benefits, and considerable evidence that it can do lasting harm... If we do not wake up to the potential danger of these harmful practices, we may do serious damage to a large segment of the next generation...”

(David Elkind, *Miseducation: Preschoolers at Risk* (New York: Knopf, 1997): 4).

Karen R. Effern M.D. -2005

### **Harm of Early Education**

“There is a large body of evidence indicating that there is little if anything to be gained by exposing middleclass children to early education... Those who argue in favor of universal preschool education ignore evidence that indicates early schooling is inappropriate for many four-year olds and that it may even be harmful to their development.”

(Edward Zigler, co-founder of Head Start and director of the Bush Center in Child Development and Social Policy at Yale University, *Formal Schooling for Four-Year-Olds? No\** in *Early Schooling: the National Debate*, ed. Sharon L. Kagan and Edward F. Zigler (New Haven, Conn.: Yale University Press, 1987)

Karen R. Effern M.D. -2005

### **Spiraling Use of Psychiatric Drugs in Children**

- 300% increase in psychotropic drug use in 2-4 year old children between 1991-1995 (JAMA 2000)
- 300% increase in psychotropic drug use in children between 1987 and 1996 (Arch. Ped. & Adolescent Med. 2003)
- More spent on psychiatric drugs for kids than on antibiotics (Medco Trends 2004)

Karen R. Effern M.D. -2005