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<https://education.mn.gov/>

AT A GLANCE

Services provided by the Minnesota Department of Education (MDE) support three overarching strategies:

- Direct Support: MDE directly supports the continuous improvement of teaching and learning to schools, teachers, children, students, and parents.
- E-12 Systems: MDE provides systems support through program/policy development and assessment.
- Guidance, Technical Assistance, and Funding: MDE provides supportive leadership to all education entities through guidance, technical assistance to meet state and federally legislated requirements, and administration of school funding programs.

MDE also supports customers and stakeholders (2021):

- 850,575 students in prekindergarten through grade 12.
- Over 135,000 children participating in early learning programs.
- 330 school districts, 173 charter schools, and four tribal schools.
- 37,898 adult learners in fiscal year (FY) 2021.

PURPOSE

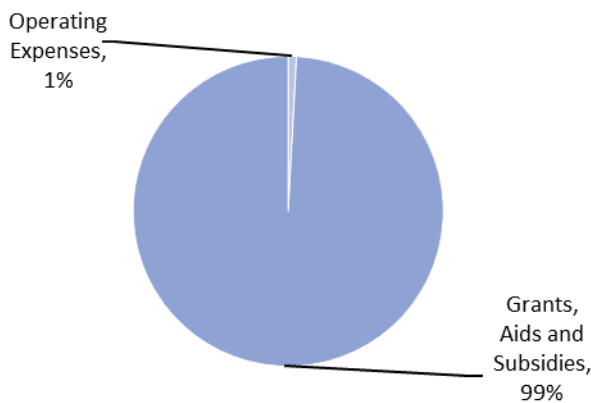
The goal for education is: “Ensuring every child receives a quality education, no matter their race or zip code.” The Minnesota Department of Education (MDE) is striving to make Minnesota the Education State, where the public education system is intentionally designed to help each individual student thrive.

In this work, MDE key objectives include:

- Meeting the needs of students during and after the COVID-19 pandemic.
- Every student deserves a world-class education.
- Every student deserves to learn in a safe, nurturing environment.
- Every student deserves to learn in a classroom with caring, qualified teachers.

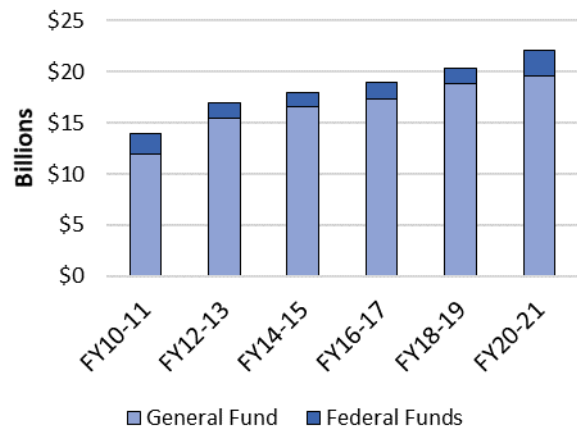
BUDGET

**Spending by Category
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Note: “Other Funds” omitted; see Agency Expenditure Overview.
Source: Consolidated Fund Statement

In FY 2020-2021, 87.7 percent of education funding was from the state general fund, 11.2 percent was from federal funds, and 1.1 percent was from other funds. In FY 2021, actual spending was \$11.6 billion; \$11.5 billion was passed through the agency as grants and aids, \$24.8 million was passed through as testing/assessment/other contracts, and \$45.3 million was spent on salary/fringe and other operating costs.

STRATEGIES

In order to reach measurable goals for student achievement, Minnesota must prioritize diversity, equity, inclusion, and support for the student's entire experience with school.

To achieve its mission, MDE provides leadership and support to students, teachers, and schools using the following strategies:

- **Direct Support**

Department programs provide direct support in continuous improvement of teaching and learning to schools and districts. The Regional Centers of Excellence provide strategic instructional and leadership support and implementation of best practice strategies to improve teaching and learning in the classroom. While the most intensive support is aimed at those schools that need the most assistance, direct support is available to all districts, as needed, through the Regional Centers.

- **Prekindergarten through grade 12 Systems**

MDE programs provide support for systems improvement through a comprehensive, collaborative approach. For example, MDE works to improve teacher and leader quality by supporting and improving implementation of local teacher and principal professional development and evaluation support systems that will benefit all Minnesota students. The state accountability system under the federal Every Student Succeeds Act and state World's Best Workforce legislation measures student performance from pre-K through postsecondary education and provides a comprehensive model of continuous system improvement for all districts.

- **Guidance, Technical Assistance, and Funding**

Department programs provide supportive leadership to all educational entities by providing guidance and technical assistance to meet the myriad of state and federally legislated requirements. For instance, the technical assistance to districts in the development of their World's Best Workforce plans results in a plan for continuous improvement of school districts through the systemic alignment of legislative requirements in a manner that is streamlined, equitable, and effective for all districts. The department also administers school funding programs, including the calculation and distribution of various funding sources.

M.S. 119A; M.S. 120-129; M.S. 134-135

Education

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<i>Expenditures by Fund</i>								
1000 - General	9,736,226	9,820,395	9,856,556	10,113,562	10,510,768	10,572,987	11,805,309	11,977,808
2000 - Restrict Misc Special Revenue	6,560	6,664	6,820	8,732	8,654	10,701	8,683	10,708
2001 - Other Misc Special Revenue	75,348	73,907	84,299	78,210	77,596	77,607	187,306	185,707
2301 - Arts & Cultural Heritage	2,550	2,573	2,602	2,820				
2403 - Gift	101	102	124	234	164	133	164	133
3000 - Federal	844,552	1,393,936	1,972,232	1,957,418	1,926,104	1,459,438	1,926,104	1,459,438
3010 - Coronavirus Relief	302	258,220						
3015 - ARP-State Fiscal Recovery		9,947	49,599	58,800				
3801 - Endowment School	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
6000 - Miscellaneous Agency	2	3	1	1	2	1	2	1
Total	10,704,730	11,602,425	12,007,559	12,258,900	12,563,045	12,161,038	13,967,325	13,673,966
Biennial Change				1,959,303		457,624		3,374,832
Biennial % Change				9		2		14
Governor's Change from Base								2,917,208
Governor's % Change from Base								12
<i>Expenditures by Program</i>								
Education Leadership and Support	106,163	360,225	185,504	264,014	241,291	178,931	261,460	195,560
General Education	7,377,302	7,366,059	7,389,486	7,510,739	7,795,192	7,744,311	8,099,741	8,223,837
Other General Education	48,303	51,089	50,737	53,998	58,541	59,449	57,501	195,303
Choice Programs	181,142	189,927	177,338	198,285	201,703	208,009	202,075	208,422
Indian Education	12,979	14,178	14,875	14,475	14,955	15,480	22,812	22,738
Innovation and Accountability	101,805	103,192	100,243	100,287	101,307	101,259	101,616	101,602
Student and Teacher Opportunities	297,249	403,793	776,623	1,093,214	1,030,690	651,573	1,346,028	787,134
Special Education	1,790,885	1,916,629	1,947,762	2,097,133	2,216,532	2,302,000	2,556,354	2,703,144
Facilities and Technology	163,405	140,414	139,219	136,156	136,191	132,865	216,344	169,476
Nutrition	353,238	788,465	948,706	516,223	496,433	504,716	686,361	702,224
Libraries	20,746	21,221	22,650	21,992	18,138	18,139	19,938	20,139
Early Childhood and Family Support	190,866	185,341	193,853	189,926	189,858	182,125	289,391	282,206
Community Education	4,958	4,863	3,802	4,241	3,959	3,942	48,959	3,942
Self Sufficient and Lifelong Learning	55,691	57,031	56,760	58,217	58,255	58,239	58,745	58,239
Total	10,704,730	11,602,425	12,007,559	12,258,900	12,563,045	12,161,038	13,967,325	13,673,966

Education

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Category

Compensation	43,525	45,269	47,595	58,318	56,526	53,717	72,505	66,090
Operating Expenses	53,964	50,386	90,169	126,900	116,816	72,518	160,744	103,832
Grants, Aids and Subsidies	10,607,212	11,506,676	11,869,748	12,072,761	12,388,782	12,033,882	13,733,155	13,503,123
Other Financial Transaction	29	94	47	921	921	921	921	921
Total	10,704,730	11,602,425	12,007,559	12,258,900	12,563,045	12,161,038	13,967,325	13,673,966

Total Agency Expenditures	10,704,730	11,602,425	12,007,559	12,258,900	12,563,045	12,161,038	13,967,325	13,673,966
Internal Billing Expenditures	6,198	6,306	6,366	9,624	8,581	7,413	8,581	7,413
Expenditures Less Internal Billing	10,698,533	11,596,119	12,001,193	12,249,276	12,554,464	12,153,625	13,958,744	13,666,553

Full-Time Equivalents

	386.45	388.32	396.76	497.87	471.66	436.02	560.91	526.27
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Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	9,618,813	9,711,550	9,771,818	10,056,480	10,451,539	10,476,464	11,439,425	11,653,146
Levies	3,119,279	3,314,470	3,366,835	3,383,990	3,566,681	3,778,175	3,566,681	3,785,910
District Revenue	12,738,092	13,026,020	13,138,653	13,440,470	14,018,220	14,254,639	15,006,106	15,439,056
Direct Appropriation	9,825,481	9,976,064	10,287,641	10,181,351	10,590,725	10,652,944	11,994,976	12,165,865
Open Appropriation	3,290	3,264	3,288					
Balance Forward In	8,619	23,771	3,200	13,668				
Transfers In	1,382	2,177	1,075	331	324	342	324	342
Transfers Out	79,036	76,503	82,029	80,288	80,281	80,299	189,991	188,399
Cancellations	16,767	108,359	342,952	1,500				
Balance Forward Out	6,744	19	13,667					
Expenditures	9,736,226	9,820,395	9,856,556	10,113,562	10,510,768	10,572,987	11,805,309	11,977,808
Biennial Change in Expenditures				413,497		1,113,637		3,812,999
Biennial % Change in Expenditures				2		6		19
Governor's Change from Base								2,699,362
Governor's % Change from Base								13
Full-Time Equivalents	138.07	139.87	140.28	149.69	137.49	138.59	218.74	220.84

2000 - Restrict Misc Special Revenue

Balance Forward In	3,666	4,301	4,886	5,625	7,705	8,794	7,705	8,765
Receipts	7,273	7,188	7,560	10,812	9,743	8,242	9,743	8,242
Internal Billing Receipts	6,215	6,306	6,366	9,624	8,581	7,413	8,581	7,413
Transfers Out	118							
Balance Forward Out	4,262	4,824	5,626	7,705	8,794	6,335	8,765	6,299
Expenditures	6,560	6,664	6,820	8,732	8,654	10,701	8,683	10,708
Biennial Change in Expenditures				2,328		3,803		3,839
Biennial % Change in Expenditures				18		24		25
Governor's Change from Base								36
Governor's % Change from Base								0
Full-Time Equivalents	29.22	28.45	27.79	41.02	41.00	41.00	41.00	41.00

2001 - Other Misc Special Revenue

Balance Forward In	0	2,753	7,164	575	175	164	175	164
Receipts	248	904	300	401	176	176	176	176

Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Transfers In	75,209	70,709	77,427	77,459	77,409	77,409	187,119	185,509
Transfers Out		300	18	50				
Balance Forward Out	109	159	575	175	164	142	164	142
Expenditures	75,348	73,907	84,299	78,210	77,596	77,607	187,306	185,707
Biennial Change in Expenditures				13,253		(7,306)		210,504
Biennial % Change in Expenditures				9		(5)		130
Governor's Change from Base								217,810
Governor's % Change from Base								140
Full-Time Equivalents	5.49	4.83	6.38	8.15	6.65	6.65	14.65	14.65

2301 - Arts & Cultural Heritage

Balance Forward In		50	38	110				
Direct Appropriation	2,600	2,600	2,710	2,710	0	0	0	0
Cancellations		40	35					
Balance Forward Out	50	38	110					
Expenditures	2,550	2,573	2,602	2,820				
Biennial Change in Expenditures				300		(5,422)		(5,422)
Biennial % Change in Expenditures				6		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	173	169	151	164	31		31	
Receipts	98	83	137	101	133	133	133	133
Balance Forward Out	169	150	164	31				
Expenditures	101	102	124	234	164	133	164	133
Biennial Change in Expenditures				155		(61)		(61)
Biennial % Change in Expenditures				76		(17)		(17)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.03						

2820 - Maximum Effort School Loan

Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Balance Forward In	287	959	42	28	27	27	27	27
Receipts	854							
Transfers Out	287	959	42	28	27	27	27	27
Net Loan Activity	105	42	28	27	27	30	27	30
Balance Forward Out	959	42	28	27	27	30	27	30

3000 - Federal

Balance Forward In	26	106	3					
Receipts	844,553	1,393,831	1,972,229	1,957,418	1,926,104	1,459,438	1,926,104	1,459,438
Transfers Out			0					
Balance Forward Out	27	2	0					
Expenditures	844,552	1,393,936	1,972,232	1,957,418	1,926,104	1,459,438	1,926,104	1,459,438
Biennial Change in Expenditures				1,691,162		(544,108)		(544,108)
Biennial % Change in Expenditures				76		(14)		(14)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	213.67	214.18	220.74	297.66	286.52	249.78	286.52	249.78

3010 - Coronavirus Relief

Direct Appropriation	323	259,581						
Cancellations	21	1,360						
Expenditures	302	258,220						
Biennial Change in Expenditures				(258,522)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.96						

3015 - ARP-State Fiscal Recovery

Balance Forward In			57,917	57,300				
Direct Appropriation		67,864	48,981	1,500	0	0	0	0
Balance Forward Out		57,917	57,300					
Expenditures		9,947	49,599	58,800				

Education

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Biennial Change in Expenditures				98,452		(108,399)		(108,399)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.57	1.35				

3801 - Endowment School

Balance Forward In	0							
Transfers In	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
Expenditures	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
Biennial Change in Expenditures				(1,318)		5,478		5,478
Biennial % Change in Expenditures				(2)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

6000 - Miscellaneous Agency

Balance Forward In		1	1	1	1		1	
Receipts	3	4	1	1	1	1	1	1
Balance Forward Out	1	1	1	1				
Expenditures	2	3	1	1	2	1	2	1
Biennial Change in Expenditures				(4)		1		1
Biennial % Change in Expenditures				(69)		73		73
Governor's Change from Base								0
Governor's % Change from Base								0

Education

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	10,638,594	10,638,594	10,638,594	21,277,188
Base Adjustments				
Current Law Base Change		(1,681)	(1,681)	(3,362)
Pension Allocation		18	18	36
Approved Transfer Between Appropriation		0	0	0
Forecast Open Appropriation Adjustment	(241,867)	(89,341)	99	(89,242)
November Forecast Adjustment	(176,202)	19,100	(9,649)	9,451
February Forecast Adjustment	(39,574)	24,035	25,563	49,598
Forecast Base	10,180,951	10,590,725	10,652,944	21,243,669
Change Items				
General Education Formula Increase and Indexation to Inflation		272,126	442,533	714,659
Special Education Cross Subsidy 50 Percent Reduction		334,937	394,926	729,863
Universal School Meals	400	189,713	197,495	387,208
Targeted Mixed Delivery Early Learning Model		24,147	24,833	48,980
Early Learning Scholarships Expansion		90,000	90,000	180,000
Office of Inspector General - Minnesota Department of Education		2,000	2,000	4,000
English Learner Cross Subsidy Reduction		11,682	13,737	25,419
Student Support Personnel		24,854	28,981	53,835
Alternatives to Exclusionary Discipline Strategies		5,298	5,585	10,883
American Indian Education Aid Increase and Use Revisions		6,048	6,926	12,974
BOLD Literacy: A Birth-Grade 12 Action Plan		35,000	35,000	70,000
Unemployment Insurance Aid (related to DEED item "UI Between Terms Removal...")		200	135,374	135,574
Grow Your Own Expansion		17,500	17,500	35,000
Paid Student Teaching		14,665	14,665	29,330
Addressing Teacher Shortage in Early Childhood Education		490	490	980
Educator Career Pathway Program		7,000		7,000
Teacher Licensing and Exam Fees		1,400		1,400
Statewide Teacher Mentoring Program		9,940		9,940
Minnesota Indian Teacher Training Program Modification		1,610		1,610
Native Language Revitalization Grants		7,500	7,500	15,000
Online Learning for Students Enrolled at Bureau of Indian Education Schools		3	3	6
MN Multi-Tiered System of Support and Collaborative MN Partnerships to Advance Student Success		20,250	20,250	40,500
Competency-Based Education Expansion		32,000		32,000
Rigorous Coursework Expansion		3,165	3,165	6,330
Postsecondary Enrollment Options (PSEO) Funding Pilot		50,000		50,000
Career and Technical Education Access		30,000		30,000
Youth Apprenticeship Programs Alignment		300		300

Education

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Computer Science Education		400	425	825
High School Equivalency Test		490		490
Early Childhood Health and Developmental Screening Aid Increase		1,059	1,096	2,155
Early Childhood Tech. Funding Correction: EL and Breakfast Aid for ECSE Students		570	671	1,241
Early Childhood Tech. Funding Correction: ADM Change for KG Students with a Disability		67	73	140
Special Education Separate Sites and Programs Aid		4,378	5,083	9,461
Special Instruction and Services Extended to Age 22		4,567	5,108	9,675
Specific Learning Disability Criteria Change		573	573	1,146
After School Community Learning Grant Program		45,000		45,000
Regional Library Basic System Support		1,800	2,000	3,800
Full-Service Community Schools		14,500		14,500
Student Voice Models		8,000		8,000
School Attendance Policies and Practices		230	230	460
Foster Student Transportation			519	519
Facilities Funding		29,898	36,482	66,380
Building and Cyber Security Grant Program		50,140		50,140
Information Technology Resources		1,792	3,340	5,132
Ed-Fi Data Collection System and Reporting		595	2,609	3,204
Data Governance Manager			160	160
Digital Equity Data and Report		135	27	162
Reasonable Force Reporting		47		47
Athletic Race/Ethnicity Data Collection		110	70	180
Audit and Internal Control Resources		800	800	1,600
Equity, Diversity, and Inclusion (EDI) Center Staffing and Grants		33,076	2,000	35,076
Maintain Current Service Levels		4,604	4,992	9,596
Board of School Administrators Staffing and Outreach		64	64	128
Legal Costs		7,500		7,500
Legalizing Adult-Use Cannabis: Educational Program Resources		180	120	300
Interactions		1,848	2,063	3,911
Compensatory Revenue Formula Change			3,453	3,453
Total Governor's Recommendations	10,181,351	11,994,976	12,165,865	24,160,841
Fund: 2301 - Arts & Cultural Heritage				
FY2023 Appropriations	2,710	2,710	2,710	5,420
Base Adjustments				
One-Time Legacy Fund Appropriations		(2,710)	(2,710)	(5,420)
Forecast Base	2,710	0	0	0
Total Governor's Recommendations	2,710	0	0	0
Fund: 3015 - ARP-State Fiscal Recovery				

Education

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
FY2023 Appropriations	1,500	1,500	1,500	3,000
Base Adjustments				
All Other One-Time Appropriations		(1,500)	(1,500)	(3,000)
Forecast Base	1,500	0	0	0
Total Governor's Recommendations	1,500	0	0	0
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	8,732	8,654	10,701	19,355
Forecast Base	8,732	8,654	10,701	19,355
Change Items				
Online Learning Application Fee Spending Authority		29	7	36
Total Governor's Recommendations	8,732	8,683	10,708	19,391
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	78,210	77,596	77,607	155,203
Forecast Base	78,210	77,596	77,607	155,203
Change Items				
Early Learning Scholarships Expansion		90,000	90,000	180,000
Grow Your Own Expansion		17,500	17,500	35,000
Minnesota Indian Teacher Training Program Modification		2,210	600	2,810
Total Governor's Recommendations	78,210	187,306	185,707	373,013
Fund: 2403 - Gift				
Planned Spending	234	164	133	297
Forecast Base	234	164	133	297
Total Governor's Recommendations	234	164	133	297
Fund: 3000 - Federal				
Planned Spending	1,957,418	1,926,104	1,459,438	3,385,542
Forecast Base	1,957,418	1,926,104	1,459,438	3,385,542
Total Governor's Recommendations	1,957,418	1,926,104	1,459,438	3,385,542
Fund: 6000 - Miscellaneous Agency				
Planned Spending	1	2	1	3
Forecast Base	1	2	1	3
Total Governor's Recommendations	1	2	1	3
<i>Revenue Change Summary</i>				

Education

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	10,812	9,743	8,242	17,985
Total Governor's Recommendations	10,812	9,743	8,242	17,985
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	401	176	176	352
Total Governor's Recommendations	401	176	176	352
Fund: 2403 - Gift				
Forecast Revenues	101	133	133	266
Total Governor's Recommendations	101	133	133	266
Fund: 3000 - Federal				
Forecast Revenues	1,957,418	1,926,104	1,459,438	3,385,542
Total Governor's Recommendations	1,957,418	1,926,104	1,459,438	3,385,542
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	1	1	1	2
Total Governor's Recommendations	1	1	1	2
<i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	737	757	782	1,539
Total Governor's Recommendations	737	757	782	1,539

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: General Education Formula Increase and Indexation to Inflation

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	272,126	442,533	596,686	768,524
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	272,126	442,533	596,686	768,524
FTEs	0	0	0	0

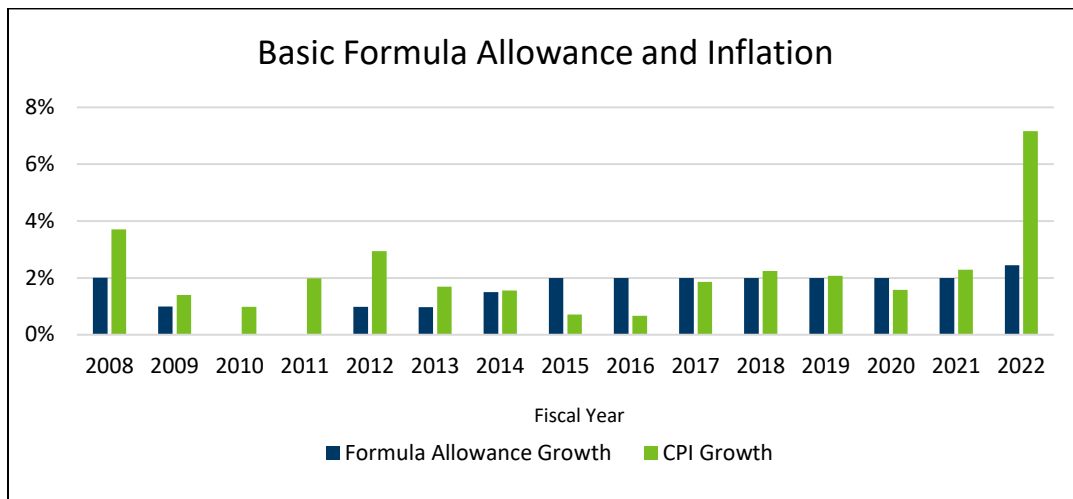
Recommendation:

The Governor recommends increasing the general education basic formula for fiscal year (FY) 2024 by 4 percent and FY 2025 by 2 percent, with a tie to inflation for FY 2026 and beyond. This will increase the per-pupil formula by \$275, from \$6,863 to \$7,138 for FY 2024, and increase another \$143 in FY 2025 to a total of \$7,281. Inflation would be measured based on the Consumer Price Index for all urban consumers (CPI-U) as published by the Bureau of Labor Statistics of the Department of Labor.

Rationale/Background:

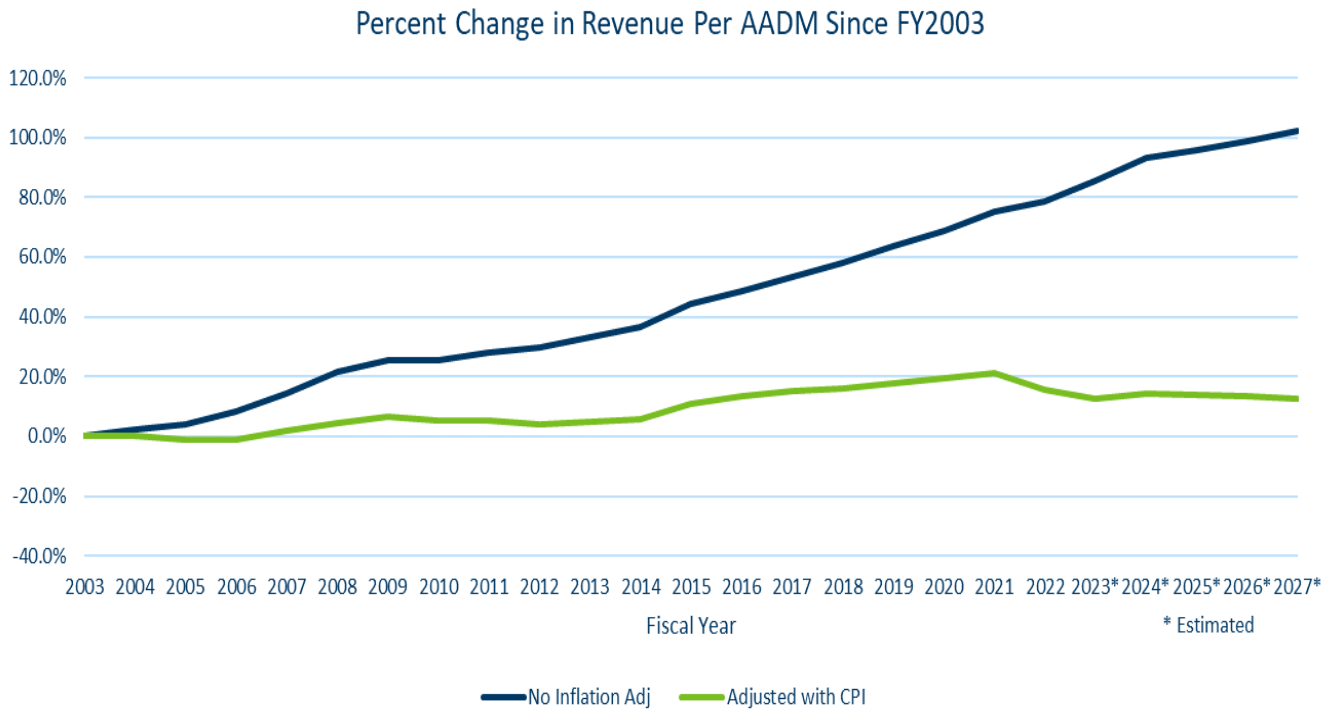
Increases in the general education basic formula are needed to maintain Minnesota’s investment in educational programs for all prekindergarten through grade 12 students in schools throughout the state. The general education basic formula is the largest component of Minnesota’s school funding system, accounting for 63.5 percent of total state education aid for FY 2022, and the primary means by which the state funds its constitutional duty to provide a general, uniform, thorough, and efficient system of public schools. However, increases in the basic formula have not always been consistent, which has caused uncertainty for districts and has meant that state aid often has not kept up with cost growth pressures.

Operating costs for school districts and charter schools increase annually due to inflation. Over the past 15 years, increases in the general education basic formula have often lagged behind the rate of inflation, causing school districts to rely more heavily on voter-approved referendum levies to maintain basic education programs.



School districts and charter schools need annual increases in general operating funds to maintain quality education programs for students and close the achievement gap. Several other school funding formulas (e.g. compensatory revenue, sparsity aid, transportation sparsity aid, early childhood family education aid, nonpublic pupil aid, nonpublic transportation aid, shared time aid) are linked to the general education formula and thus are equally impacted by increases that lag behind inflation.

The chart below shows the percentage change in general education revenue per student between FY 2003 and FY 2027 (forecasted), based on unadjusted current dollars and adjusted for inflation using the consumer price index. Revenue per student in unadjusted current dollars increased by 102.1 percent during this period. However, when adjusted for inflation, revenue per student increased just 12.6 percent.



*General education revenue, including local referendum revenue

Proposal:

This proposal provides an increase in the general education basic formula allowance by 4 percent in FY 2024, 2 percent in FY 2025, and inflation as measured by the Consumer Price Index for Urban Consumers (CPI-U) in FY 2026 and beyond. This will result in an estimated increase of \$275 per pupil, from \$6,863 to \$7,138 for FY 2024 and \$143 dollars to a \$7,281 for FY 2025. For FY 2026 and beyond, the formula allowance would be equal to CPI-U, but not less than zero nor greater than 3.0 percent. Using the methodology described below, CPI-U is estimated at 1.98 percent in FY 2026 and 2.17 percent in FY 2027 based upon the February 2023 budget forecast published by Minnesota Management and Budget.

The formula allowance beginning in FY 2026 based upon inflation would be determined using CPI-U as published by the Bureau of Labor Statistics of the Department of Labor. The specific rate would be calculated by using the average of the fourth calendar quarter of the second prior fiscal year compared to the average of the fourth calendar quarter of the immediately prior fiscal year. For example, the increase for FY 2026 would be the CPI-U increase from the October 2023-December 2023 quarter to the October 2024-December 2024 quarter. Based on the February 2023 forecast, this is estimated to increase the formula allowance in FY 2026 by \$144 (to \$7,425)

and another \$161 in FY 2027 (to \$7,586). The inflation calculation would occur and be announced in January or February of each year – 4 to 5 months prior to the beginning of the relevant fiscal year. This will create certainty for schools budgeting for the upcoming year and for state-level policymakers who need to understand projected expenditures.

This increase to the general education formula allowance will also increase other linked school aid and levy programs including:

- Increase the early childhood family education allowance, set at 2 percent of the general education formula allowance, from \$157.85 to \$164.16 for FY 2024 and \$167.44 for FY 2025.
- Adjust state aid calculations for the nonpublic pupil transportation, nonpublic pupil, shared time, tribal contract, and postsecondary enrollment options programs to reflect the higher formula allowances for FY 2024 and later.

Impact on Children and Families:

Increasing the general education basic formula benefits all students statewide as school districts and charter schools will receive increased funding through the basic formula, and linked formulas, to keep up with rising costs, such as salary, benefits, supplies, and transportation in order to continue to deliver high-quality programming and a world-class education for all students.

Equity and Inclusion:

Because compensatory revenue is linked to the basic formula, increasing the basic formula also increases resources targeted to closing opportunity gaps for students.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

General education revenue provides core funding to promote a general and uniform, thorough and efficient system of public schools throughout the state. Increases in the basic formula allowance are intended to provide increased funding for all school districts and charter schools. Results for general education revenue are currently measured by the percentage change in general education revenue and general education aid per student compared to inflation. This measure helps to evaluate growth in per pupil spending on education.

Statutory Change(s):

Minnesota Statutes, section 126C.10, subdivision 2

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Special Education Cross Subsidy 50 Percent Reduction

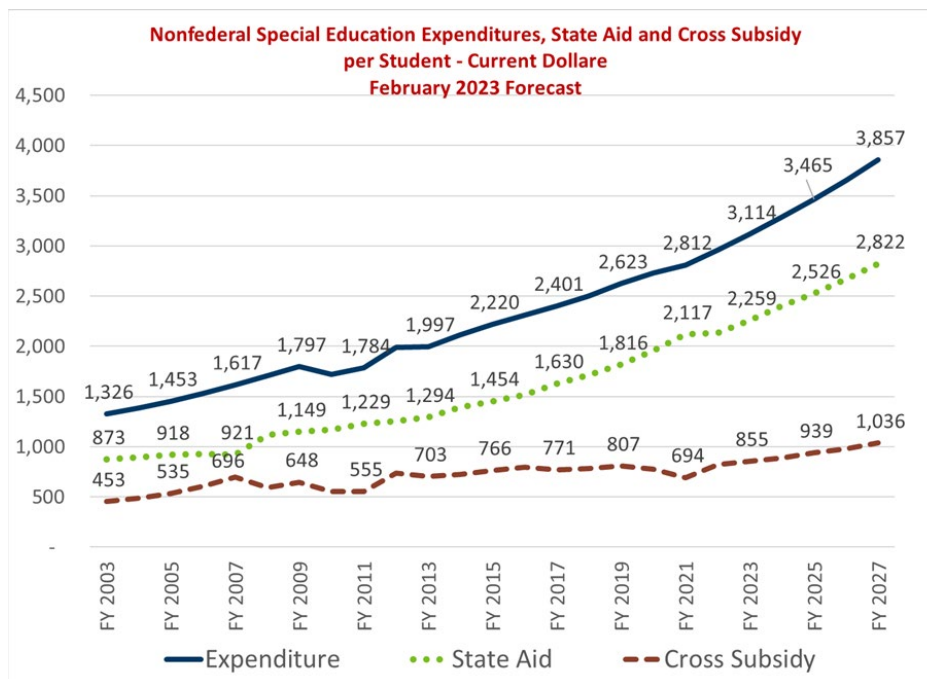
Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	334,937	394,926	413,273	430,453
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	334,937	394,926	413,273	430,453
FTEs	0	0	0	0

Recommendation:

The Governor recommends that special education aid be increased by an amount sufficient to cover 50 percent of the state total cross-subsidy. This would be accomplished by increasing the cross-subsidy reduction aid from 6.43 percent to 47.80 percent of the cross-subsidy in FY 2024 and later years. This is an approximately 18 percent increase to the State Special Education Aid appropriation.

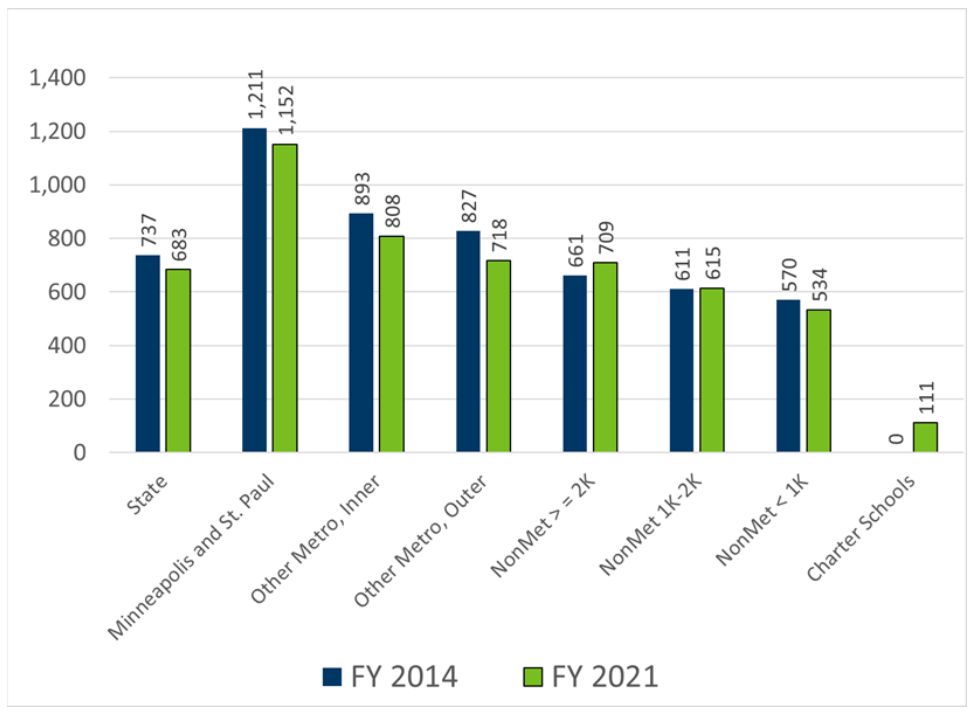
Rationale/Background:

The special education cross-subsidy is the unfunded cost of special education programs for students with disabilities, which school districts and charter schools need to cover using their unrestricted general fund resources. As the cross-subsidy grows, school districts and charter schools have fewer resources available in their general fund to maintain quality education programs and improve achievement for all students. Despite steady increases in state special education aid over the past decade, the special education cross-subsidy continues to grow. Between FY 2009 and FY 2020, state special education aid per student increased from \$1,149 to \$2,117, and the cross-subsidy amount per student increased from \$648 to \$694, as shown in the chart below.



One-time funding of \$10.425 million was provided for FY 2022 to reduce the special education cross-subsidy. This is about 1.24 percent of the cross subsidy. Despite the additional funding, the cross-subsidy is currently projected to continue increasing to \$890 per average daily membership (ADM) for FY 2024 and to \$939 per ADM for FY 2025.

While the cross-subsidy affects all school districts and most charter schools, the size of the cross-subsidy varies widely among districts and charter schools, creating inequities in the resources available to support general education programs. The chart below shows the average special education cross-subsidy per weighted pupil unit by district type for FY 2014 and FY 2021.



Between FY 2014 and FY 2021, the average cross-subsidy per pupil unit decreased for most district types. The Minneapolis and St. Paul school districts have the largest cross-subsidies, while charter schools have the lowest cross-subsidies. In general, cross-subsidies are larger in suburban metro districts and large non-metro districts than in smaller non-metro districts, but there is also wide variation among districts within each district type. While this proposal will not reduce the disparities across districts, it is expected to help slow the growth.

Proposal:

The Governor recommends that cross-subsidy reduction aid be increased by \$334.9 million in FY 2024 to cover 50 percent of the special education cross-subsidy. This would be accomplished by increasing the cross-subsidy reduction aid from 6.43 percent to 47.80 percent of the cross-subsidy in FY 2024 and later years.

Impact on Children and Families:

Increasing special education aid will benefit all students by reducing cross-subsidies and freeing up resources for improved educational programs for all learners.

Equity and Inclusion:

Addressing inequities in the current formula and targeting the largest increases to districts with the highest cross subsidies will reduce disparities among districts and the students they serve.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Minnesota 4-year Graduation, 4-year Dropout, and Assessment Participation Rates for Students with IEPs

Type of Measure	Name of Measure	2018-19	2019-20	2020-21
Quantity	MN 4-Year Adjusted Cohort Graduation Rates for Students with IEPs	63.0%	65.0%	64.0%
Quantity	MN 4-Year Adjusted Cohort Dropout Rates for Students with IEPs	7.8%	6.5%	7.0%
Quantity	Participation Rates for Students with IEPs on the MN Statewide Math Assessments	94.4%	N/A ¹	71.6% ²
Quantity	Participation Rates for Students with IEPs on the MN Statewide Reading Assessments	94.8%	N/A ¹	73.1% ²

Proficiency Rates for Students with IEPs on the Minnesota Statewide Math and Reading Assessments

Only students with valid scores³ are included in the table below.

Grade	Math				Reading			
	2017-18	2018-19	2019-20 ¹	2020-21 ²	2017-18	2018-19	2019-20 ¹	2020-21 ²
Grade 3	42.9%	43.0%	N/A	35.4%	31.3%	32.1%	N/A	27.1%
Grade 4	39.9%	40.1%	N/A	32.1%	32.1%	29.9%	N/A	26.3%
Grade 5	28.1%	28.4%	N/A	20.5%	36.2%	35.7%	N/A	30.0%
Grade 6	25.0%	25.2%	N/A	18.5%	30.4%	30.5%	N/A	26.2%
Grade 7	21.5%	21.3%	N/A	13.7%	25.8%	25.5%	N/A	21.7%
Grade 8	22.6%	23.4%	N/A	15.8%	25.2%	25.7%	N/A	21.1%
High School ⁴	16.0%	14.4%	N/A	14.0%	27.4%	27.9%	N/A	26.5%

Goal: To increase postsecondary education and employment outcomes for students with disabilities.

Measure: The Post-School Outcome Survey results are based on a sample of special education students interviewed each year regarding their post-high school education and employment experiences one year after exiting high school. Students identified as ‘not engaged’ reported not being enrolled in school or employed during window of time the survey was conducted. The data reported below are a percent participation rate per category.

¹ Because of the COVID-19 pandemic, Minnesota received a waiver and suspended all assessments of academic knowledge and English language proficiency during the 2019-20 school year. Although a small number of assessments were completed, the number of completed tests was not sufficient for summarizing or generalizing to the entire state. In fact, fewer than 700 reading and 200 math assessments were completed as schools/districts were closed and remote learning plans were being developed and enacted.

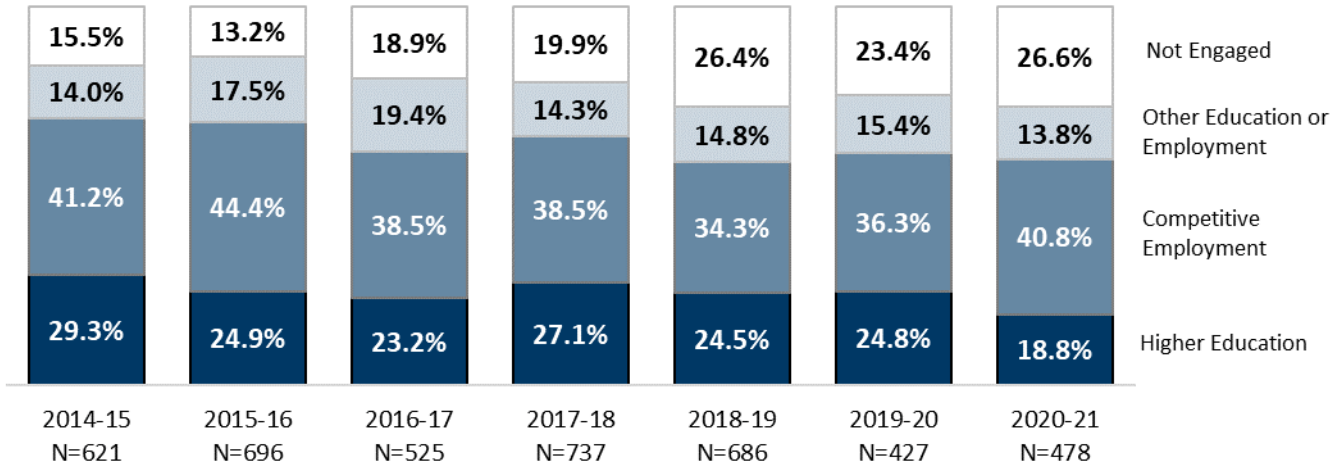
² The COVID-19 pandemic continued to impact statewide assessments during the 2020-21 school year. Nearly 17,000 special education students could not complete the reading assessment (22.9%) and nearly 18,000 could not complete the math assessment (24.5%).

³ For reporting purposes, students who responded to at least 90 percent of the accountability portion of the assessment on the MCA-III, or the test administrator entered a score for every task the student completed on the MTAS-III, are considered a valid score. Scores considered not valid include Absent, Invalid-Student, Invalid-Device, Invalid-Other, Medical Excuse, Not Enrolled, Not Attempted, Not Complete, Refused by Parent, Refused by Student, and Wrong Grade. Valid student cases are used for reporting purposes.

⁴ Math is assessed in Grade 11; Reading is assessed in Grade 10

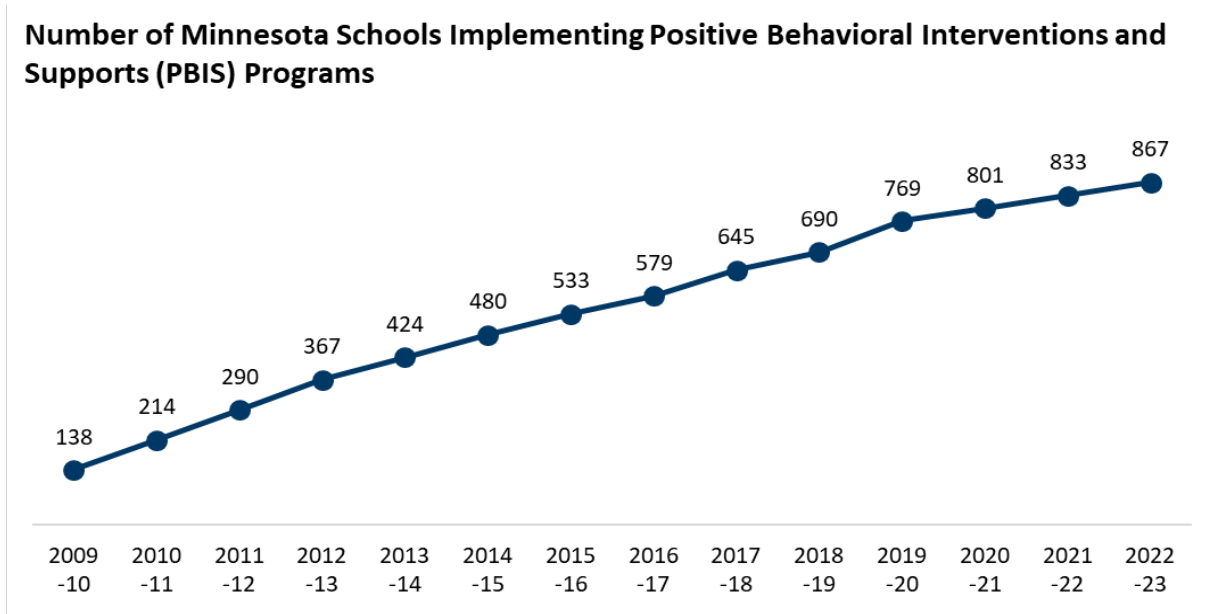
Post-School Outcomes Survey Trends among Minnesota Students with IEPs

Students surveyed one year after exiting high school



Goal: To increase Positive Behavioral Interventions and Supports (PBIS), which is a comprehensive, data-driven and educational set of practices ensuring all students, staff, and families are working from the same playbook when it comes to supporting positive behavior and academic achievement in Minnesota schools.

Measure: Number of schools implementing PBIS.



Statutory Change(s):

Minnesota Statute, section 125A.76, subdivision 2e

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Universal School Meals

Fiscal Impact (\$000s)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
General Fund					
Expenditures	400	189,713	197,495	205,377	213,600
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	400	189,713	197,495	205,377	213,600
FTEs	2.3	1.5	1.5	1.5	1.5

Recommendation:

The Governor recommends providing no cost school breakfast and lunch, beginning in fiscal year (FY) 2024 to students enrolled in schools that participate in the federal School Breakfast Program (SBP) and National School Lunch Program (NSLP) in Minnesota that also participate in the federal Community Eligibility Provision (CEP) if eligible. The forecasted cost of the program is \$189.713 million in FY 2024 and \$197.495 million in FY 2025 with \$200,000 for planning and implementation in FY 2023.

Rationale/Background:

School meals are important for student health and well-being and provide students the nutrition they need throughout the day to learn. Kids who receive school meals are more likely to eat fruits and vegetables and to drink milk. These nutrient-dense foods contribute to a healthier Body Mass Index (BMI) and lower childhood obesity. These health benefits are particularly pronounced among low-income students. Research shows a well-nourished child is a better learner, test-taker, and participant in school.

School meal programs are typically funded through both federal and state aid, as well as parent fees. Parent fees may not be required if the student is eligible for free or reduced-price school meals based upon their household income. In order to qualify for this benefit families must complete an application for educational benefits. Many families do not complete the forms due to the stigma, concern over revealing personal financial information to school personnel – particularly in smaller schools – or for other reasons. This can be a barrier for children to receive the meals they need and deserve, and it can also lead to burdensome district and school meal debt collection efforts.

When meals are offered to all children, school meal participation increases, in part because universal meals ends the stigma, especially in middle and high schools. Specifically, school breakfast is often seen as something used primarily by students eligible for free or reduced-priced meals. As such, many eligible students simply do not participate because it essentially equates to a low-income label. During school years 2020-2021 and 2021-2022, the United States Department of Agriculture (USDA) offered additional reimbursement to allow schools to provide all meals at no cost. School data from that time demonstrated a significant increase in the number of students participating in school meals.

The federal Community Eligibility Provision (CEP) program allows high-poverty schools and districts to serve breakfast and lunch at no cost to all enrolled students without collecting household application. Schools that adopt CEP are reimbursed using a formula based upon the percentage of students categorically eligible for free meals based upon their participation in other specific means-tested programs (otherwise known as Identified

Student Percentage (ISP)). Participating schools must agree to serve free lunches and breakfasts to all students and to cover the cost of providing free meals to all students, above the amount provided by federal and state reimbursement, with nonfederal funds.

Proposal:

This proposal would fund free universal school breakfast and lunch for students at Minnesota schools participating in the federal SBP, NSLP, and CEP, if eligible, starting in FY 2024. This forecasted appropriation would provide reimbursement to districts and schools equivalent to the difference between the federal free lunch reimbursement rate and any federal reimbursements received. Federal reimbursement rates for individual SBP and NSLP participants varies based upon the number of free and reduced-price lunches served at all sites (lunch) or individual sites (breakfast). Schools and school districts with an Identified Student Percentage (ISP) of at least 62.5 percent would need to participate in CEP in order to be eligible for state reimbursement. This ensures the state is maximizing the amount of federal meal cost reimbursement while not creating a financial burden on schools or districts who may be eligible for CEP but do not have a high enough ISP to qualify for full federal funding of the program. It is estimated CEP participation will offset state costs by nearly \$600,000 per year.

This proposal uses the following assumptions:

- All schools with an ISP at or above 62.5 percent based upon the 2021-2022 school year will participate in the CEP;
- Federal reimbursement rates are evenly split statewide; and
- There will be a 4 percent increase in cost each year.

In addition to the funding requested specifically for meal costs, this proposal includes administrative program costs to address training, documentation, and technical assistance to provide exceptional service to schools during the planning and implementation of this expanded program. It includes funding for 2.3 full-time equivalent (FTE) positions in FY 2023 and 1.5 FTE ongoing to coordinate and maintain program participation.

Impact on Children and Families:

Increasing access to meals at school both provides more children access to the proper nutrition that they deserve and need to succeed at school, but also can reduce the financial strain on the family food budget.

Equity and Inclusion:

When free meals are offered to all children, school meal participation increases, in part because universal meals ends the stigma, especially in middle and high schools.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

Part A: Performance measures

Metrics of success for this item include:

- Total number of meals served to students
- Increased federal reimbursements
- Decrease in student meal debt (state data not available; measured at local level)

Over time, this proposal is expected to positively impact academic outcomes.

Part B: Evidence-based practices

A related evidence-based practice identified by the State of Minnesota is Healthy School Meals for All. This practice offers free, nutritious meals (i.e., breakfast, lunch, or both) to all students in a qualifying school, regardless of household income. It augments the traditional model of the NSLP and SBP which use household income to determine whether students are eligible for free or reduced-price meals. (Source: Community Preventive Services Task Force, <https://www.thecommunityguide.org/findings/social-determinants-health-healthy-school-meals-all.html>)

Statutory Change(s):

Minnesota Statutes, sections 124D.111 and 124D.1158

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Targeted Mixed Delivery Early Learning Model

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures - new	24,147	24,833	282,461	323,843
Transfers Out - ELS repurpose	0	0	(28,200)	(28,200)
Expenditures - KEP repurpose	0	0	(281)	(281)
Other Funds				
Expenditures	0	0	(28,200)	(28,200)
Transfers In	0	0	(28,200)	(28,200)
Net Fiscal Impact = (Expenditures – Revenues)	24,147	24,833	253,980	295,362
FTEs	3.1	3.1	11.45	11.45

Recommendation:

The Governor recommends \$24.147 million in fiscal year (FY) 2024 and \$24.833 million in FY 2025 for a forecasted full-day public prekindergarten program for eligible four-year old children using a mixed delivery model comprised of school-based, Head Start, licensed community-based center, and family childcare programs. Implementation of the new targeted prekindergarten model would occur during the next biennium at a cost of \$549 million in FY 2026 and FY 2027 to serve over 26,600 young learners per year. Funding in FY 2024 and FY 2025 will support an implementation plan for the new model and maintain the 4,000 seats that are set to expire under the voluntary prekindergarten and school readiness plus programs at the end of FY 2023.

Rationale/Background

Prekindergarten programs that meet high-quality standards provide significant benefits to children, especially children with special needs and children living in low-income families. An eight-state study (Arkansas, California, Michigan, New Jersey, New Mexico, Oklahoma, South Carolina, and West Virginia) found that state-funded prekindergarten programs significantly improved literacy competencies and delivered modest gains in language and mathematics¹.

Minnesota has made significant investments in early childhood care and education (ECCE) programs, but due to many factors, the system is not as accessible or as aligned as is necessary to fully reap the benefits known to exist from high-quality preschool opportunities. Minnesota ranks 35th in the country for the percentage of four-year-olds served in publicly funded pre-kindergarten or Head Start programming, serving approximately 10 percent of prekindergarten students². The 2018 Office of the Legislative Auditor’s Early Learning Report³ captures many alignment problems in the current ECCE system, including:

- Inadequate and inconsistent data is collected on program effectiveness.
- Limited data sharing on program participants meaning that a child’s experience and learning trajectory is widely unknown until they enter kindergarten.
- Program requirements vary and are not aligned.

¹ Barnett, W. S., Jung, K., Friedman-Krauss, A., Frede, E. C., Nores, M., Hustedt, J. T., Howes, C., & Daniel-Echols, M. (2018). State Prekindergarten Effects on Early Learning at Kindergarten Entry: An Analysis of Eight State Programs. AERA Open, 4(2). <https://doi.org/10.1177/2332858418766291>

² Friedman-Krauss, A. H., Barnett, W. S., Garver, K. A., Hodges, K. S., Weisenfeld, G., Gardiner, B. A., Jost, T. M. (2022). The State of Preschool 2021: State Preschool Yearbook. New Brunswick, NJ: National Institute for Early Education Research.

³ <https://www.auditor.leg.state.mn.us/ped/2018/earlychildhood.htm>

- Formative assessment tools are not – but should be – used to inform teaching and be reported to the state to assess progress with stated goals of prekindergarten programs.
- Lack of authority for state agencies to share individual data from early childhood programs.

These findings illuminate system-level difficulties that have been further highlighted by the Great Start Task Force (GSTF) over the last year. At a local level, the ECCE labyrinth is difficult to navigate for the professionals who are charged with creating programs by lacing together funding streams that each come with a different set of enrollment, program, and funding rules. Often the leaders of these programs have different professional backgrounds, resources, and supports for teaching children who have diverse needs and abilities.

Most notably, this disjointed system creates unnecessary barriers for families, which limits access to high-quality, affordable ECCE options for prekindergarten-aged children, especially for families with fewer resources. Families choose programs based on affordability, location, and fit with family work schedules. The GSTF recommends the use of a mixed delivery system that includes family and center-based child care, Head Start, and schools that prioritizes family access, simplifies administrative systems, and aligns standards for educating and caring for children.

Forming a mixed delivery system for Prekindergarten requires policy, resource, and leadership supports to facilitate the collaboration required to make it successful at the local level. The needs of each community are different and, as such, the GSTF recommends that communities be engaged in the development of a plan to meet their needs related to the ECCE system.

Proposal:

This proposal provides \$16.5 million in FY 2024 and \$18.0 million in FY 2025 to maintain the existing 4,000 seats set to expire in voluntary prekindergarten (VPK) and School Readiness Plus (SRP) funding and continue the existing base VPK and Kindergarten Entry Profile (KEP) funding so that current public prekindergarten programming can continue as it is currently operating during the first biennium. Additionally, \$7.7 million in FY 2024 and \$6.8 million in FY 2025 will fund planning and coaching efforts at the local level to support all program types in getting ready for the new public prekindergarten mixed delivery program, and information technology (IT) system development and programming at the state level for the new model. In order to ensure that local communities have time to develop a plan to meet the new requirements of the targeted mixed delivery prekindergarten program and the state has the time necessary to create the infrastructure supports needed to implement such a program, the existing early learning scholarships pathway II, school readiness plus, and voluntary prekindergarten programs will continue to operate for two years with the implementation of the new model beginning in FY 2026.

In FY 2026 and FY 2027 this proposal combines funding across the current VPK, KEP, and pathway II scholarship programs, and it provides an additional \$549.3 million over the biennium to create a new mixed delivery prekindergarten program. The new program will provide up to 850 hours of publicly funded prekindergarten for a forecasted 26,600 four-year-olds in FY 2026 and 29,800 four-year-olds in FY 2027 through a mixed-delivery system that includes licensed family and center-based child care, Head Start, and public schools. An estimated 40 percent of additional eligible and participating children will be funded through the general education budget at a cost of \$144.6 million and \$163.8 million in FY 2026 and FY 2027, respectively. Children participating through childcare or Head Start are estimated to comprise 60 percent of participants at a cost of \$130.4 million and \$152.3 million in FY 2026 and FY 2027, respectively, including an administrative rate of 4% for a third party administrator. Additionally, \$7.5 million in FY 2026 and \$7.7 million in FY 2027 will fund ongoing planning and program resources, coaching efforts, information technology (IT) system maintenance and enhancements to support the new model, and 11.45 FTEs to support grant and contract administration and monitoring, program fidelity, and continuous quality improvement efforts for the new mixed delivery public pre-k program.

The new program will create efficiency and alignment by combining existing statutes to reflect one set of state funded prekindergarten program requirements, instead of four, to be implemented in a mixed-delivery system

that includes aligned curriculum and instruction requirements, teacher requirements, and teacher compensation, using a wage scale as recommended by the Great Start Task Force (GSTF). The noted statutes are:

- Voluntary Prekindergarten (Minn. Stat. 124D.151)
- School Readiness Plus (Laws of Minnesota 2017, 1st Spec. Sess. chapter 5, article 8, section 9) is scheduled to sunset at the end of FY 2023 and would not be renewed
- Early Learning Scholarships Pathway II (Minn. Stat. 124D.165)
- In addition, School Readiness (Minn. Stat. 124D.15) will need some revision so that the program requirements are better aligned with and match prekindergarten in identified key areas

The Targeted Mixed Delivery Prekindergarten program will create one set of eligibility requirements using recognized criteria already used by several ECCE program types, including:

- qualifying for free/reduced-price meals;
- meets income-eligibility for the Child Care Assistance Program;
- is an English language learner;
- is experiencing homelessness;
- has an individualized education program or interagency intervention plan;
- is identified through health and developmental screening;
- is in foster or kinship care;
- is defined as at risk by the school district;
- is an American Indian child;
- Children of Migrant or seasonal agriculture labor; or,
- Children of incarcerated parents

Participating programs must meet the following program requirements:

- Provide school-based general education fund supported programs and services to eligible four-year-olds, including students identified with special education service needs who are participating in these programs;
- Use a comprehensive play-based curriculum aligned to Minnesota’s Early Childhood Indicators of Progress;
- Assess all children, including those identified with special education needs, using an approved Kindergarten Entry Profile (KEP) assessment tool at the entry and exit of the Pre-K year and submit Impact Data to MDE;
- Require the Health and Developmental screening of all enrolled public prekindergarten children within 90 days of enrollment;
- Provide state approved food and nutrition services to all enrolled students;
- All state funded PreK programs will be required to employ Lead teachers who hold bachelor’s degrees in early childhood education or related field, no later than 6 years from July 1, 2029, or demonstrate competency commensurate with the educational requirement within the same timeframe; and,
- Provide prekindergarten instructional staff salaries using the wage scale recommended by the Great Start Task Force (GSTF), and comparable to the salaries of local kindergarten through grade 12 instructional staff with comparable qualifications.

Impact on Children and Families:

This proposal will take an enormous step forward for Minnesota children and families, offering families farthest from opportunity who want high-quality public prekindergarten for their four-year-olds the ability to access it. High-quality prekindergarten programming has also been shown to improve literacy, language, and math outcomes, leading to gains of one third to one half of a year for four-year-olds. This is particularly true for children living in low-income families. Additionally, with four-year-olds from families with these characteristics that have made it difficult to access stable, high-quality early care and education now able to access public prekindergarten programming, other child care and early education funding will be more available to meet the needs of families

with infants, toddlers, and three-year-olds. Finally, stable and predictable funding, and simplified payment systems improve program stability. Improved compensation will also lead to improved teacher stability. Both improved teacher and program stability are critical for realizing the potential benefits of high-quality prekindergarten.

Equity and Inclusion:

High-quality universal early care and education programs have been demonstrated to have an especially strong impact on those children who have been farthest from opportunity. In Minnesota, Black, brown and Indigenous children are disproportionately likely to live in families experiencing poverty. The use of a mixed delivery prekindergarten program that allows all qualified early care and education programs to deliver public prekindergarten is intended to prioritize family and community choice to ensure that communities and families can use the programs that best meet their needs, including cultural needs.

The early care and education workforce is disproportionately made up of black, brown and indigenous women; prioritizing pay parity with the K-12 system while supporting a flexible pathway to teacher qualifications through a delay in the education requirement and the creation of a competency-based alternative will bring much needed recognition and financial equity to the providers and educators that make up the early care and education workforce. Coaching will provide further support as these professionals work to support some of Minnesota’s youngest children, creating both improved quality of care and education for children and improved well-being for the workforce.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

The budget below would provide this initiative with MNIT resources to ensure (1) maintenance and operations of the Early Childhood Education (ECE) Outcomes Portal and the Early Childhood Reporting Data Mart (ECRDM) would continue (ensuring the product remains operational for data collection, refresh of warehouse, and minimal support for data submission issues); and (2) provide some MNIT Tier 1 and Tier 2 support and enhancements to the ECE Outcomes Portal and ECRDM as they are identified. It would also support needed changes to the DHS coaching database and maintenance to support providers in tracking coaching hours, and it would provide MNIT support for the new payment system and ongoing maintenance and enhancement needs.

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll	\$786	\$1,012	\$886	\$886	\$886	\$886
Professional/Technical Contracts	750	250	50	50	50	50
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Staff costs (MNIT or agency)						
Total	\$1,536	\$1,262	\$936	\$936	\$936	\$936
MNIT FTEs	4.5	6	5.25	5.25	5.25	5.25
Agency FTEs						

Results:

Part A: Performance measures

Currently, there are 7,160 children receiving partial-day public prekindergarten programming through the VPK and SRP programs. With the creation of the mixed delivery prekindergarten program described in this proposal, around 25,000 children per year will receive high quality full day pre-kindergarten programming while prioritizing family choice. The current programs are targeted to serve children receiving free and reduced-price meals, early childhood special education services, children from families whose first language is not English, and children in foster care; over half of the children are from black, brown, and indigenous families. These demographic characteristics of the children served in the new mixed delivery program will be important to monitor to ensure we're reaching the children farthest from opportunity in Minnesota.

Additionally, because we will collect both pre- and post-assessment data for all children receiving public pre-K, Minnesota will be able to ensure that the services are creating the outcomes desired in areas such as social-emotional learning, language, literacy, and math. Currently, there is no universal method for measuring how well Minnesota's early care and education system is working to support a successful transition to kindergarten and beyond.

The below measures and expected results are based on the results that were found for children enrolled in the VPK and SRP programs in the 2018-2019 school year, based on assessments completed at the beginning and end of the school year within three key domains. Because there was no comparison group of children who were not enrolled in these public pre-k programs, the projected value without the proposal is based on research from other impact evaluations of full day public pre-k programs rather than on any Minnesota specific data.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of public pre-k seats	7,160	12/2021	3,160	24,800	12/2026
Results	Mathematics Improvement: Percent of all students meeting or exceeding age expectations in the Mathematics domain.	9%	Fall SY 2018-19	Between 9% and 30%	65%	Spring SY 2024-25
Results	Language, Literacy, and Communications Improvement: Percent of all students meeting or exceeding age expectations in the Language, Literacy, and Communications domain.	6%	Fall SY 2018-19	Between 6% and 30%	60%	Spring SY 2024-25

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Results	Social and Emotional Learning Improvement: Percent of all students meeting or exceeding age expectations in the Social and Emotional domain.	17%	Fall SY 2018-19	Between 17% and 40%	80%	Spring SY 2024-25

Part B: Evidence-based practices

State funded early childhood education programs serving all children and those targeted to low-income children have both been proven effective.

Evidence-based Practice	Source of Evidence
State funded early childhood education programs targeting low-income children	Washington State Institute for Public Policy ⁴
State funded early childhood education programs for all children	Washington State Institute for Public Policy ⁵

⁴ <http://wsippweb-prod.us-west-2.elasticbeanstalk.com/BenefitCost/Program/270>

⁵ <http://wsippweb-prod.us-west-2.elasticbeanstalk.com/BenefitCost/Program/270>

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Early Learning Scholarships Expansion

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Transfer Out	90,000	90,000	90,000	90,000
Revenues	0	0	0	0
Other Funds				
Expenditures	90,000	90,000	90,000	90,000
Transfer In	90,000	90,000	90,000	90,000
Net Fiscal Impact = (Expenditures – Revenues)	90,000	90,000	90,000	90,000
FTEs	4.2	4.2	4.2	4.2

Recommendation:

The Governor recommends \$90 million per year to be allocated to the Early Learning Scholarship program, expanding eligibility for 8,500 scholarships to children, providing for \$5 million in increased administrative funds for a 3rd party administrator of the scholarships, and for the state to monitor the increased volume of scholarships, including 4.2 full-time equivalent (FTE) positions. Separately, the Pathway II scholarships allocation of \$28.2 million would transition to be embedded into the redefined mixed delivery public prekindergarten model (see change item titled “Targeted Mixed Delivery Early Learning Model”).

Rationale/Background:

Ninety percent of brain development happens before age five, and children need enriching experiences in their early care and education settings when parents are at work. Current demand from families for early care and education opportunities that meet their family values and employment needs outweigh the supply. Early learning scholarships support families in accessing high quality care.

The Great Start Task Force (GSTF) recommended expanding age eligibility for scholarships to include children from birth to age three. Currently scholarships are focused on three- and four-year-old children. Children from birth to age two are only eligible for an early learning scholarship if they are a younger sibling of a child with a scholarship and attending the same program, or have one of four priority statuses: child of a teen parent working towards GED or high school diploma, in foster care, in need of child protective services, or in a family who has experienced homelessness in the last 24 months. According to data from Child Care Aware of Minnesota, in 2020 Minnesota had 23 child care slots for infants and toddlers for every 100 children whose parents work. This leaves many of Minnesota’s youngest and most vulnerable children without access to high quality early learning programs. Given what we know about brain development, scholarships should be eligible for children beginning at birth. The GSTF additionally recommends that any increase in the age eligibility should be met with corresponding increases in total funds allocated.

Proposal:

This proposal provides \$90 million of additional funds to support the expansion of age eligibility and a reallocation of pathway II scholarship dollars to align with the mixed delivery public prekindergarten model, which will serve four-year-olds. This appropriation would primarily be distributed through grants to local area administrators that are charged with engaging and enrolling families into the scholarship program, and fiscal duties related to the payment to the early care and education program providing care. The proposal also expands eligibility so that all children from birth to age five may receive a scholarship, while prioritizing those birth to age three.

Since 2018 when eligibility was expanded to children birth to age 2 for priority populations, there has been consistent growth of infants and toddlers as a percent of all scholarships. In 2020, children aged two and under made up 24.5 percent of all scholarship recipients but had grown to 26.2 percent in 2021. Continued growth is expected, particularly in greater Minnesota regions where there is either no wait list or the wait list is low for children in priority populations.

Based on average scholarship use now, and the average cost of care for infants and toddlers, and with assumptions that more infants and toddlers would be served proportionate to three- and four-year-olds, it is estimated that with an average scholarship amount of \$10,000, an additional 8,500 primarily infants and toddlers will receive early learning scholarships (at the current cap).

The reallocation of pathway II early learning scholarship funds to the mixed delivery public prekindergarten model will support program simplification by creating a single program funding stream for public prekindergarten programs, while also simplifying the early learning scholarship model so that the only scholarships being distributed will be allocated directly to children through the local administrators rather than through early care and education programs. Simplifying both funding streams and program requirements is a key recommendation from the Great Start Task Force.

In order to meet the increased volume of scholarships and manage the grants to scholarship administrators, the proposal includes \$5 million for administrative support, including: \$3.8 million for the third-party administrators of the scholarships for outreach and engagement of families and programs, and for fiscal duties related to payments of programs; 4.2 FTEs for the department; and necessary information technology infrastructure changes to meet capacity. One FTE will oversee grant administration, one will provide project management and program expertise as the policy business owner, two will do program quality monitoring and improvement, and a .2 FTE will support data analysis and quality improvement efforts. Technology infrastructure has been identified by families, programs, and current administrators as a need, and the proposal includes an online scholarship application and a case management system for tracking the work related to the application and receipt of scholarships for families.

Impact on Children and Families:

Currently, there is a child care crisis in Minnesota; in particular, the cost of infant and toddler care is not affordable for many families. This forces some families to choose less expensive, but also less stable and predictable care for their children or forces some parents who want to work out of the workforce, which costs not only families in lost wages but society at large in economic growth. Increased access to scholarships promotes stable employment and family economic stability which are key factors for optimal development. High quality care for children has been shown to have both short-term and long-term benefits for child development as well.

Equity and Inclusion:

Early Learning Scholarships have reached a population of highly diverse children. Recent data from 2020 shows that 54.5 percent of participants indicated the child’s race and ethnicity as Black, Indigenous, or a child of color. Early learning scholarships are determined by a child’s eligibility, age, and family income, as opposed to a required work participation by parents. Because early learning scholarships are tied to Parent Aware and prioritize families farthest from opportunity based on income and other qualifying characteristics, the early learning scholarship program increases access to high quality care, ensures families can work, and promotes family stability, especially for Black, brown, and Indigenous children and families.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

The MDE Division of Early Learning Services uses the Early Learning Scholarship Administration (ELSA) system to manage scholarship awards and payments. Annually, basic enhancements to reflect efficiency or policy changes, bug fixes, and reporting are needed. Costs below reflect MNIT Tier 2 estimates for the services required. We also currently use SERVS – or will use the replacement – for transferring payment information from ELSA to the Statewide Integrated Financial Tools (SWIFT) system.

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll						
Professional/Technical Contracts						
Infrastructure	\$30	30	30	30	30	30
Hardware						
Software	\$30	\$30	30	30	30	30
Training						
Enterprise Services						
Staff costs (MNIT or agency)	500	500	500	500	500	500
Total	560	560	560	560	560	560

Results:

Early learning scholarships are designed to close the opportunity gap for low-income children accessing high-quality early learning. This proposal is expanding eligibility to the youngest children in Minnesota, those under the age of three. Minnesota’s Quality Rating and Improvement system, Parent Aware, serves as the measure of quality for care settings.

To meet the goal of closing the opportunity gap for low-income children with a focus on infants and toddlers, the following metrics will be tracked:

- Are more infants and toddlers being served?
- Are more infants and toddlers from low-income families attending high quality early learning programs as defined by those earning a three- or four-star Parent Aware rating, and has the waiting list decreased?

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Future</i>
Quantity	# of Infants and Toddlers with an ELS	3,037 FY 2020	3,160 FY 2021	11,660 FY 2024
Quality	# of Infants and Toddler in 3- or 4-Star programs	2,902 FY 2020	2,789 FY 2021	7,039 FY 2024

Part B: Evidence-based practices

While there is no evidence-based research linking the early learning scholarship program to child outcomes, and specifically child outcomes for infants and toddlers, there is adjacent evidence-based research that supports the logic of expanding eligibility to low-income children aged birth to three. Learnings from research on Early Head Start provide evidence that starting as early as infancy to provide a high-quality early learning experience supports optimal growth and development.

Evidence-based Practice	Source of Evidence
Early Head Start	CCEE Research Connections-EHS 2015

Statutory Change(s):

Minnesota Statutes, section 124D.165

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Office of Inspector General – Minnesota Department of Education

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	2,000	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,000	2,000	2,000	2,000
FTEs	10.0	10.0	10.0	10.0

Recommendation:

The Governor recommends \$2 million per year to fund a new Office of the Inspector General (OIG) at the Minnesota Department of Education (MDE). Funds will be used for salaries, benefits, and expenses for 10 full-time equivalent positions (FTE) to staff the MDE-OIG.

Rationale/Background:

Under current state and federal laws and regulations, the only mechanism MDE has to investigate potential fraud in federal nutrition programs is by notifying the United States Department of Agriculture (USDA) OIG (see 7 CFR 226.6(n)). MDE notified federal partners in fall of 2020 with concerns about the unprecedented and unexplained growth of Feeding Our Future and Partners in Nutrition in the Child and Adult Care Food Program (CACFP) and Summer Food Service Program (SFSP). However, federal investigators did not act on that information which resulted in months passing before the FBI began their investigation.

Some large state agencies, namely the Minnesota Department of Human Services, have a state agency-level Office of the Inspector General that investigates fraud and other wrongdoing within its programs. If MDE had a state-level OIG of its own, it is possible MDE could have found evidence of fraud that would have been sufficient to terminate Feeding Our Future from their program much earlier.

Proposal:

This proposal provides \$2 million annually to fund an internal Office of the Inspector General at MDE (MDE-OIG). This proposal funds 10 new FTE, including one Inspector General, one Deputy Inspector General, and eight Assistant Inspector Generals. This funding will cover the salary and fringe benefits of positions, as well the resources necessary to operate the office (travel, technology, supplies, forensic accounting, etc.)

Each Assistant inspector general would be assigned to an education service cooperative region. The office will conduct routine monitoring of all MDE programs to uncover risks for potential fraud or other wrongdoing, with an emphasis on programs with large budgets and those programs that provide funding to non-governmental entities. If evidence of potential fraud or wrongdoing is uncovered, the office will conduct in-depth investigations. The office will also work in partnership with state, local, and federal law enforcement agencies as well as the Minnesota Attorney General's Office and the Office of the United States Attorney.

Impact on Children and Families:

This proposal would improve the State’s ability to detect fraud and wrongdoing, ensuring that funds appropriated by the state and federal legislatures and distributed by MDE reach their intended beneficiaries, schools, teachers, children, and families.

Equity and Inclusion:

The main purpose of this proposal is around program integrity and fraud protection.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Quantity: Number of programs monitored and frequency of monitoring activities

Quality: Identification of potential fraud or wrongdoing or assurance there is no or low likelihood of fraud or wrongdoing

Result: Public funds recovered

Statutory Change(s):

Session law.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: English Learner Cross Subsidy Reduction

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	13,682	15,737	16,331	16,928
Repurpose separate EL aid	(2,000)	(2,000)	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,682	13,737	16,331	16,928
FTEs	0	0	0	0

Recommendation:

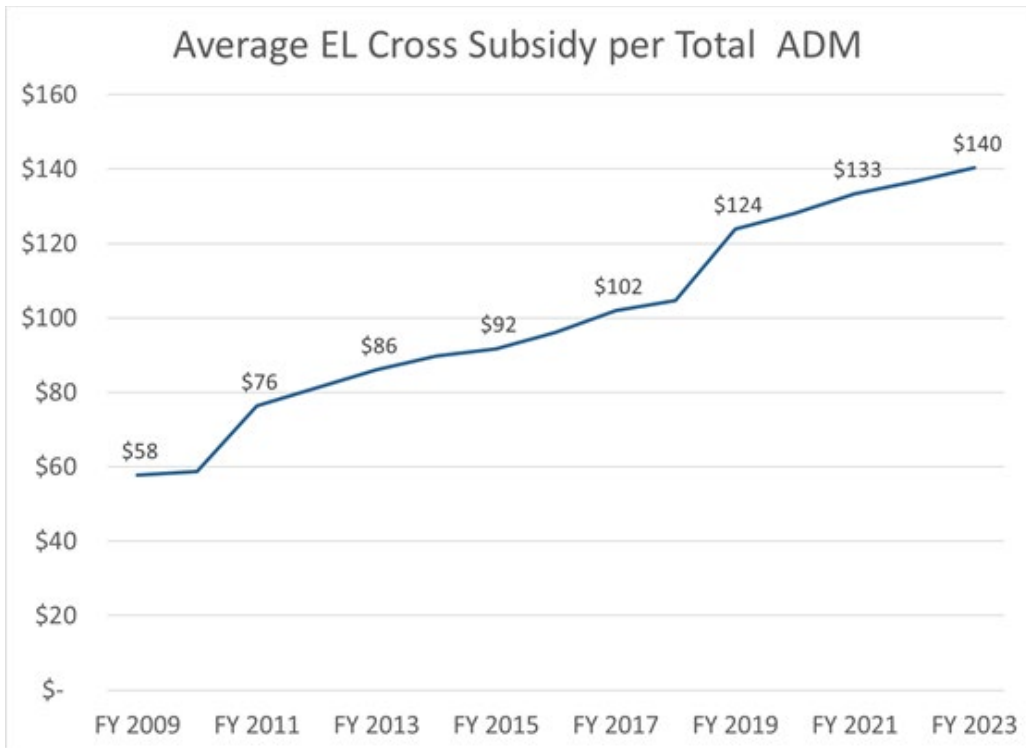
The Governor recommends increasing general fund expenditures for English learner (EL) aid by \$13.682 million in fiscal year (FY) 2024 and \$15.737 million in FY 2025 to reduce the EL cross-subsidy. This increase would be partially offset in FY 2024 and FY 2025 by repurposing \$2 million from a standalone EL appropriation. This proposal would reduce the state total EL cross-subsidy from an estimated \$146.3 million or 71.2 percent of EL expenditures to \$134.8 million or 65.5 percent of EL expenditures. This represents an increase in EL aid of about 19.6 percent.

Rationale/Background:

The EL funding formula was enacted in 2003, effective for FY 2004, and has remained flat. Formula parameters, including the initial allowance per EL student (\$704), the concentration allowance for districts with high concentration of EL students (\$250), and the sliding scale for EL student concentration (capped at 11.5 percent of total enrollment) have not been adjusted for inflation or growing concentration of EL students since its enactment 18 years ago. Since that time, the Consumer Price Index has climbed 47 percent and the statewide concentration of EL students has increased from 6.3 percent of total enrollment to 9.3 percent of total enrollment as of October 1, 2022. Furthermore, for FY 2023, 25 school districts and 59 charter schools are projected to have EL concentrations exceeding the 11.5 percent cap used in calculating concentration revenue.

Many districts and charter schools with high concentrations of English learners have students speaking more than 20 different languages, which adds to the challenge of effectively meeting achievement and opportunity goals and student needs. Due to the wide variation in EL concentration among districts, the impact of the cross-subsidy on general education programs varies considerably from district to district, creating inequities in programming.

The chart below shows the trend in the average cross-subsidy per average daily membership (ADM) since 2009:



The cross-subsidy per student varied widely among districts and charters. FY2022 continues to see a large cross subsidy with 41 districts and charter schools having a cross-subsidy per ADM more than double the state average of \$140:

FY 2022 EL CROSS SUBSIDY							
DIST	TYPE	NAME	FY2022 ADM	FY2022 Revenue	FY2022 Expenditures	Cross Subsidy	Cross Sub Per ADM
4240	7	New Century School	415	247,830	1,658,617	1,410,787	3,400
4223	7	SAINT CLOUD MATH AND SCIENCE ACADEM	224	172,994	882,080	709,087	3,160
4186	7	GLOBAL ACADEMY	436	178,771	1,501,754	1,322,983	3,034
4219	7	NORTHEAST COLLEGE PREP	342	150,740	1,083,340	932,600	2,724
4181	7	COMMUNITY SCHOOL OF EXCELLENCE	1,397	732,641	4,336,322	3,603,681	2,579
4191	7	KIPP MINNESOTA CHARTER SCHOOL	563	14,824	1,418,440	1,403,615	2,491
4250	7	Athlos Academy of Saint Cloud	518	152,418	1,300,967	1,148,549	2,218
4258	7	The Journey School	123	19,147	289,038	269,891	2,195
4081	7	DISCOVERY PUBLIC SCHOOL FARIBAULT	48	-	92,222	92,222	1,917
4283	7	Aim Academy of Science & Technology	108	31,759	218,652	186,893	1,730
4073	7	ACADEMIA CESAR CHAVEZ CHARTER SCH.	518	283,383	1,171,730	888,347	1,715
4217	7	TECHNICAL ACADEMIES OF MINNESOTA	116	-	183,442	183,442	1,580
4070	7	HOPE COMMUNITY ACADEMY	637	235,228	1,201,124	965,896	1,516
4142	7	STRIDE ACADEMY CHARTER SCHOOL	525	285,676	1,041,744	756,068	1,440
4143	7	NEW MILLENNIUM ACADEMY CHARTER SCH	804	416,930	1,410,942	994,012	1,236
4018	7	ACHIEVE LANGUAGE ACADEMY	431	157,314	633,298	475,984	1,105
4161	7	NEW DISCOVERIES MONTESSORI ACADEMY	215	14,839	214,617	199,778	930
4132	7	TWIN CITIES ACADEMY HIGH SCHOOL	480	16,137	436,957	420,821	877
4267	7	Great Oaks Academy	70	16,313	75,184	58,871	843
4198	7	DISCOVERY WOODS MONTESSORI SCHOOL	103	516	85,744	85,228	831
625	1	ST. PAUL PUBLIC SCHOOL DISTRICT	32,776	7,178,825	31,178,268	23,999,443	732
4015	7	COMMUNITY OF PEACE ACADEMY	802	169,647	587,340	417,693	521
330	1	HERON LAKE-OKABENA SCHOOL DISTRICT	300	20,031	174,876	154,845	516
4204	7	ROCHESTER STEM ACADEMY	118	48,015	106,324	58,309	496
1	3	MINNEAPOLIS PUBLIC SCHOOL DIST.	29,084	3,940,546	17,830,612	13,890,067	478
656	1	FARIBAULT PUBLIC SCHOOL DISTRICT	3,271	752,104	2,163,018	1,410,914	431
279	1	OSSEO PUBLIC SCHOOL DISTRICT	20,403	1,681,777	10,210,107	8,528,330	418
742	1	ST. CLOUD PUBLIC SCHOOL DISTRICT	9,180	1,794,669	5,595,108	3,800,439	414
4192	7	BEST ACADEMY	628	151,186	405,059	253,873	404
518	1	WORTHINGTON PUBLIC SCHOOL DISTRICT	3,691	1,116,763	2,566,098	1,449,335	393
837	1	MADELIA PUBLIC SCHOOL DISTRICT	616	111,261	342,040	230,778	374
191	1	BURNSVILLE PUBLIC SCHOOL DISTRICT	7,720	1,329,338	4,218,863	2,889,525	374
4220	7	AGAMIM CLASSICAL ACADEMY	273	24,915	123,324	98,409	361
623	1	ROSEVILLE PUBLIC SCHOOL DISTRICT	7,228	936,482	3,297,236	2,360,754	327
280	1	RICHFIELD PUBLIC SCHOOL DISTRICT	4,102	763,929	2,103,053	1,339,123	326
270	1	HOPKINS PUBLIC SCHOOL DISTRICT	6,934	378,823	2,625,322	2,246,499	324
286	1	BROOKLYN CENTER SCHOOL DISTRICT	2,202	281,332	990,552	709,220	322
347	1	WILLMAR PUBLIC SCHOOL DISTRICT	4,142	798,985	2,124,341	1,325,356	320
659	1	NORTHFIELD PUBLIC SCHOOL DISTRICT	3,861	134,488	1,271,583	1,137,096	295
4201	7	CORNERSTONE MONTESSORI ELEMENTARY	137	17,256	56,890	39,634	290
13	1	COLUMBIA HEIGHTS PUBLIC SCHOOL DIST	3,342	858,427	1,823,382	964,956	289

The School Finance Working Group (SFWG), established in 2019, recommended 1) increasing the initial allowance per EL student to make up the ground lost to inflation since the EL formula was established in 2004; 2) extending the EL concentration formula sliding scale from 11.5 percent to 23 percent; and 3) increasing the concentration allowance to make up the ground lost to inflation since FY 2004. The intended result was to reduce the cross-subsidy from two-thirds to one-half of EL cost, enabling districts to strengthen EL programming to help close achievement and opportunity gaps, and reduce inequities in general programming caused by the cross-subsidy.

Proposal:

This proposal includes the following changes in EL funding beginning in FY 2024:

- Increase the initial EL revenue allowance from \$704 to \$755 to adjust for a portion of the inflation since the current EL formula was initiated in FY 2004.
- Extend the cap for the EL concentration revenue sliding scale from 11.5 percent to 16.8 percent.
- Increase the EL concentration allowance for districts with EL concentration of 16.8 percent or more from \$250 to \$536 to adjust for a portion of the inflation since the current EL formula was initiated in FY 2004, for the extension of the sliding scale cap, and to further reduce the cross-subsidy for districts with high concentration of EL students.
- The increase in EL funding would be partially offset by eliminating the separate \$2 million EL appropriation that would have continued through FY 2025.

Impact on Children and Families:

The statewide concentration of EL students is approximately 9.3 percent of total enrollment and many districts and charter schools with high concentrations of EL have students speaking more than 20 different languages. For FY 2023, 25 school districts and 59 charter schools are projected to have EL concentration exceeding the 11.5 percent cap used in calculating concentration revenue while at the same time many are experiencing growth in the English learner population, particularly in Greater Minnesota.

Equity and Inclusion:

The proposal will provide targeted increases to districts with high EL cross-subsidies, freeing up resources for improved educational programs for all learners in those districts. Improved EL funding will also enable districts to improve EL programming and better serve EL students, closing opportunity gaps. 95 percent of students generating EL revenue are students of color.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

This proposal will increase support English learner’s academic achievement as measured by their progress at comprehensive and targeted support schools.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	English Learner Progress in Comprehensive and Targeted Support Schools	71.3%	62.8%	2018, 2019
Quality	English language learners	74,315	76,361	2019, 2020

Statutory Change(s):

Minnesota Statutes, sections 124D.65, subdivision 5, and 126C.05, subdivision 17

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Student Support Personnel

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	24,854	28,981	29,160	29,159
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	24,854	28,981	29,160	29,159
FTEs	3.0	3.0	3.0	3.0

Recommendation:

The Governor recommends \$24.854 million in fiscal year (FY) 2024 and \$28.981 million in FY 2025 to address shortage of school support personnel services that benefit children and young people’s social, emotional, and physical health through strategies to fund additional positions within early childhood systems, public schools, and the Minnesota Department of Education (MDE), and to implement a workforce development initiative.

Rationale/Background:

School districts and charter schools want their students to be ready for and succeed at college, work, and life. However, school districts face many challenges limiting their ability to ensure all students can learn and thrive such as absenteeism, behavior and discipline issues, violence, truancy and dropout. These challenges can often be linked to unmet social, emotional, and physical health needs that can significantly affect students’ academic achievement. The COVID -19 pandemic has revealed, and exacerbated, students’ unmet needs.

Providing universal prevention services and intervening early in the school setting is critical to meeting these needs. However, most communities and schools lack high quality, comprehensive school health services for children and adolescents. Many areas of Minnesota entirely lack or have insufficient numbers of mental health professionals, especially those with experience in treating children and adolescents, to meet the growing needs. In 2019, the ratio of school counselors to students in Minnesota was 1:792, the lowest it had been in more than a decade (654 employed in 2019). Comparatively, the average number of counselors per student for all U.S. states was 1:470; the national recommendation is 1:250. The ratio of school social workers was 1:407 (1,501 employed in 2019) in Minnesota while the national recommended ratio is 1:250 and the ratio of school psychologists was 1:1,700 (1,225 employed in 2019); the national recommended ratio is 1:500. For years, Minnesota has had one of the lowest student-to-counselor ratios in the country. Approximately only one-third of Minnesota schools have a licensed school nurse (LSN), many part-time. Currently, only some wealthier or larger districts fund more LSN positions. This does not provide access or equity for students across the state. Many children do not have access to health care through a medical provider; a LSN may be their only access to health care.

Increasing designated funds for hiring school counselors, school nurses, and other licensed support personnel, will reduce these ratios. By increasing student support personnel across the state, this proposal will help support and strengthen children and adolescent’s social, emotional and physical health, so they are more prepared for learning.

Proposal:

This proposal will fund three strategies to ensure that students receive needed social, emotional, and physical health services in addition to academic guidance.

The first strategy provides \$22.304 million in FY 2024 and \$26.431 million in FY 2025 as an aid to fund additional school-based student support personnel, including counselors, social workers, school psychologists, school nurses, and chemical dependency counselors. The aid would be paid to school districts on a 90 percent current year appropriation and 10 percent prior year appropriation basis. Each school district participating in the support personnel program would receive \$22 per student enrolled on October 1 of the prior school year or \$35,000, whichever is greater. Charter schools would receive \$22 per student enrolled on October 1 of the prior school year. Intermediate school districts and other cooperatives enrolling students would receive \$6 per student enrolled in member districts on October 1 of the prior school year. The aid would be limited to the actual new costs of providing support services each year. Assuming an average cost of \$85,000 per position, the program would fund 326 positions statewide beginning in FY 2024.

The second strategy provides \$150,000 annually to fund a 1.0 full-time equivalent (FTE) school mental health service lead at MDE. The school mental health service lead would serve as a source of information and support for schools in addressing the mental health needs of students, teachers, and school staff, and developing comprehensive school mental health systems in school districts and charter schools. The position will assist schools in assessing the quality of their comprehensive school mental health systems and developing improvement plans to implement evidence-based mental health resources, tools, and practices.

The third strategy provides \$2.4 million annually to fund a workforce development initiative to increase the number of student support personnel each year. This initiative would bring together state agencies, higher education institutions, state student support personnel associations, and community-based mental health providers to implement a multi-faceted approach to increasing the number of student support personnel through four approaches. Those approaches and goal outcomes include:

- Workforce Development Strategies to Increase Providers of Color – Minimum of 130
- Re-specialization – 102 school psychologists, 100 school counselors
- Recruitment – 230 school mental health providers
- Retention – 1,750 school mental health providers

Funding for the initiative includes resources for 2.0 FTE. A mental health program coordinator would lead the initiative and support external partnerships and contracts, while a student support specialist would provide educational leadership, program development, training, consultation, and resources to support school leaders, teachers, and student support staff implementing districtwide of evidence-based student supports.

Impact on Children and Families:

Student's social, emotional, and physical health needs interfere with their ability to learn. The COVID-19 pandemic exacerbated these needs, which has impacted entire families. Providing adequate licensed student support personnel in school settings supports the overall health and well-being children and families.

Equity and Inclusion:

The proposed change will directly impact all students, as all students enrolled in schools need and deserve access high-quality health and mental health services that are equitable statewide. However, it will be enormously impactful for those students who face barriers to accessing healthcare, especially those living in predominantly low-income, rural, and minority communities as a school nurse, for example, may serve as their only regular healthcare provider.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

NA

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Increase FTEs in these fields in school support personnel.	3,918	2019	3,900	4,232; 4,544	2024; 2025
Quality	Ninth grade female students reporting long-term mental health, emotional or behavioral problems on Minnesota Student Survey	30%	2019 MSS	20%		2024

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Alternatives to Exclusionary Discipline Strategies

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	5,298	5,585	5,585	5,585
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,298	5,585	5,585	5,585
FTEs	2.1	4.1	4.1	4.1

Recommendation:

The Governor recommends \$5,298,000 in fiscal year (FY) 2024 and \$5,585,000 in FY 2025 to strategically support Minnesota’s youngest learners with the goal of keeping them in the classroom while simultaneously addressing one of the primary drivers of discipline disparities. Funds will primarily support grants to schools while building the capacity of the Minnesota Department of Education (MDE) to pilot and identify effective practices to scale statewide.

Rationale/Background:

Every student has the right to learn in a safe, supportive, and nurturing environment. The Due North Education Plan prioritizes focusing “on student relationship-building and center discipline on growth, not punishment.” The use of suspension to address behavior that is perceived as defiant, disruptive, disrespectful, or insubordinate damages relationships between students and adults. Despite this, in the 2018-2019 school year there were 23,468 incidents in which a student received an in-school suspension or out-of-school suspension for behavior that was considered defiant, disruptive, disrespectful, or insubordinate. These dismissals are a significant contributor to discipline disparities.¹ As noted in table 1, Black and American Indian students, as well as students with two or more races receive a disproportionately high number of in-school and out-of-school suspensions.

Table 1. Discipline disparities for behavior considered disrespectful/disruptive/defiant/insubordinate

Student Group	% of Enrolled Population	% of Population Receiving In-school or Out-of-school Suspensions	# of Disciplinary Actions	Days of Missed Instruction as a Result of Discipline
American Indian/Alaska Native	1.6%	6%	1,516	2,311
Asian	6.9%	1%	253	337
Black/African American	11.2%	33%	7,658	10,699
Hispanic	9.5%	10%	2,398	3,221
Native Hawaiian/Pacific Islander	0.1%	0%	17	25
Two or More Races	4.9%	10%	2,273	2,951
White	65.8%	40%	9,353	11,730

¹ Ritter, G. W., & Anderson, K. P. (2018). Examining disparities in student discipline: Mapping inequities from infractions to consequences. *Peabody Journal of Education*, 93(2), 161-173.

It is both typical and developmentally appropriate for young learners to exhibit these behaviors. However, in the 2018-2019 school year students in kindergarten through grade 8 missed 20,336 days of instruction as a result of discipline for behavior that was perceived as defiant, disruptive, disrespectful, or insubordinate. The impacts of exclusion from school at the early stages of development are profound, long lasting, and go beyond the school building.² Research shows that as early as prekindergarten, Black children are perceived by society and their teachers as older and less innocent, and therefore more responsible for their actions than their same-age white peers. It also suggests that educators believe that Black girls are more independent and need less comfort and support than their white peers.³

A range of states such as California, Hawaii, North Carolina, and Oregon, and Washington D.C., have put in place policies that define and limit this use of dismissals to address these subjective behavior concerns, particularly with students in elementary and middle school.⁴ These policies are documented to reduce overall and disproportionate use of exclusionary discipline, and further result in students of color and American Indian students receiving greater access to the education they deserve. This proposal is inspired by the foundational work of these states and has four fundamental aims.

1. Provide support to schools who are committed to using alternatives to exclusionary discipline
2. Increase support for students
3. Reduce the overall number of students disciplined for behavior that is considered disrespectful, defiant, disruptive, or insubordinate
4. Identify appropriate policies, practices, and resources necessary to scale these practices statewide.

In 2017, 43 districts were cited by the Minnesota Department of Human Rights (MDHR) for discriminatory use of exclusionary discipline. One of the primary concerns of this investigation and settlement was the discriminatory use of suspension to address subjective forms of behavior. MDHR recommended that schools limit these practices as a strategy to address disparities.

Proposal:

This proposal is a new initiative that builds on the work of the alternatives to exclusionary discipline (otherwise known as non-exclusionary discipline) grants currently being administered by the MDE using funds appropriated in the 2021 legislative session, and supplemented by funds from the American Rescue Plan (ARP).

This proposal will provide \$5 million per year in grants to local education agencies (LEA) for the purpose of implementing alternatives to exclusionary discipline strategies and reducing discipline disparities. Grant recipients would commit to prohibiting practices driving discipline disparities, including but not limited to the use of dismissals such as suspensions or expulsions to address subjective behavior concerns including but not limited to disruptive, disorderly, defiant, and insubordinate. Grant recipients that exhibit readiness, meaning they have already begun taking steps to implement alternatives to exclusionary discipline practices, will be prioritized. Designed to provide site-level support, these grants will have a minimum amount of \$500,000. Eligible uses of grant funds include:

² Novak, A. (2022). The Consequences of School Suspension at Different Developmental Stages: The Relationships Between Age, Race, Suspension, and Justice-Related Outcomes. *Criminal Justice and Behavior*, 0(0).
<https://doi.org/10.1177/00938548221107568>

³ Beyond Suspensions; Examining School Discipline Policies and Connections to the School-to-Prison Pipeline for Students of Color with Disabilities, (2019, July, 23). US Commission on Civil Rights, (<https://www.usccr.gov/files/pubs/2019/07-23-Beyond-Suspensions.pdf>)

⁴ Rafa, A. (2018). 50-State comparison: State policies on school discipline. Education Commission of the States.

- Expand training and coaching opportunities for school staff, including covering lost time, substitute teachers, and hourly rates for all licensed and non-licensed staff to attend;
- Implement anti-bias and trauma-informed practices;
- Employ the use of alternatives to exclusionary discipline practices, including but not limited to providing group and individual interventions to build social-emotional learning skills, providing adult mentoring for students, providing opportunities for student voice, conducting collaboration with students' families or guardians, and providing trauma-informed mental health support;
- Hire additional staff to identify, coordinate, and partner with community experts; and,
- Conduct monitoring and evaluation measures as determined by the commissioner.

This proposal will serve as a pilot modeled off of states that have, over time, limited or prohibited these practices effectively. The purpose of this pilot is to identify the extent to which increased supports and changes to discipline policies result in decreased dismissals and discipline disparities and identify effective practices and barriers for scaling this practice statewide. To ensure effective implementation, the first year of the grant will be dedicated to hiring staff, site level planning, and training. In the second-year, participating schools will formally modify their discipline policy to prohibit and minimize the use of dismissals for behavior that is disrespectful, disruptive, or disorderly for students in grades kindergarten through 5 and grades 6 through 8, respectively. Grantees will have access to grant funds for four years allowing time for an effective, quasi-experimental, mixed methods evaluation that is outlined in the performance measure section.

Currently, staff support for schools on introducing alternatives to exclusionary discipline and other school climate strategies is temporarily funded. \$298,000 in FY 2024 and \$595,000 in FY 2025 will provide two and then four full-time equivalents (FTE) as well as support a robust evaluation of the pilot. Three of these FTE will be necessary to provide training, coaching, and technical assistance to participating districts. Additionally, one of the new FTE will be used to support a robust evaluation. Up to 5 percent of the \$5 million grant amount, estimated at .1 FTE, may be used to support grant administration.

Impact on Children and Families:

Exclusionary discipline policies are ineffective in creating a safe and equitable learning environment. Dismissing a student from the learning environment can, and often does, cause harm that has far-reaching negative implications for schools, students, and the broader economy^{5,6}. This proposal will explicitly increase equity by offering educators resources to provide alternatives to punishment, including improved access to services for their students such as mental health supports.

Equity and Inclusion:

Across the United States, data shows that exclusions from school are used at significantly higher rates for Black, Indigenous, other students of color, and students with disabilities. Data shows that Minnesota consistently ranks as one of the worst states in the nation for disparities in discipline based on both race and disability status. As noted in the table above, Black and Indigenous students, as well as students with two or more races are disproportionately disciplined for behavior that is subjectively determined, with significant influence from an individual's personal cultural norms and personal beliefs. Identifying a manageable approach to reducing these discriminatory practices is essential for all members of the school community to feel a sense of belonging and connectedness in school⁷. These shifts in practice will positively impact student achievement, minimize existing achievement gaps, and minimize disproportionate involvement with law enforcement.

⁵ Novak, A. (2022). The Consequences of School Suspension at Different Developmental Stages: The Relationships Between Age, Race, Suspension, and Justice-Related Outcomes. *Criminal Justice and Behavior*, 00938548221107568.

⁶ Rumberger, R. W., & Losen, D. J. (2016). The high cost of harsh discipline and its disparate impact.

⁷ Bell, L. A., Bushover, B., Miller, E., & Culyba, A. (2022). Staying in School: Connection, Cohesiveness, and Suspension. *Academic Pediatrics*, 22(6), 1017–1023. <https://doi.org/10.1016/j.acap.2021.12.016>

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Part A: Performance measures

A primary purpose of this proposal is conducting an effective pilot which will require a robust evaluation using a quasi-experimental design. Part of funding for this proposal will be used to hire an evaluator. Since this is a new program, and would shift practices substantially, many of the important data points to examine for evaluative purposes related to quantity and quality measures will need to be designed by the evaluator. The table below outlines data points relating to quantity and quality that will be reported annually by participating districts.

Quantity	Quality
<ul style="list-style-type: none"> • # of staff hired • # of trainings and technical assistance sessions from MDE • % of building staff receiving training, coaching, and technical assistance • # of alternatives to exclusionary discipline practices implemented in leu of suspension • # of students receiving services 	<ul style="list-style-type: none"> • Staff report of increased knowledge and skills to implement NED • Student and staff quality feedback on intervention services • Aggregate level observation data

To measure the impact of these programs standard measures will be used. The majority of measures will be collected through the Minnesota Discipline Incident Reporting System (DIRS) as well as reliable and valid survey to assess school culture and climate. The table below provides greater detail on these measures.

Measure	Data Source	Date	School Year (SY) 2019 (Statewide)	Projected at pilot sites
# of disciplinary actions total	DIRS	Reported: June Available: October	75,327	Reduced by 20%
# of disciplinary actions for disrespect, disruptive or insubordinate behavior	DIRS	Reported: June Available: October	23,468	Reduced by 60%
# of days missed (Decreases number of days missed, while conversely increasing instructional time at k-5 the number of total days missed instructional as a result of discipline for these behavior types)	DIRS	Reported: June Available: October	31,275	Reduced by 25%
Discipline disparities	DIRS	Reported: June Available: October		Reduced in all overrepresented groups
Improved perception of school climate	TBD by Evaluator	N/A		

Part B: Evidence-based practices

This proposal explicitly will support schools to implement a range of evidenced based practices.

Evidence-based Practice	Source of Evidence
Restorative Practices and Restorative Justice Programs	https://crimesolutions.ojp.gov/ratedpractices/70
Social and emotional Learning approaches (SEL)	https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/school-based-social-and-emotional-instruction
Positive behavior interventions and supports (PBIS)	https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/school-wide-positive-behavioral-interventions-and-supports-tier-1
Comprehensive School Mental Health	https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4573344/pdf/nihms-714295.pdf
Conscious Discipline	https://consciousdiscipline.s3.us-west-1.amazonaws.com/Articles/Preschool-Promise-FINAL-Technical-Report.pdf

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: American Indian Education Aid Increase and Use Revisions

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	6,048	6,926	7,250	7,501
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,048	6,926	7,250	7,501
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$6.048 million in fiscal year (FY) 2024 and \$6.926 million in FY 2025 to increase American Indian education aid and extend it to districts formed as joint powers. Additionally, the proposal will amend current statute to make clear that American Indian education aid may only be used for non-Native students after all American Indian students' specific cultural and academic needs are met and that only American Indian students attending nonpublic schools may be served by programming funded with American Indian education aid through shared time enrollment.

Rationale/Background:

American Indian education programs are intended to serve the unique educational and cultural academic needs of American Indian students. The intent of American Indian Education Aid is to enable districts and schools to scale up and enhance American Indian education programs and initiatives, or, in the case of those newly eligible to receive aid, to build sustainable programs that are culturally and academically tailored to American Indian students. School districts, charter schools, and tribal contract schools operating an American Indian education program and serving more than 20 American Indian students are eligible for American Indian Education Aid. The program serves nearly 97 percent of the state's American Indian students enrolled in public schools and enables participating students to take part in a variety of college- and career-readiness programs.

This aid replaced the Success for the Future program in 2015 and increased the funding \$2.1 million to over \$9 million per year. In order to be entitled to aid, the district or school must develop and submit a plan to the American Indian education director at the Minnesota Department of Education (MDE). The aid amount is the greater of the district's previous grant from FY 2015, or \$20,000 plus \$358 for each enrolled American Indian student over 20 on October 1 of the prior year; however, the aid may not exceed the actual costs of the programming in the schools approved plan. In fiscal year 2020, 133 school districts, 4 tribal schools, and 21 charter schools qualified for aid.

Currently, 20 American Indian students generate a base award of \$20,000, and each American Indian student beyond that generates an additional \$358. This base is not adequate, especially for small districts, to provide meaningful services and dedicated staff for the benefit of American Indian students. Additionally, despite the fact that many American Indian students attend school in districts formed under The Joint Powers Act, American Indian students attending joint powers districts do not generate American Indian Education Aid and are less likely to receive American Indian education programming.

The way that Minnesota Statutes, section 124D.74, is written has also led to misunderstandings within school districts and schools as to who this aid can be spent on. Subdivision 3 explicitly allows voluntary enrollment of non-American Indian students into instructional components of American Indian education programming funded with American Indian Education Aid. Some districts have interpreted this subdivision to allow them to use American Indian Education Aid on other programming for non-American Indian students that is outside the intent of the statute.

Proposal:

This proposal includes three components that support American Indian students through funding increases and use clarifications. The total cost of the proposal is \$6.048 million in FY 2024 and \$6.926 million in FY 2025.

First, this proposal doubles the American Indian Education aid minimum per school district or charter school from \$20,000 to \$40,000 for the first 20 American Indian students, and it increases the per American Indian pupil amount to \$500 for each additional student.

Second, this proposal extends American Indian Education Aid to joint powers districts established under Minnesota Statutes, section 123A.482. Joint powers cooperatives may be established by two or more school districts in order to provide enhanced learning opportunities and broader curriculum offerings than would otherwise be unavailable through an individual district. There are currently three joint powers districts that serve 20 or more American Indian students.

Finally, a cost-neutral change to Minnesota Statutes, section 124D.74, will clarify how existing American Indian Education Aid can be used. Additional statutory language will clarify that American Indian Education Aid may only be used for the non-Native students to participate in American Indian educational programming after all American Indian students' specific cultural and academic needs are met, and student accountability factors match or exceed their non-Native peers. Additionally, the proposal ensures that non-Native, non-public students may not be served by programming funded with American Indian Education aid.

The impact of this clarification will be positive specifically for the American Indian students, and it will make it easier to evaluate American Indian education programs and the dollars spent specifically on American Indian students. It will help address a number of equity and funding problems that have come to light due to the misunderstanding of the current statutory language and ensure that American Indian students receive programming intended to meet their unique cultural and academic needs before funding can be used to enroll non-Native students in programming.

Impact on Children and Families:

The changes in this proposal seek to increase the academic achievement, decrease the dropout rate, and improve the school climate for American Indian students in culturally appropriate ways. An increase in base funding ensures that schools that are just over the threshold 20 American Indian students are able to provide these supports for American Indian students and extending American Indian Education Aid to joint powers districts will empower those districts to provide equitable programming to American Indian students attending their schools.

Equity and Inclusion:

American Indian education programs are designed to meet the unique educational and cultural needs of American Indian students. Funding for those programs support American Indian students with reaching their full potential within their school communities through meaningful, equitable, and targeted educational experiences that affirms and values their unique cultural identities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

If yes,

- Bois Forte Band of Chippewa */ [Zagaakwaandagowiniwag](#)
- Fond du Lac Band of Lake Superior Chippewa */ [Nahgahchiwanong](#)
- Grand Portage Band of Lake Superior Chippewa */ [Gichi Onigaming](#)
- Leech Lake Band of Ojibwe */ [Gaa-zagaskwaajimekaag](#)
- Lower Sioux Indian Community / [Cansa'yapi](#)
- Mille Lacs Band of Ojibwe */ [Misi-zaaga'iganiing](#)
- Prairie Island Indian Community / [Tinta Wita](#)
- Red Lake Nation / [Miskwaagamiwi-Zaagaiganing](#)
- Shakopee Mdewakanton Sioux Community / [Mdewakanton](#)
- Upper Sioux Community / [Pezihutazizi Oyate](#)
- White Earth Nation */ [Gaa-waabaabiganikaag](#)
- **members of the Minnesota Chippewa Tribe*

While this was not identified as a top priority, tribes have indicated in consultation that they support this proposal as this will impact not only their tribal members and urban American Indian students in a positive manner, but all students across Minnesota.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>
Results	Statewide American Indian Graduation Rate	51.0%	50.8%
Results	Statewide American Indian MCA Reading Proficiency – 8 th Grade	34.3%	34.0%
Results	Statewide American Indian MCA Math Proficiency – 8 th Grade	26.1%	23.7%

Statutory Change(s):

Minnesota Statutes, section 124D.74; Minnesota Statutes, section 123A.482; Minnesota Statutes, section 124D.81

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: BOLD Literacy: A Birth-Grade 12 Action Plan

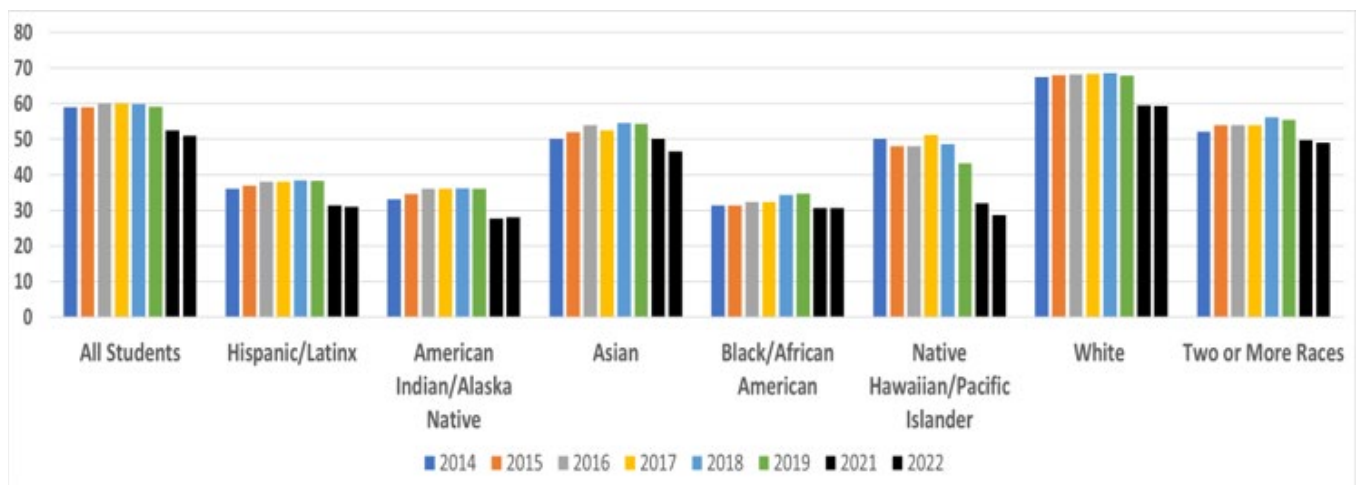
Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	35,000	35,000	35,000	35,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	35,000	35,000	35,000	35,000
FTEs	5.5	11.5	11.5	11.5

Recommendation:

The Governor recommends \$35 million annually to implement BOLD Literacy, Minnesota’s birth through grade 12 action plan for literacy achievement. Funding will provide: supports for teachers; policy, assessments, and parent notification strategies; and instruction and intervention strategies, all delivered through the Minnesota Multi-tiered System of Support (MnMTSS) Framework. Additionally, the proposal includes comprehensive early literacy reforms and policy changes to address the literacy achievement gap.

Rationale/Background:

Minnesota must be bold to address the achievement gap and lack of progress in reading proficiency. It requires urgent and immediate action. Data below shows trends in reading achievement across Minnesota since 2014 for all students, as well as for each racial group. The *All Students* group (first group on the left) has dropped 8 percent from 2019 to 2022, which is the largest single decline in Minnesota Comprehensive Assessment (MCA) Reading results ever. The years 2021 and 2022 are shown across the table in black to visually highlight the drop-in proficiency that has occurred during the pandemic. At a state level, proficiency for White students – 58 percent as indicated by the black bar within the White students’ cluster in 2022 – is still a higher level of reading proficiency than any other racial group has ever experienced, even before the pandemic. Also, the difference in proficiency between White students and other racial groups is sometimes as much as 30 points, or approximately 4 times the magnitude of the 8 percent pandemic-related decline for White students.



These observations create a powerful context for work needed at a state level, and it creates an urgency at the district and school level to examine local data to determine if similar patterns exist, or if gaps in other areas, such as gender, socio-economic status, or other demographic factors, are local trends to be addressed. Similarly, Read Well by Third Grade data continue to show flat line results in reading proficiency especially for students of color, English language learners, and students with disabilities. The BOLD Literacy Plan responds to the impacts of the pandemic as well as these larger, long-term historical disparities.

The goal of the BOLD Literacy Plan is to ensure that all children in Minnesota, especially those most consistently underserved, will be on a pathway to achieving grade level literacy beginning at birth. It seeks to:

- Build educator and leader capacity to implement evidence-based literacy practices based on the Science of Reading;
- Open doors to family and community members in intentional, collaborative, and equitable partnerships;
- Lead in data-based decision making to inform instruction, educator development, and policy; and,
- Drive implementation and sustainability of comprehensive literacy systems within the MnMTSS Framework.

The plan includes fostering collaborative partnerships between early learning programs, schools, families, communities, and institutions of higher education to promote language and literacy development for all those responsible for ensuring our children are proficient readers. It will increase the equitable access to effective literacy experiences for all students by ensuring: school leaders and educators are trained in Structured Literacy and the science of reading; institutions of higher education offer courses to ensure teacher candidates are trained in Structured Literacy and practices and the science of reading; effective implementation and measurement of instructional practices aligned to state standards; data literacy; and use of intentional family and community engagement strategies. The BOLD Literacy Plan includes a set of state level actions backed by strategies designed to provide technical assistance through regional support structures using the MnMTSS model.

Proposal:

The proposal provides \$35 million annually to implement the BOLD Literacy Plan. This includes \$18 million to fund the development of regional literacy networks, a partnership between the Minnesota Department of Education (MDE) and the Minnesota Service Cooperatives. The regional literacy networks will focus on the implementation of comprehensive literacy reform efforts based on the Science of Reading and Structured Literacy. Efforts will include free training based on the science of reading and establishing and leading networks focused on supporting districts and schools. Each Minnesota Service Cooperative will add a literacy director position and establish a team of 4-6 trained literacy coaches to facilitate training opportunities and ongoing supports based on the science of reading to school districts and charter schools in each of their regions.

\$9.2 million in FY 2024 and \$9 million in FY 2025 and later will fund a contract to develop a statewide training based in the science of reading, including Structured Literacy, to be offered free to school districts and charter schools and facilitated by the regional literacy networks and Minnesota Service Cooperatives.

\$1 million will fund partnerships with institutions of higher education to establish Literacy Labs that will serve as a training ground for teacher candidates who will meet requirements of their course work by tutoring students who are not reading at grade level using evidence-based Structured Literacy practices based on the science of reading. Up to eight grants of up to \$200,000 will be made to institutions of higher education.

\$1 million in FY 2024 and \$500,000 in FY 2025 and later will fund upgrades and maintenance for the state's data collection and analysis capabilities. This will result in a comprehensive prekindergarten through third grade data collection system, analysis, and reporting allowing for the accurate measurement of student progress and the impact of investments. The data collection and reporting system will include the collection of kindergarten screening data, dyslexia screening data, Read Well by Third Grade data, and prekindergarten data.

\$4.8 million will fund community partnerships for organizations to maintain and expand their literacy related efforts across Minnesota communities. Of this:

- \$1 million for the State Library Services to expand work on early literacy development in community and school libraries, including training staff on evidence-based early literacy practices based on the Science of Reading in both public libraries as well as school libraries;
- \$1 million for the Center for Applied Research and Educational Improvement at the University of Minnesota to support statewide evaluation;
- \$1 million for the Minnesota Reading Corp to expand the Bridge 2 Read resources to support teaching once they are trained in the science of reading; and
- \$1.8 million for the Jewish Community Relations Council of Minnesota and the Dakotas, and Parent Child+ Program to maintain their current level of programming.

\$1.0 million in FY 2024 and \$1.7 million in FY 2025 and later will be used to maintain and expand the Literacy Unit in the Office of Teaching and Learning at MDE, which is currently funded primarily with American Rescue Plan (ARP) funds.

Impact on Children and Families:

Struggling readers are disproportionately represented in special education, and reading difficulties – when not effectively remediated – can have a negative impact on students’ performance in other subject areas. Students struggling academically are more likely to drop out of high school rather than graduate. Furthermore, academic difficulties are also linked to poor mental health outcomes, incarceration, and lower wages in adulthood. The BOLD Literacy Plan aligns evidence-based practices and outcomes for children birth to age five with the evidence-based practices for students in kindergarten through grade 12. This is done by districts and early learning programs effectively implementing the Minnesota Multi-Tiered System of Support Framework. The plan supports districts and educators in building capacity for family engagement and at-home supports.

Equity and Inclusion:

The ability to read proficiently has a significant positive impact on both the present and future educational achievement of Minnesota students, particularly historically underserved populations. The International Literacy Association has created the Children’s Right to Read initiative which states that, “Children have the basic human right to read.” This expectation is at the core belief that literacy is indeed a transformational right that improves self and society. Ultimately, literacy is a social justice issue that significantly impacts equity and inclusion.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Part A: Performance measures

Data-based decision making is a critical component of the MnMTSS Framework for all tiers of instruction, including core classroom instruction (tier 1), supported instruction for those students needing additional support (tier 2), and individualized instruction for those students with significant additional needs (tier 3). Building the capacity of Minnesota educators in Structured Literacy and the science of reading research supports and improves outcomes for students through systems which include these data-based decision-making processes for instruction. Building the capacity of MDE’s data collection and analysis of reading data will improve the way in which MDE is able to support districts and educators, as well as respond to legislation on Read Well by Third Grade.

MDE is currently developing methods to collect data, but current systems fall short of the resources needed to have a comprehensive prekindergarten through third grade data collection, analysis, and reporting system necessary to accurately measure student progress and the impact of investments. Continued development in the data collection systems will produce information to analyze performance.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	K-1-2 beginning and end of year screening and dyslexia data	Unknown	Fall 2024			
Results	% growth in each grade level % growth across student demographics/ populations	Unknown	Fall 2025			

Statutory Change(s):

Minnesota Statutes, section 120B.12

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Unemployment Insurance Aid (related to DEED item “UI Between Terms Removal for Certain Employees”)

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	200	135,374	135,374	135,374
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	200	135,374	135,374	135,374
FTEs	0.5	1.0	1.0	1.0

Recommendation:

The Governor recommends \$200,000 in fiscal year 2024 and \$135,374,000 annually thereafter to establish an unemployment insurance aid for public prekindergarten through grade 12 school districts and charter schools. The purpose of the aid is to offset increased costs associated with unemployment insurance that correlates with a proposed change in “between terms” eligibility to include current exempt school district employees as qualifying for unemployment outside of the regular school year calendar. An aid amount of \$135,199,000 per year beginning in FY 2025 will be used to reimburse school districts and charter schools for costs incurred in FY 2024. This revenue is subject to proration as a capped appropriation.

Rationale/Background:

The Governor proposes in a Department of Employment and Economic Development (DEED) change item to increase unemployment eligibility for certain school district employees that only work during the school year. Because school districts pay the actual costs of unemployment insurance, rather than having a percentage rate insurance payment, this new cost could be a significant increase to their annual unemployment budget.

Proposal:

This proposal will provide up to \$135,199,000 per year beginning in FY 2025 for a reimbursement aid to school districts and charter schools for the purpose of covering increased unemployment insurance expenses. Reimbursement will be paid during the fiscal year following the year in which the expenses were incurred, and it will be based on a district’s incremental unemployment insurance costs relative to a base period. This will be a capped appropriation. If the overall eligible cost exceeds the annual appropriation, reimbursement aid will be prorated.

With the implementation of reimbursement aid, school districts will only be eligible to levy for the net remaining unemployment costs through the reemployment levy after subtracting the unemployment aid in each fiscal year starting in FY 2025.

This proposal includes \$75,000 in FY 2024 (0.5 FTE) and \$150,000 each fiscal year thereafter (1.0 FTE) for the School Finance Division at the Minnesota Department of Education (MDE) to support the annual calculations, levy adjustments, and reimbursement distribution. Information technology (IT) costs of \$125,000 in FY 2024 and \$25,000 in FY 2025 and thereafter will include the development and maintenance of an online submission process to estimate aid payments in advance of final calculations and adjustments.

Impact on Children and Families:

The impact on children and families is to create opportunity for districts to maintain and attract staff.

Equity and Inclusion:

The recipients of the intended changes in unemployment will target some of the district’s lower paid staff and will allow for more equitable compensation.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The unemployment reimbursement aid will support stabilizing the district’s budget in relation to potential required new unemployment costs due to changes in unemployment eligibility. Without aid, districts be forced to levy eligible costs and the delayed levy cycle would require districts to cover costs for up to 2 years before the levy payment is recognized.

Statutory Change(s):

New statute required.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Grow Your Own Expansion

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Transfer Out	17,500	17,500	17,500	17,500
Revenues	0	0	0	0
Other Funds				
Expenditures	17,500	17,500	17,500	17,500
Transfer In	17,500	17,500	17,500	17,500
Net Fiscal Impact = (Expenditures – Revenues)	17,500	17,500	17,500	17,500
FTEs	3.3	3.3	3.3	3.3

Recommendation:

The Governor recommends \$17.5 million annually beginning in fiscal year (FY) 2024 for the existing Grow Your Own (GYO) program and the creation of two new GYO programs. \$6 million per year will fund an expansion of the GYO grant program under Minnesota Statutes, section 122A.73, from base funding of \$6.5 million to \$12.5 million in FY 2024 and beyond. Additionally, a new GYO program for early childhood education (ECE) professionals will be funded at \$1.5 million annually, and a new GYO program focusing on teacher licensure shortage areas – with an emphasis on special education licenses – will be funded at \$10 million annually.

Rationale/Background:

Educational research is clear that the most important school-based factor in student achievement is the effectiveness of the teacher (followed closely by the effectiveness of the school principal). In order for students to have equitable experiences and outcomes in school systems, they need equitable access to a diverse and effective educator workforce. Like other states, Minnesota is facing a teacher workforce shortage that is only exacerbated by the pandemic. Shortages in qualified teachers show up in rural regions, high-poverty schools/districts, in certain subject areas, and as a shortage of teachers of color and American Indian teachers.

Grow Your Own programs are partnerships between educator preparation programs, school districts or charter schools, and community organizations that recruit and prepare local community members (e.g. parents, paraeducators, non-certified school staff, high school students) to enter the teaching profession and teach in their communities. GYO is among the most utilized and effective strategies to build a workforce that is representative of and connected to the community it serves.

Proposal:

This proposal provides \$17.5 million annually beginning in fiscal year (FY) 2024 for the existing Grow Your Own (GYO) program and the creation of two new GYO programs. Specifically, the proposal will:

- Increase the funding for the current GYO grant focused on teacher diversity in Minnesota Statutes, section 122A.73, to \$12.5 million annually and modify that grant to allow additional strategies;
- Create and fund a GYO grant focused on early childhood educators at \$1.5 million annually; and
- Create and fund a GYO grant focused on teacher shortage areas at \$10 million annually.

Increase Funding for GYO Program Focused on Teacher Diversity

\$6 million annually will provide a funding increase to the existing GYO grant program that focuses on increasing teachers of color and American Indian teachers in Minnesota from \$6.5 million per year in FY23 to \$12.5 million per year in FY 2024 and beyond. Additionally, the proposal includes statutory revisions to allow for additional GYO approaches.

In the adult pathway, the proposed change will allow a grantee to work with a two-year higher education program that has an articulation agreement with a Board-approved teacher licensure program. Known as a “2+2” program in the field, a teacher candidate could acquire generals at the two-year institution and transfer them to a teacher preparation institution. Currently, scholarship funds may only be spent at Board-approved teacher licensure programs.

In the student pathway, the proposed change would allow grantees to use GYO funds for concurrent enrollment experiences. Currently, the costs associated with concurrent enrollment for “Intro to Teaching” and similar courses are not allowed in GYO, but wrap-around services are. This restriction against concurrent enrollment is confusing for grant applicants.

This GYO grant had significant updates in the 2021 legislative session, including lengthening the grant term, modifying program requirements, and codifying the program into statute. The combination of each of these improvements dramatically increased the program’s ability to function as intended, and demand for these funds increased in kind. In FY 2021, there were \$3 million requested in grant applications for an available \$1.5 million, but in FY 2022, over \$26 million was requested in applications for an available \$6.4 million. In FY 2023, 53 applications requesting over \$29 million in funding were received.

MDE currently administers the existing grant by utilizing a \$100,000 set-aside. This is sufficient funding to get grants executed, but it falls short of the funding needed to provide guidance, training, and other resources to grantees or future grantees on GYO program design and implementation as well as to more comprehensively evaluate the program. In order to provide the statewide supports necessary, an additional 1.0 FTE will be added. It is estimated that \$175,000 is needed to fund that position, programming supports for grantees, and to contract with an external program evaluator.

Create and Fund Grow Your Own for Early Childhood Educators

This program will focus exclusively on recruiting and retaining early childhood education professionals in early learning settings across the state. Funds will be used to provide grants to partnerships between educator preparation/professional development programs, early care and education programs, and community organizations that recruit and prepare local community members (e.g. parents, classroom assistants, substitutes, high school students) to enter and/or advance in the early education profession, in order to provide high-quality early care and education services in their communities.

Grow Your Own Early Childhood Educators (GYO ECE) programs may focus on recruiting individuals through offering entry level education opportunities, such as the Child Development Associate (CDA) credential, or they may focus on providing higher educational credentials through AA or BA degrees in early childhood and/or child development, others may focus on programing leading to teacher licensure. The program would include licensed teachers such as Voluntary Pre-Kindergarten (VPK) teachers. Some GYO ECE programs assist people who are interested in entering or advancing in the early education profession by providing stipends, scholarships, unique student teaching or field placement experiences, supporting cohorts of students, as well as other innovations to help them in pursuing a career in early education.

\$1.5 million annually will:

- Provide grants between the amounts of \$50,000 - \$500,000.
- Support to over 60 individuals interested in entering or advancing in the early education profession assuming an estimate of \$30,000 for an AA degree, and the number of individuals could change depending on the certificate or degree being supported for the participant.
- Fund up to \$175,000 in administration funds to:
 - Add a 1.0 FTE at MDE to provide programmatic support and provide technical assistance specific to early childhood GYO grantees
 - Fund grant administration

Create and Fund Grow Your Own for Teacher Licensure Shortage Areas

This program is targeting teacher licensure shortage areas. Funds would be used to provide grants to institutes of higher education, teacher subject area professional organizations (e.g. Minnesota Music Educators Association), Minnesota Tribal Nations, school districts, charter schools, or other organizations that seek to create programs to recruit, prepare, and support teachers in license shortage areas. Funds may be used to provide scholarships and stipends for individuals to obtain their teaching license in shortage areas in Minnesota.

\$10 million annually will:

- Provide grants to teacher preparation providers that offer special education licensure programs to provide evening and weekend licensure courses to assist currently employed Tier 1 and 2 teachers to obtain their Tier 3 license.
- Provide grants ranging from \$50K-\$750K to develop or expand licensure pathway programs for shortage areas and provide scholarships or stipends for program participants to reduce the financial cost of obtaining teacher licenses.
- Fund up to \$175,000 in administration funds to:
 - Support 1.0 FTE at MDE to lead the program and coordinate efforts across institutions including but not limited to PELSB, OHE, and teacher preparation providers.
 - Fund grant administration

Impact on Children and Families:

The well-documented teacher shortage is impacting communities around Minnesota, and children, youth, and families suffer when they do not have access to high quality educators in their classroom. All shortage areas, including a shortage of teachers of color, are concerning. Removing, or at least limiting, the financial barriers to achieving teacher licensure or certification, and providing community-based programming to recruit new educators from their communities, will help to prepare a new generation of teachers who are more likely to stay in those communities where they have developed deep roots.

Equity and Inclusion:

The proposal to increase Grow Your Own funding to diversify the educator workforce is explicitly focused on increasing opportunities, access, participation, and representation in our education system by increasing teaches of color and American Indian teachers in Minnesota schools. Funding GYO programs is a systemic change directed at eliminating the barriers of entry into the teaching profession experienced by black, Indigenous, persons of color (BIPOC) individuals.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Access to qualified educators is a challenge in many communities with the current teacher shortage crisis. State and national data shows that Indigenous communities, communities of color, and low-income communities have less access to experienced teachers, to teachers adequately prepared to teach in their licensure fields, and to effective teachers. The teacher workforce in Minnesota does not represent the racial and ethnic demographics of our state. There are tremendous benefits of having Indigenous educators teaching Indigenous students, so this proposal (along with the Minnesota Indian Teacher Training Program (MITTP)) seeks to reduce inequitable access to Indigenous teachers and qualified teachers at all ages and subject areas.

MDE works closely with the Tribal Nations Education Counsel (TNEC) on the MITTP program, and we bring updates about the GYO programs as well.

Results:

Grow Your Own focused on Teacher Diversity

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	# of grants awarded for adult pathways # of grants awarded for student pathways Metro/Greater MN distribution Award Amounts & Usage	n/a (new program)	11 adult grants 11 student grants 11 Metro 11 Greater MN Total of \$12,817,600 for FY22 and 23	As of Sept 2022
Quality	Program reports from grantees * Program strengths * Program challenges, solutions to challenges * Participant surveys	n/a (new program)	To be reported in consolidated report, published by December 2022	
Results	Adults: # of teacher candidates on track for licensure, disaggregated by race/ethnicity Students: # and % of students expressing interest in education careers before & after program Students: # of students enrolling in teacher preparation program with GYO scholarships, disaggregated by race/ethnicity	n/a (new program)	To be reported in consolidated report, published by December 2022	

Type of Measure	Name of Measure	Previous	Current	Dates
	Long-term for both: How many teachers of color and American Indian teachers did GYO funds assist?			

Grow Your Own focused on Early Childhood Educators and Shortage Areas

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	# of grants awarded Metro/Greater MN distribution Award Amounts and Usage	New program	New program	
Quality	Program reports from grantees Program strengths Program challenges, solutions to challenges			
Results	# of people on track for certificate, diploma, licensure, disaggregated by race/ethnicity			

Statutory Change(s):

Minnesota Statutes, section 122A.73 and new statutes

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Paid Student Teaching

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	14,665	14,665	14,665	14,665
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	14,665	14,665	14,665	14,665
FTEs	.3	.3	.3	.3

Recommendation:

The Governor recommends \$14.665 million per year beginning in fiscal year (FY) 2024 to provide a stipend to pre-service teachers during their 12-week student teaching period.

Rationale/Background:

Though Minnesota’s tiered licensure program opened up additional pathways to becoming a teacher, the Tier 3 and 4 levels are considered a full professional license. In order to obtain a Tier 3 license, an individual must complete a four-year college education (Bachelor’s degree), pass standardized tests in content and pedagogy, and complete a teacher preparation program which includes a period of student teaching. This student teaching period:

- Is typically one semester long (8-12 weeks depending on program design),
- Is preceded by a four-year college degree (Bachelor’s) and rarely can be completed within that four-year period, requiring the teacher candidate to be in school for an additional semester,
- Requires the candidate to pay full tuition during that semester, which can be more expensive for the candidate when scholarships and other aid end at the completion of the fourth year, and
- Is an unpaid, full-time job, typically requiring the teacher candidate to completely dedicate themselves to the children and school community during that time and leaving no room for outside employment.

In short, future teachers are required to complete an additional semester of training/teaching while paying full tuition and having no income for living expenses. Most other professions have paid internships, but teaching does not. This is a significant financial barrier to the profession that prevents many Minnesotans from even exploring careers in teaching. By receiving a stipend during student teaching, our newest educators will be less likely to go further into debt in order to teach, and this program may attract additional people to the profession who otherwise could not afford to get this certification.

Proposal:

The proposal will provide \$14.665 million per year beginning in FY 2024 to pay teacher candidates a wage during their student teaching period. Funds would be paid to student teachers by the district in which they are student teaching. The amount of the stipend would vary based upon the number of student teachers each year.

According to PELSB’s 2022 Data Summary Report (a required report that summarizes data from teacher preparation providers), there were 2,573 individuals who were engaged in the student teaching during the

2020-2021 school year. Note: This school year started in the pandemic with a variety of school configurations including in-person, virtual, and hybrid which may have had a negative impact on the amount of student teachers. Data was not available from the previous school year, so this proposal will use 2,573 as the baseline for expected number of student teachers per fiscal year. With this number of student teachers, it is estimated that stipends would be in the amount of \$5,000 per teacher.

Administrative funds at \$50,000 are estimated to be required to establish the program and conduct ongoing administration including processing reimbursement requests and monitoring compliance. The proposal would be effective July 1, 2023. While those student teaching in the fall of 2023 may have to be reimbursed funds while we develop the system, the process should be in place to support those who are student teaching in the spring of 2024 and beyond while they are experiencing the financial hardship.

Impact on Children and Families:

Reducing the financial barriers to achieving teacher licensure or certification will prepare a new generation of teacher the teacher workforce who will be more likely to stay in those communities where they have developed deep roots.

Equity and Inclusion:

While not specifically designed for historically marginalized communities, reducing financial barriers to the teaching profession will most directly help individuals who do not have the financial support to afford the student teaching period. Communities of color and Indigenous communities are disproportionately low-income, and these groups are also underrepresented in classroom teaching positions, so efforts to reduce financial barriers to the profession also help these communities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

N/A

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	# student teachers receiving wages	New program		None	2573	Year One

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Addressing Teacher Shortage in Early Childhood Education

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	490	490	700	700
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	490	490	700	700
FTEs	.10	.10	.10	.10

Recommendation:

The Governor recommends \$490,000 in fiscal year (FY) 2024 and FY 2025 to address a licensed teacher shortage in Minnesota’s school-based early childhood and family education programs. Funds will be used for student scholarships to Institutions of Higher Education (IHE) in Minnesota who offer licensure programs in early childhood education and/or parent and family education.

Rationale/Background:

Minnesota is the only state that has a parent and family education teacher license and early childhood family education (ECFE) program. The early childhood education (birth to third grade) license is required for the teacher working with children in ECFE programs, and the parent and family education license is required in order to work with adults in ECFE programs. ECFE programs are unable to provide services without these licensed educators, unless they apply for special permissions from the Professional Educator Licensing and Standards Board (PELSB). This policy is foundational to the delivery of educational services, as ECFE requires appropriately licensed teachers. In classrooms using School Readiness Plus funding, at least one teacher is required to have a teaching license. In addition to state licensure requirements, many school districts have made the decision to require licensure for their early childhood teaching staff.

In a 2021 state report, 92 school districts reported that they had zero licensed parent and family educators for their Early Childhood Family Education (ECFE) program. In a 2022 state report, 46.4 percent of districts stated that staffing issues were their biggest challenge. Because of this, early childhood program administrators reported having to limit the number of children they enroll in their programs and limit or cancel classes because they were unable to find appropriate staff.

Early childhood program administrators have been asked for reasons they struggle to find licensed teachers and qualified staff. The most common reasons they provide involve money. For example, one administrator shared in a survey, “We also struggle with finding enough licensed teachers who are interested in a part-time, hourly wage job. Our programs are not part of the master teacher contract.” Pay for early childhood teachers and parent educators is usually not commensurate with K-12 teachers, and when pay, and/or the hours available to work are so low, many prospective teachers cannot justify the cost of tuition for a licensure program. This is especially true for African American/Black, American Indian, and Latine/Latinx people, who are disproportionately likely to come from low-income backgrounds, and are over-represented in the child care profession, a likely audience from which to recruit students for teacher or parent education licensure.

Proposal:

This proposal will provide \$490,000 in FY 2024 and FY 2025, increasing to \$700,000 in FY 2026 and thereafter. Grants will be made available through an application process to IHEs to provide tuition and other supports to students, especially targeting individuals from rural communities and/or students who are African American/Black, American Indian, and Latine/Latinx who may have been reluctant to pursue licensure due to an accurate assessment of the cost-benefit in the parent educator and early education field. Up to 5 percent may be used for grant administration.

The ultimate annual investment of \$700,000 is expected to provide to a university \$11,000 per student to support 40 students for the early childhood teacher licensure program for four years and two cohorts of 20 students for the parent education licensure program for two years, for targeted recruitment, scholarships, and other supports as needed.

Impact on Children and Families:

It is well-established that children benefit from high-quality teachers, including licensed teachers. This proposal would impact young children by increasing the number and diversity of licensed teachers and parent educators, and potentially increase stability of the workforce by increasing the likelihood of early childhood teachers being able to receive pay commensurate with K-12 teachers.

Equity and Inclusion:

The majority of teachers in early childhood education programs are White and female. This proposal helps increase diversity by targeting recruitment and support to African American/Black, American Indian, and Latine/Latinx students. Rural areas are disproportionately likely to suffer from teacher shortages; this proposal will also support students from those areas of Minnesota to pursue licensure in early childhood and parent education.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Results will be measured by assessing:

- How many licensure students received tuition support from the Institution of Higher Education program? Did the program increase the pool of licensed early childhood teachers and parent and family educators in rural areas? Did the program increase the diversity of licensed early childhood teachers and parent and family educators?
- Who were the students that received tuition support? Did the students successfully complete the licensure program and earn their teaching license?
- Whether or not the students gained employment in school-based early childhood education programs.

The below table provides a summary of the information that will be collected and reported on for the scholarship program for teacher licensure.

Type of Measure	Name of Measure	Current Value	Date	Projected Value (without)	Projected Value (with)	Date
Quantity	Number of teachers enrolled with scholarship, disaggregated by race/ethnicity and geography	Measures recruitment efforts	Done after first cohort begins	Will not know success of recruitment efforts.	Will be able to measure success of recruitment efforts and needed as baseline for success of supports to get to licensure.	Report 6 months after start of grant
Quality	Percentage of teachers who complete licensure program, disaggregated by race/ethnicity and geography	Measures success of scholarships and supports	Done after each round of scholarships/grant	Will not know if supports are effective	Understand if scholarships and supports are successful in helping students complete licensure program.	Report 6 months after grant ends
Quality	Survey of former students to see where teaching	Measures success at increasing availability of licensed teachers in the shortage areas	Done 1 year after the end of the licensure program	Will not know if scholarship program is effective	Understand if the scholarship model is supporting increasing licensed teacher access.	Report 2 years after grant ends

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Educator Career Pathway Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	7,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	7,000	0	0	0
FTEs	1.8	0	0	0

Recommendation:

The Governor recommends \$7 million in fiscal year (FY) 2024 to support the development of a career pathway for students interested in pursuing education-related professions. Funds will primarily provide grants to districts and charter schools.

Rationale/Background:

Minnesota is experiencing a critical shortage of educators. Minnesota also has one of the lowest percentage of teachers of color represented in the teaching force in the nation. About 34 percent of kindergarten through grade 12 students are nonwhite, while teachers of color and American Indian teachers make up only 5 percent of full- and part-time teachers. Data from the 2019 Biennial Minnesota Teacher Supply and Demand report prepared by the Professional Educator Licensing and Standards Board demonstrates that there is a particular shortage of teachers of color and teachers in general in Greater Minnesota.

Minnesota also has a shortage of teachers qualified to teach concurrent enrollment classes. Under the new postsecondary credentialing requirements, high school teachers must have 18 graduate level courses in the relevant content area. Concurrent enrollment programs promote other state objectives to increase participation of students in rigorous coursework options and expanding career and technical education as an important part of the pipeline to creating the world's best workforce. This portion of the proposal would benefit both new and experienced teachers across the state.

Investments to strengthen the teaching pathway by linking high school programs onto postsecondary teacher preparation or state-approved educator programs and licensure can support the teacher shortage and diversity gaps.

Proposal:

This proposal provides \$7 million in FY 2024 for an Educator Career Pathway grant program. Competitive grant funds will be used to create pathways to encourage middle and high school students (primarily ages 14-18 years old) to become teachers. It will also support the recruitment, enrollment and retention of students from underrepresented communities into teacher educator pathway programs at the postsecondary level, all grants would be available and awarded statewide. Funds would be available for four years through FY 2027.

The first grant program will provide \$5 million dollars to districts and charter schools to establish pathways to teaching cohorts of students beginning their educator career pathway in high school, with articulation into postsecondary teaching programs. This would include developing experiential learning opportunities for middle school and high school students to explore the teaching profession, such as collaborative union/district-sponsored job shadowing, apprenticeships, tutoring, and paid work-based learning in classrooms. School district and charter school grantees will identify cohorts of students who are interested in enrolling in an established path for high school courses that would lead to the college coursework necessary to become licensed teachers. Grantees will be encouraged to create a partnership with an institution of higher education. Funds would be available for four years through FY 2027.

The second grant program will provide \$1.6 million for districts and charter schools to establish tuition incentives for high school teachers to obtain credentials for teaching concurrent enrollment so that concurrent enrollment course options for high school students in both the core content and career and technical education course areas are expanded.

There will be an emphasis on awarding grants to districts which demonstrate plans based on best practices to target recruitment of disadvantaged and underrepresented students and underrepresented prospective teachers. Up to 5 percent may be used for grant administration.

Impact on Children and Families:

This proposal aligns with state initiatives related to providing students the opportunity to earn college credit while still in high school at low or no cost. This opportunity helps provides a diverse range of students to engage in postsecondary education. Additionally, it aligns to private sector initiatives related to registered apprenticeships. Registered apprenticeships provide individuals with an opportunity to earn and learn at the same time rather than enrolling in traditional college or university programs that may not be accessible due to cost or time away from their families.

Equity and Inclusion:

The long-term goal of this proposal is to increase the number of teachers from communities of color, Indigenous, and those with disabilities working in Minnesota school districts. This will support the effort to reduce the opportunity gap in Minnesota, which persists as one of the most significant in the nation, according to a report written by the Federal Reserve Bank of Minneapolis¹. Through this project, more individuals will have an opportunity to engage in a career in education, which provides family sustaining wages.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs:

NA

¹ Federal Reserve Bank of Minneapolis Report, <https://www.minneapolisfed.org/~media/assets/pages/education-achievement-gaps/achievement-gaps-mn-report.pdf?la=en>

Results:

The following performance measures will be used to assess the project:

Quantity:

- Number of school district implementing the educator career pathways program,
- Number of teachers participating in training for implementing the career pathways program, disaggregated by demographics.
- Number of students who enroll in a partnering college education program or registered apprenticeship program following high school graduation.

Quality:

- Feedback surveys from school districts and participating students
- Percent of school district implementing the educator career pathways program,
- Percent of teachers participating in training for implementing the career pathways program, disaggregated by demographics.
- Percent of students who enroll in a partnering college education program or registered apprenticeship program following high school graduation disaggregated by demographics.

Result:

- An evidenced-based evaluation will be conducted four years after students first enroll in the program to identify the number of students who complete a teacher education program and school districts will be surveyed to identify students hired from this program.
- Annual changes in teacher workforce demographics.

The performance data will be collected through a data agreement with each participating school district and will be communicated through an annual report published by the Minnesota Department of Education.

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Teacher Licensing and Exam Fees

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,400	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,400	0	0	0
FTEs	.3	0	0	0

Recommendation:

The Governor recommends \$1.4 million dollars in one-time funding, available up to four years, to pay the costs for the first professional teaching license fees and for required licensing exams for new teachers. This does not include costs for relicensure.

Rationale/Background:

The cost of acquiring a teaching license in Minnesota is expensive. After completing a Bachelor's degree and student teaching, teacher candidates must pay for their license (\$91 for new license or \$300 for license via portfolio) and a battery of teacher exams (\$104). If retakes for the tests are necessary, teachers must pay for those as well.

Covering the cost of exams and license fees for the newest teachers will reduce financial burdens at the start of their education careers, which may lead to better teacher retention overall. Additionally, if these fees can be waived over the long-term, then more Minnesotans may show interest in teaching careers as the financial burden to entry is removed.

Proposal:

This proposal provides \$1.4 million in FY 2024, available for up to four years, to fund the costs of first-time teacher licensing fees (\$91 per license or \$300 for licensure via portfolio). Key fiscal assumptions of this proposal include:

- \$559,500 annual need for license fees. [4,500 new applications at \$91/application] + [500 applications via portfolio at \$300/application]
- \$312,000 annual need for licensure tests.
- ~50,000 administration, modified contract with testing vendors, misc.

The Professional Educator Licensing and Standards Board (PELSB) estimates that there are approximately 5,000 new applications annually at a cost of \$57 each (plus \$34 for background check if the candidate is totally new to PELSB). This does not include around 18,000 license renewal applications. PELSB also estimates that around 3,000 tests are taken annually at a cost of \$104 for each battery of exams. Up to 5 percent of funds allocated for this program may be used for administration.

Impact on Children and Families:

Reducing barriers for more teachers to enter the teaching field supports all Minnesota students. Similarly, reducing the barriers to enter the teaching field as a career will support Minnesota families.

Equity and Inclusion:

While not specifically designed for historically marginalized communities, reducing financial barriers to the teaching profession will most directly help individuals who do not have the financial support to pay fees. Communities of color and Indigenous communities are disproportionately low-income, and these groups are also not represented in classroom teaching positions, so efforts to reduce financial barriers to the profession also help these communities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

N/A

Results:

With Minnesota covering the cost of first professional teaching licenses and first teacher exam fees, each teacher candidate will save \$200-400 in expenses before they are able to take their first teaching positions. MDE/PELSB could informally survey the beneficiaries of this program to ascertain the impact this has on them. Funding for a broader evaluation of this program is not included in this proposal.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	# of first time license fees annually	~5,000	2021-22	Same	Same	2022-23
	# of licensure tests administered annually	~3,000	2021-22	Same	Same	2022-23

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Statewide Teacher Mentoring Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	9,940	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	9,940	0	0	0
FTEs	1.25	0	0	0

Recommendation:

The Governor recommends \$9.94 million in fiscal year (FY) 2024 available for four years for an expansion of a statewide teacher induction and mentoring program, including sustained training for mentors, principals, and other school leaders. The statewide program seeks to improve the experiences of early career teachers, teachers new to buildings, and Indigenous teachers and teachers of color so that they remain in the profession and thrive as professional educators. Currently, the Minnesota Department of Education (MDE) is funding portions of this work using American Recovery Plan (ARP) funds that expire in September 2024.

Rationale/Background:

The high rate of teacher turnover and mobility is problematic for Minnesota schools and students. If there were stronger supports—guidance, models, training, and other technical assistance—for districts and charters, then local induction and mentoring programs would improve in quality. When local induction programs are high quality, teachers are less likely to move positions as frequently in their career or, worse, leave the profession entirely.

According to Ingersoll’s (2018) comprehensive review of national teacher workforce trends, the turnover rate is very high for new teachers in general and even higher for teachers of color, in particular. This trend is particularly strong in high-poverty communities (both urban and rural) and highly diverse communities. This is a significant contributing factor to widespread teacher shortages in our state. Other research reveals that teacher turnover has a harmful impact on student achievement and is highly costly to districts.

Recently, the US Department of Education’s Office of Special Education Program (OSEP) published a memorandum which calls into question whether Tier 1 special education teachers are appropriately licensed under the Individuals with Disabilities Education Act. However, a Tier 1 teacher may remain in a special education classroom if they are teaching under the supervision of a Teacher of Record that is appropriately licensed and the Tier 1 teacher is making progress toward appropriate licensure. As part of that process, mentoring and induction assistance from the Teacher of Record is needed. In the 2021-22 school year, there were 315 special education teachers in classrooms with a Tier 1 license.

According to the New Teacher Center’s 2016 Policy Report on Minnesota’s New Educator Induction Program, Minnesota policy makers should:

- Require that all beginning teachers, principals and administrators receive induction support during their first two years in the profession.

- Require a rigorous mentor selection process and foundational training and ongoing professional development for mentors.
- Establish criteria for how and when mentors are assigned to beginning educators and allow for a manageable caseload of beginning educators and the use of full-time teacher mentors.
- Encourage programs to provide release time for teacher mentors and dedicated mentor-new teacher contact time.
- Address the overall quality of induction programs by requiring regular observation of new teachers by mentors, the provision of instructional feedback based on those observations, and opportunities for new teachers to observe experienced teachers' classrooms.
- Encourage a reduced teaching load for beginning teachers.
- Encourage the participation of beginning educators in learning community or peer network.
- Adopt formal program standards that govern the design and operation of local educator induction programs.
- Authorize and appropriate dedicated funding for local educator induction programs; and/or establish competitive innovation funding to support high-quality, standards-based programs.
- Require beginning educators to complete an induction program to move from an initial teaching license.
- Assess and monitor induction programs through strategies such as program evaluation, program surveys, and peer review.

Proposal:

This proposal provides \$9.94 million in FY 2024 to facilitate a statewide teacher mentor program. Funds would be used in the following ways:

- Competitive grants to Minnesota regional partners (e.g., institutes of higher education, regional service cooperatives, other district/charter collaboratives, professional organizations) to provide mentoring supports for new teachers as well as on-the-ground training, technical assistance, and networks/communities of practice for local new teachers, districts, and charters to implement Minnesota's induction model.
- Competitive grants to school districts to fund Teacher of Record mentorship to Tier 1 special education teachers, including training and supervision.
- Contracts with national content experts and research collaboratives to assist in developing Minnesota's induction model, to provide ongoing training to mentors and principals, and to evaluate the program over time.
- Administration, program coordination, and leadership at MDE; program funds to start up the program, including financial support to bring stakeholder advisory groups together to set the vision for the work, craft a theory of action, establish program parameters, etc; funding for grants administration; equipment; software. Administrative funds withheld would be sufficient to support program leadership through the entire four years of available funding (FY24-27)

To establish this program, Minnesota will create partnerships among institutes of higher education (IHEs), regional district/charter networks such as (but not limited to) Minnesota service cooperatives, and national content experts and research collaboratives. The work will be funded by a state grant program that will operate under the direction of MDE in order to ensure consistency in programming across Minnesota. Subgrants will be made to regional entities that will hire induction support teams that will work directly with Minnesota schools and teachers. Funds would also be used to identify national partners and research collaboratives so that the statewide induction and mentoring program reflects the best and emerging practices in the field.

Elements of this proposal are currently being funded from ARP funds, which is sufficient to manage program startup costs. This proposal will expand the program to provide supporting guidance training for subject-area specific mentoring not currently funded with ARP funds, as well as to provide sustainability to train and support mentors, principals and other school leaders in the long term.

As the program develops in Minnesota, culturally responsive and sustaining practices must be foundational to the program. This includes but is not limited to unique programming developed by and for teachers of color and American Indian teachers (TOCAIT) to systematically disrupt the higher rates of TOCAIT leaving the profession in early career (as compared with their white colleagues).

Impact on Children and Families:

Generally, teacher effectiveness tends to increase dramatically in the first few years in the profession, and then the rate of improvement tapers off in middle to late years (though, often, teachers continue to improve every year). Due to high teacher turnover and mobility, many educators never reach their peak before they leave their jobs, and their replacements are often new teachers who need those first 2-5 years of experience to really excel in the work. A more stable teacher workforce creates more resources to serve students and more effective teachers serving those students. In addition, hiring new staff in any business environment is expensive, so every time teachers leave prematurely, districts spend significant resources to fill vacancies.

Equity and Inclusion:

In order to pursue educational equity for all Minnesotans, a key priority is to ensure students have equitable access to diverse and effective educators (teachers and principals) through their preK-12 careers. Foundational to Minnesota’s mentoring program will be support for all educators to be culturally responsive and sustaining in their practices. This program will also identify practices to support educators of color and American Indian educators through induction and mentoring programs.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	# of LEAs granted, and demographics # of individuals trained, disaggregated by roles in system, demographics, etc.	n/a (new program)	n/a (new program)	
Quality	Surveys of practitioners on * quality of MN framework * effectiveness of stakeholder engagement efforts	n/a (new program)	n/a (new program)	
Results	Educator retention rates over three to five-year horizons	n/a (new program)	n/a (new program)	

Example program performance measures are listed in the above table. Specific measures will be developed in consultation with contractors and community members.

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
(Outside link) NTC Induction and Mentoring Moderate effective evidence	https://ies.ed.gov/ncee/wwc/study/86088

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Minnesota Indian Teacher Training Program Modification

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Transfer Out - base	600	600	600	600
Transfer Out - new	1,610	0	0	0
Other Funds				
Expenditures	2,210	600	600	600
Transfer In	2,210	600	600	600
Net Fiscal Impact = (Expenditures – Revenues)	1,610	0	0	0
FTEs	0.5	0.5	0.5	0.5

Recommendation:

The Governor recommends an additional \$1.610 million in one-time funding to expand the Minnesota Indian Teacher Training Program (MITTP) under Minnesota Statutes, section 122A.63, and to create a special revenue account to allow MITTP grants to span a five-year grant period. This change will provide more financial stability to MITTP grantees, including a predictable scholarship structure for eligible American Indians to pursue teacher licensure and other education training for an entire 4–5-year college career.

Rationale/Background:

The Minnesota Indian Teacher Training Program (MITTP) provides scholarships and stipends to eligible participants to pursue teacher licensure or any other certification or degree necessary to work in public schools. There are four teacher preparation institutions named in the law, each with a named public school partner, that apply together as joint grantees. Within the last four years, this program has expanded to allow competitive grant applications. Today there are seven joint grantees implementing MITTP.

Funding is currently awarded to seven joint grantees consisting of a school district and a postsecondary institution with a teacher preparation program. Four of those joint grantees are named in the law.

- University of Minnesota-Duluth & Duluth Public Schools ISD #709
- Bemidji State University & Red Lake Schools ISD #38
- Moorhead State University & one of the school districts located within the White Earth Reservation (presently Waubun-Ogema-White Earth Schools ISD #435)
- Augsburg University & St Paul Public Schools ISD #625 and Minneapolis Public Schools SSD #1

If additional MITTP funds are available, MDE may award additional joint grants through a competitive grant process or larger grant amounts. During FY 2022, three additional joint grants were awarded.

- Fond du Lac Tribal and Community College & Fond du Lac Ojibwe School #1094
- Mankato State University & Mankato Public Schools ISD #77
- St. Cloud State University & St. Cloud Public Schools ISD #742

The timing of a biennial appropriation makes administration of the current program challenging. At best, funds may be available to grantees in August or September following passage of the appropriation. Teacher preparation institutions cannot recruit participants for fall semester courses that include scholarships when the funding is not available to them until then. Additionally, most students will need access to funds beyond a biennial budget cycle.

A special revenue fund will allow access to funding over a 5-year grant period so that they can plan for sustainability across biennia.

Proposal:

This proposal provides \$1.61 million in funding for FY 2024 and establishes a special revenue account that will permit grants to be awarded for a period up to 60 months.

An annual grant maximum for each program is currently set administratively at \$92,000. Additional funding would allow this to increase the maximum grant award for each grantee as well as add more programs and allow for modest administrative funds. In FY 2022 the average scholarship was \$9,600 per student for 50 individuals. With the increased funds it is estimated the program could reach between 130-150 students.

The following table illustrates how much each grantee was awarded in the most recent fiscal years.

Joint Grantee Fiscal Host	FY22 Grant	FY23 Grant
Augsburg University	92,000	92,000
Bemidji State University	92,000	92,000
Fond du Lac Tribal and Community College	86,500	92,000
Minnesota State University Mankato	55,119	n/a
Minnesota State University Moorhead	92,000	92,000
St. Cloud State University	90,381	90,376
University of Minnesota – Duluth	92,000	92,000

To administer the program and provide training, guidance, and other supports for grantees, the Office of American Indian Education would reserve funding for a 0.5 full-time equivalent (FTE) position ongoing.

Impact on Children and Families:

The well-documented teacher shortage is impacting communities around Minnesota, and it is children, youth, and families who suffer when they do not have access to high quality educators in their classroom. All shortage areas, including a shortage of teachers of color and Indigenous teachers, are concerning. Removing or limiting the financial barriers to achieving teacher licensure or certification will prepare a new generation of teachers who are more likely to stay in those communities where they have developed deep roots.

Equity and Inclusion:

The proposal to increase Minnesota Indian Teacher Training Program (MITTP) funding to diversify the educator workforce is explicitly focused on increasing opportunities, access, participation, and representation in our education system by increasing the number of American Indian teachers in Minnesota schools. Positive impacts include significant, life changing funding to pursue teacher licenses for Indigenous adults as well as increased exposure to Indigenous teachers for students.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Access to qualified educators is a challenge in many communities with the current teacher shortage crisis. State and national data shows that Indigenous communities, communities of color, and low-income communities have less access to experienced teachers, to teachers adequately prepared to teach in their licensure field, and to effective teachers. The teacher workforce in Minnesota does not represent the racial

and ethnic demographics of our state. There are tremendous benefits of having Indigenous educators teaching Indigenous students, so this proposal (along with the Grow Your Own (GYO) program) seeks to reduce inequitable access to Indigenous teachers and qualified teachers at all ages and subject areas.

MDE works closely with the Tribal Nations Education Counsel (TNEC) on the MITTP program, and we bring updates about the GYO programs as well.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	# grants awarded # of scholarship recipients	7 50	FY22 grantees	Same	9-12 85-90	FY24 and beyond
Quality	Grantee reports on program improvements; participant feedback	Consolidated report published 9/22				
Results	% of scholarship recipients who either achieved degrees/licenses or are enrolled and continuing	86%	FY22 grantees	Same	Maintain similarly high rates over time	

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: American Indian History and Culture Relicensure Requirement

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends requiring teachers who must fulfill 16 hours of cultural competency training for re-licensure to have at least 8 out of those 16 hours be about Indigenous Education.

Rationale/Background:

Every Minnesotan, whether indigenous or not, should be encouraged to learn about the distinct and unique heritage of American Indians in a culturally-responsive manner. Every school and all personnel should work cooperatively with Minnesota tribes, or those tribes that are in close proximity, and indigenous communities when providing instruction or when implementing an educational goal. This should include information specific to the cultural heritage and contemporary contributions of American Indians, with particular emphasis on Minnesota's Tribal Nations and governments.

Current re-licensure requirements include annual training related to cultural competency. The content of this training is devoted to a number of different topics and does not provide sufficient time to adequately cover American Indian history and culture to a depth that participants feel comfortable and confident engaging with tribal nations and educating students on American Indian history and culture. Given the rich history of American Indians and their contemporary contributions, more time and resources should be provided to Minnesota educators.

Gaining cultural competence, like any important educator skill, is an ongoing process that is never completed. Such skills cannot be taught in any single book or training session. The inclusion of 8 hours of cultural competency training for re-licensure for Tier 3 and Tier 4 teachers will help practitioners integrate cultural factors into their curricular vetting and pedagogical skill set and allow education professionals to broaden their cultural awareness, embrace diversity, and develop a heightened respect for American Indian students.

Proposal:

This proposal will add a stipulation to the Tier 3 and 4 re-licensure requirements, specifically requiring 8 hours of training in American Indian history and culture. The process will require the Professional Educator Licensing and Standards Board (PELSB) to engage in rulemaking to update the requirements.

Impact on Children and Families:

This proposal builds on and aligns with explicit requests from Tribal Nation Leaders and their educational organizations to increase culturally responsive educational experiences and to create opportunities to close the

achievement gap of Minnesota American Indian students by providing positive learning experiences throughout their educational journey from prekindergarten through grade 12.

Equity and Inclusion:

This proposal will increase opportunities for all educators in Minnesota to gain knowledge, skills, and experiences that are designed to promote increased responsiveness to the unique needs of American Indian students to subsequently improve American Indian student educational outcomes.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

If yes,

- Bois Forte Band of Chippewa */ [Zagaakwaandagowininiwag](#)
- Fond du Lac Band of Lake Superior Chippewa */ [Nahgahchiwanong](#)
- Grand Portage Band of Lake Superior Chippewa */ [Gichi Onigaming](#)
- Leech Lake Band of Ojibwe */ [Gaa-zagaskwaajimekaag](#)
- Lower Sioux Indian Community / [Cansa'yapi](#)
- Mille Lacs Band of Ojibwe */ [Misi-zaaga'iganiing](#)
- Prairie Island Indian Community / [Tinta Wita](#)
- Red Lake Nation / [Miskwaagamiiwi-Zaagaiganing](#)
- Shakopee Mdewakanton Sioux Community / [Mdewakanton](#)
- Upper Sioux Community / [Pezihutazizi Oyate](#)
- White Earth Nation */ [Gaa-waabaabiganikaag](#)

**members of the Minnesota Chippewa Tribe*

MDE has proposed this legislation for several years. In 2022, MDE met with Fond du Lac Band of Lake Superior Chippewa, Lower Sioux Indian Community, Mille Lacs Band of Ojibwe, Red Lake Nation, and Upper Sioux Community. This has also been shared with Bois Forte Band of Chippewa, Grand Portage Band of Lake Superior Chippewa, Leech Lake Band of Ojibwe, Prairie Island Indian Community, Shakopee Mdewakanton Sioux Community and White Earth Nation.

Tribes have indicated in consultation that they support this proposal as this will impact not only their tribal members and urban American Indian students in a positive manner, but all students across Minnesota.

Commissioner will update Tribal Leadership at scheduled consultations and through MIAC. The Office of American Indian Education will also share updates on this proposal at regularly held TNEC meetings.

IT Costs:

NA

Results:

The intended results of this new program include an increase in mutual awareness and understanding of the importance of the history, culture, and government of local tribes so that American Indian students are more engaged and learn more successfully, and so that all students learn about the history, culture, government, and experiences of their American Indian peers and neighbors from knowledgeable and prepared educators.

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Native Language Revitalization Grants

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	7,500	7,500	7,500	7,500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	7,500	7,500	7,500	7,500
FTEs	2.0	2.0	2.0	2.0

Recommendation:

The Governor recommends \$7.5 million annually beginning in fiscal year (FY) 2024 to fund grants to schools to begin offering language instruction in Dakota and Anishinaabe languages or another Indigenous to the United States and /or Canadian Indigenous language. Grants will fund teachers and course materials.

Rationale/Background:

Children who learn their Indigenous language are able to maintain critical ties to their culture, affirm their identity, and preserve important connections with older generations. Language is a vital asset for Native people and communities. It defines who we are, where we come from, and the value systems that in many ways cannot be translated into English. The United Nations International Decade of Indigenous Languages 2022-2032 calls attention to the critical situation of Indigenous languages across the globe. The Language Conservancy estimates that 41 percent of the 7,000 languages currently spoken are endangered and that, without intervention, 90 percent will be extinct within 100 years, including the remaining 175 Indigenous languages in the United States. The loss of a language brings a loss of knowledge, culture, and identity – the markers of our diverse humanity.

“Language is a core part of who we are as Indian people. Each of us has our respective languages that connect us to our place of birth, teach us how to pray, and show us who we are as Indian people. *Language is sacred.*”
– Benny Shendo, Jr., First Nations Board Chair

"Language is critical to how a community sees themselves and the world they inhabit. Their understanding of the world is formed by thousands of words – and what remains when those words are taken? "
– Denver Breda

Proposal:

This proposal will provide \$7.5 million annually beginning in FY 2024 for Dakota and Anishinaabe (or other indigenous languages from the United States and Canada) Language Revitalization grants. Eligible grantees include school districts, charter schools, and tribal contract schools.

Average grants are estimated at \$135,000 per school for two classes with grant amount determined based upon the number of schools within a district implementing language courses. Eligible expenses would include teachers, program supplies, and curricular resources for schools that apply. It is estimated that 50 schools would be eligible. Grants may be used to provide supplemental online learning or instruction through service cooperatives.

Cost per school for two classes			
Item	Cost (\$)	Quantity	Total (\$)
Teacher	65,000	2	130,000
Ojibwe Rosetta Stone	100	38	3,800
Dakota Book	26	38	988
			134,788

The proposal will also provide \$300,000 in funding for two full-time equivalent (FTE) positions to provide programmatic support to grantees. Up to 5% of grant funds may be used for grant administration.

Impact on Children and Families:

This proposal builds on and aligns with explicit requests from a field hearing which took place on October 20, 2022. Tribal Nations Leaders have spoken generally about increasing Anishinaabe and Dakota Languages in our schools, as well as educational organizations to increase culturally responsive educational experiences and to create opportunities to close the achievement gap of Minnesota American Indian students by providing positive learning experiences throughout their educational journey.

Equity and Inclusion:

This proposal will increase opportunities for all students and schools in Minnesota to gain knowledge, skills, and experiences that are designed to promote increased responsiveness to the unique needs of American Indian students to subsequently improve American Indian student educational outcomes.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

If yes,

- Bois Forte Band of Chippewa */ [Zagaakwaandagowininiwag](#)
- Fond du Lac Band of Lake Superior Chippewa */ [Nahgahchiwanong](#)
- Grand Portage Band of Lake Superior Chippewa */ [Gichi Onigaming](#)
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- Shakopee Mdewakanton Sioux Community / [Mdewakanton](#)
- Upper Sioux Community / [Pezihutazizi Oyate](#)
- White Earth Nation */ [Gaa-waabaabiganikaag](#)
- **members of the Minnesota Chippewa Tribe*

This request came specifically from a field hearing, which was held on October 20, 2022. The need for more language within school districts and charter schools was discussed generally at nine tribal consultations, though the proposal was not formally mentioned.

Results:

Part A: Performance measures

The specific program performance measures used will be measured by the number of schools who apply for a grant and how many different languages they would like to teach. There are language seal tests that can be taken for Ojibwemowin and Dakota lapi upon mastery of the language. All students in Minnesota are eligible to take those tests, and if more students take the tests, it will show performance levels. Revitalization of the first languages spoken in Minnesota will benefit all Minnesotans.

Districts will collect the performance data and communicate it to MDE. Performance measured by number of grants applied for, given, and fulfilled will be a duty of MDE to measure.

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Teaching Indigenous languages	Edited by John Reyhner, 1997, Flagstaff, AZ Northern Arizona University.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Online Learning for Students Enrolled at Bureau of Indian Affairs or Tribal Contract Schools

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	3	3	3	3
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3	3	3	3
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$3,000 annually beginning in fiscal year (FY) 2024 to allow broader access to public education for students in schools controlled by the Bureau of Indian Affairs (BIE) and tribal contract and grant schools through supplemental courses offered by state-approved online providers.

Rationale/Background:

Currently some student groups are excluded from participating in supplemental online course-taking, which decreases opportunity for students in BIE schools. The issue was identified by Minnesota Department of Education (MDE) Career and College Success Division and MDE School Finance Division as an inequity. The intended result will be that students enrolled in American Indian-controlled tribal contract or grant schools will have the same opportunities as public school students to access supplemental online courses.

Proposal:

This proposal provides \$3,000 annually beginning in FY 2024 to fund expanded access to supplemental online learning for students enrolled at BIE schools. The cost estimate is based on the average number of supplemental online learning courses taken by public school students by grade and applied to the number of students enrolled in BIE schools. The additional cost is offset, in part, by a reduction in tribal contract/grant aid due to the reduced average daily membership (ADM) in the contract/grant school of enrollment. Supplemental online learning participation cannot be used to increase a student's ADM above 1.0. The rate of participation is expected to be relatively constant.

There were 672 students enrolled in contract/grant schools in FY 2021. Participation rates of public school students in supplemental online learning classes among grades varies from zero to 5.61 percent. Each semester online learning courses generate .07 online learning ADM to which the appropriate pupil unit weighting is applied for a total of 0.68 pupil units for students enrolled in these schools. Each pupil unit will generate \$6,863 in FY 2023 for a total of \$4667. The online learning ADM is deducted from the student's ADM at the contract/grant school if the online learning ADM causes the student's ADM to exceed 1.0. This is expected to create a savings of \$2,449 for FY23. The net cost is \$2,218 (\$4,667 - \$2,449).

This proposal will be effective beginning in the 2023-2024 school year. No administrative funding is required.

Impact on Children and Families:

All students deserve access to a world-class education. This includes access to course options, including advanced courses, which their enrolling school may not offer. The proposal specifically addresses a gap in eligibility for students in BIE schools to participate in the same opportunities afforded every other public student. Additionally, more students engaging with public education via online courses will strengthen the value of public education in Minnesota.

Equity and Inclusion:

The proposal specifically addresses a gap in eligibility for students enrolled at BIE schools to participate in the same opportunities afforded public school students. Indigenous students will have access to a broader variety of courses, including advanced courses, which their enrolling schools may not offer.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

- Potential impact on all seven Anishinaabe and four Dakota communities.
- Students could access courses offered by state-approved online supplemental course providers.
- Proposal was raised with the Tribal Nations Education Committee (TNEC) during the 2019-20 school year. Feedback was positive. It will be revisited again with TNEC at a meeting in late winter 2023.

IT Costs

NA

Results:

Part A: Performance measures

Currently, data are collected for enrollment in supplemental courses. We will collect information on participation of students enrolled in BIE and tribal contract and grant schools. We can also collect information on supplemental course completion for students overall and for the newly-included students. Quantity and quality data will be used for continuous improvement and results will be available after FY27.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of students who attend a BIE school enrolling in an online course; number of courses students who attend a BIE school enroll in.	NA	FY23	0; 0	33; 43	FY27
Quality	Percent of students who attend a BIE school enrolling in online courses	NA	FY23	0	5%	FY27
Results	Online course completion rate of enrolled students who attend a BIE school	NA	FY23	0	80%	FY27

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Personalized Learning	National Dropout Prevention Center. (n.d.). 15 effective strategies for dropout prevention ¹

Statutory Change(s):

Minnesota Statutes, sections 124D.095 and 126C.05

¹ National Dropout Prevention Center. (n.d.). 15 effective strategies for dropout prevention. Retrieved from http://dropoutprevention.org/wp-content/uploads/2018/03/NDPC_15_effective_strategies.pdf

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Head Start Expanded Use and Tribal Set Aside Allocation

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends expanding the allowable uses of existing state Head Start funds and providing for a specific set aside for tribal Head Start programs. This cost-neutral proposal will permit Head Start funds to be used for infrastructure and designate 10.72 percent of the total Head Start annual allocation to tribal Head Start programs.

Rationale/Background:

Head Start helps low-income families living at or below the federal poverty level break the cycle of poverty by improving the social competence, which encompasses cognitive, intellectual, and social development, physical and mental health, nutritional needs, and school readiness of preschool children, while also promoting economic self-sufficiency for their parents.

Set Aside for Tribal Programs

State Head Start funding is currently divided among all Head Start programs according to a process described in statute. A shift in any of a program's share of federal funding impact both tribal and non-tribal program allocations of state Head Start funding. In the recent past, most tribal programs experienced a reduction in their share of federal Head Start funding, thereby decreasing their state allocation and increasing challenges related to sustainability and expansion efforts. With increased federal investments, many tribal Head Start programs have experienced reduced state funding allocations.

Designating a percentage set aside of the total Head Start allocation for tribal Head Start programs will provide more stable funding from year-to-year allowing for better program planning and consistent operations for tribal Head Start programs. At the request of Minnesota Head Start Association (MHSA) and Tribal Head Start Directors, MDE staff convened opportunities to discuss options for creating a more consistent and reliable funding formula so that deep cuts are not experienced by certain agencies when there are major shifts in federal funding that impact an agency's share of state funding.

Expanded Use of Funds

State law currently requires Head Start programs to use state funds to support minimum funded enrollment but without an investment in the infrastructure it is a challenge for programs to accept the funding and serve additional children. Head Start program Directors have indicated over the past several years that many programs do not have the capacity to accept additional funds if they are required to serve additional children. In recent years some programs have accepted less than their full allocation and one program has not accepted any state supplemental Head Start funds. The reasons given for not accepting additional funds include lack of age-

appropriate space, workforce challenges, equipment issues, and challenges around family transportation to the program. Staffing shortages and lack of space are the main contributors to a program’s lack of capacity to provide Head Start services.

The chart below shows the amount of Head Start state funding that was returned to the general fund in prior years. A significantly lower amount was returned in 2021 due to state-allowed flexibilities for the use of state Head Start funds that aligned with flexibilities being offered by the federal Office of Head Start. Flexibilities included use of funds to support program operations, build infrastructure, support staff development and retention, or reconfigure facilities. This illustrates that when Head Start programs have an opportunity to expand their use of state Head Start funds, fewer dollars are returned to the general fund. Expanded use of funds will allow all federally designated Head Start programs that receive state Head Start funds to enroll children, support program operations, build infrastructure, support staff development and retention, or reconfigure facilities in order to increase the Head Start program’s capacity overtime to serve more children across the state.

Unspent state Head Start funds returned to the state general fund between 2011 and 2021:

(\$000s)	FY 2011	FY 2012	FY 2013	FY 2015	FY 2017	FY 2019	FY 2021
Unspent amount	\$7.4	\$128.9	\$108.1	\$61.4	\$26.8	\$61.5	\$8.5

Proposal:

This proposal will designate 10.72 percent of the total state Head Start annual allocation to tribal Head Start programs, which will be divided among the federally designated tribal Head Start programs. The specific amount of 10.72 was chosen because it is the highest percentage of funds that had been allocated to tribal Head Start programs prior to FY 2020 and was agreed to as the minimum percentage necessary for consistent funding to tribal Head Start programs. After the initial distribution of funds, any remaining funds from the 10.72 percent set aside will be redistributed within the tribal programs with the capacity to use these funds at the discretion of the commissioner. This proposal will not change how the other 89.28 percent of Head Start state funds are allocated to non-tribal or migrant/seasonal Head Start programs. This request is cost neutral and will not require additional funding.

This proposal also includes expanding the allowable uses of state funds for Head Start, including Early Head Start, so that they can be used to support program operations, build infrastructure, support staff development, for compensation and retention, and to reconfigure facilities. Currently state law restricts use to support minimum funded enrollment.

Impact on Children and Families:

Early care and education program capacity and stability are critical needs for families, especially families in which care is needed for parents to work. Currently, there is a child care crisis in the state, with not enough program capacity to meet the needs of families. This is especially true in rural areas and for tribal nations. Having a consistent set-aside for the tribal Head Start programs will support predictability and stabilization of funding for these programs in order to better meet the needs of their children and families.

Expanding the allowable uses from enrollment only to include costs for program operations and/or infrastructure will allow both tribal and non-tribal Head Start programs to make changes as needed based on their individual community needs to either expand or modify the physical space, fund other infrastructure projects such as transportation, or invest in needed staffing supports to stabilize the workforce. These types of investments not only have the possibility of increasing capacity to serve more children, but also build the type of needed supports, such as staffing or transportation, to promote better outcomes for low-income children and their families. Examples of potential outcomes are more consistent attendance or improved and more stable caregiver-child relationships, making big differences for our most at-risk children and families in greater Minnesota.

Equity and Inclusion:

Head Start programs serve the most vulnerable children and families in Minnesota, including low-income children who are disproportionately likely to be Black, American Indian, and Latine/Latinx. Across the state, there are children on waiting lists for Head Start programs. If programs could use state Head Start funds to build their program operations or infrastructure, they will be in a better position to expand their services and enroll more children and their families.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

There was no formal Government-to-Government consultation regarding this proposal. However, in conversation with Tribal Head Start Directors and the Tribal Nations Education Committee (TNEC) on October 13, 2020, all eight tribal Head Start programs agreed on a funding model. The agreed upon model would reserve 10.72% of the total state Head Start appropriation for Tribal Head Start programs.

The Minnesota Head Start Association, Non-Tribal and Tribal Head Start Program Directors, in conversation with MDE Early Learning staff and the Minnesota Head Start Collaboration Director, have recognized the need for both the Tribal program set aside and an expanded use of funds for all Head Start programs.

Results:

Part A: Performance measures

Performance measures for this newly allowed flexibility would include:

Quantity:

- Number of programs unable to use their full allocation
- Amount of money unspent by year

Unused state allocated funds are returned to the state either for reallocation to other programs or to be returned to the state general fund. The grants division and agency finance will continue to track dollars spent by each program, those returned and those available for reallocation. With flexibilities in place, trend data should show a decrease in the number of programs unable to spend their allocation and the amount of funding returned to the state funds. Trend data will be shared with Head Start program Directors and MHSA.

Unspent state Head Start funds between 2011 and 2021 and expected unspent funds in 2025 if proposal is enacted.

(\$000s)	FY 2011	FY 2012	FY 2013	FY 2015	FY 2017	FY 2019	FY 2021	FY 2025
Unspent amount	\$7.4	\$128.9	\$108.1	\$61.4	\$26.8	\$61.5	\$8.5	\$0

Part B: Evidence-based practices

Head Start is well researched, evidence-based program. Below are evidence-based clearinghouses that summarize the data on Head Start and Early Head Start.

Evidence-based Practice	Source of Evidence
Early Head Start-Home Visiting (promising) Early Learning Programs-Early Head Start (promising) Early Learning Programs –Head Start (proven effective)	What Works for Health What Works for Health What Works Clearinghouse

Statutory Change(s):

Minnesota Statutes, section 119A. 52

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Minnesota Multi-Tiered System of Support (MnMTSS) and Collaborative Minnesota Partnerships to Advance Student Success (COMPASS)

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	\$20,250	20,250	20,250	20,250
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	20,250	20,250	20,250	20,250
FTEs	.50	7.50	9.50	9.50

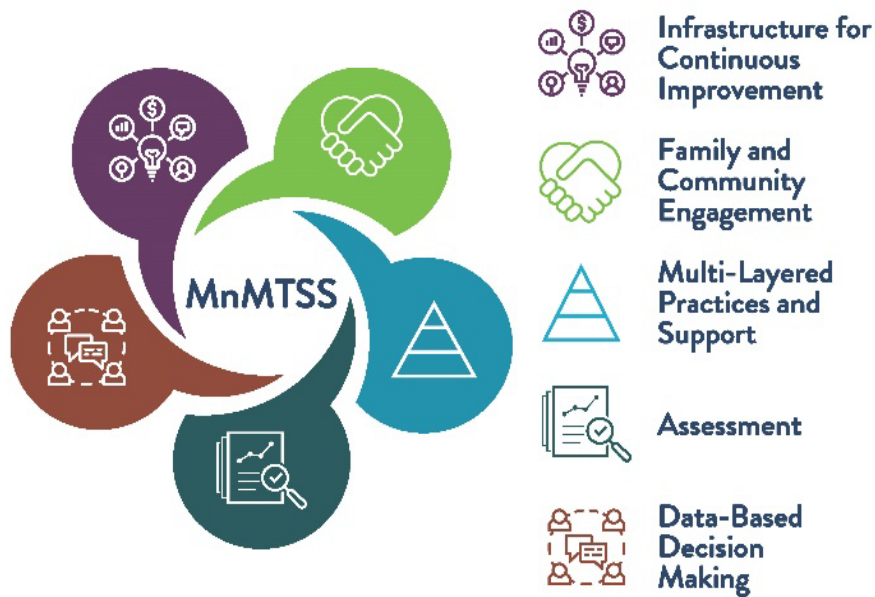
Recommendation:

The Governor recommends \$20.250 million per year beginning in fiscal year (FY) 2024 to fund the MnMTSS Framework, the state’s systemic, continuous school improvement framework for ensuring positive social, emotional, behavioral, developmental, and academic outcomes for every student and COMPASS – Collaborative Minnesota Partnerships to Advance Student Success – the state’s comprehensive school improvement model. COMPASS will provide support for schools in the areas of literacy, math, social-emotional learning, and mental health using the Minnesota Multi-tiered System of Supports (MnMTSS) framework. Funding will provide grants to schools and partner organizations as well as support at the Minnesota Department of Education (MDE).

Rationale/Background:

COMPASS was launched in August 2021 using Minnesota’s allocation of American Rescue Plan (ARP) funds as a collaboration between MDE, the Minnesota Service Cooperatives, and the Regional Centers of Excellence as a response to learning loss due to the pandemic. It is centered on MnMTSS, Minnesota’s version of a Multi-tiered System of Support (MTSS) framework, and provides high-quality, research-based promotion, prevention, and intervention supports to meet the needs of all students using data to guide educational decisions to improve academic, social-emotional, and behavioral outcomes. MnMTSS is a collaboration between MDE and the University of Minnesota’s Center for Applied Research and Educational Outcomes (CAREI) and is implemented via COMPASS.

Key features of an MTSS Framework include the organization of evidence-based practices along a continuum of intensity, use of a standardized problem-solving protocol, application of explicit data-based decision rules for assessing and monitoring student progress, a commitment to implementation integrity, and regular systematic screening for early identification of students’ responsiveness to supports (Burns et al., 2016; see also NASP, 2016). MTSS as applied through MnMTSS consists of the following five fundamental components that work together to ensure successful implementation.



1. A district-wide infrastructure consisting of effective leaders, collective efficacy among staff, positive school climate, linked teams, and professional learning that support continuous improvement.
2. Authentic engagement with families and communities to develop reciprocal relationships and build new opportunities for students together.
3. Multi-layered tiers of culturally and linguistically responsive instruction and support that allows every student the support they need to reach meaningful and rigorous learning standards. These tiers of support include core, supplemental, and intensive instruction.
4. Valid and reliable assessment tools and processes to assess student and system performance and inform necessary changes.
5. A data-based decision-making approach in which problems are precisely defined and analyzed, solutions address root causes, and implementation is monitored to ensure success. The data-based problem-solving component of the MnMTSS framework consists of three major subcomponents: accessible and integrated data, decision making process, and system performance.

Schools and students are still recovering from learning interruptions due to the COVID-19 pandemic. The social and emotional well-being and physical health of students, families, and educators as a foundation for learning must be prioritized now more than ever. The MnMTSS Framework provides districts and charter schools a system-wide approach to address not just the academic needs of children, but the social, emotional, mental, and physical health needs of children as well. The framework will accelerate learning through the implementation of culturally sustaining research, validated practices, and additional interventions. In order to meet the needs of all students, the MnMTSS framework provides standards-based, grade-level learning, regardless of students' starting points; allows for the implementation of high quality standards based curricula to ensure all students have cohesive academic experiences; uses assessments that are sensitive to subject and grade band; provides teachers with the information to help students access essential grade-level work; and organizes teacher and principal professional learning time and resources to support these changing needs.

Proposal:

This proposal provides \$20.250 million annually to support the development and implementation of MnMTSS and COMPASS.

Of this, \$5 million annually will fund grants to school districts and charter schools to support the implementation of COMPASS. Grant recipients must commit to implementing the MnMTSS framework, measuring the fidelity of its implementation and impact, and pilot MDE One Plan, an initiative to streamline reports and submissions sent to MDE by districts and schools. Districts are currently required to submit multiple plans and reports, often using the same type of data and district information. One Plan will take several plans and reports and create one plan and reporting system and greatly reduce the administration burden on districts and schools. This will provide up to 40 grants of up to \$300,000 each. Examples of eligible expenditures could include hiring a District MTSS/One Plan Coordinator; updating data collection and analysis systems to support One Plan development and reporting; adoption of curriculum to meet new ELA and Science of Reading, Science, and Math academic standards; implementing a parent engagement model; and providing mental health supports. Up to 5 percent may be used for grant administration.

\$12.25 million annually will fund administrative supports through MDE and the Minnesota Service Cooperatives. The regional support structure established through the Minnesota Service Cooperatives will directly support school districts and charter schools with the implementation of MnMTSS and the MDE One Plan Pilot, both to be delivered through COMPASS supports and services. Each Service Cooperative will hire a MnMTSS Coordinator to partner with MDE to lead implementation efforts. A regional network focusing on mathematics will be established and facilitated by the MN Service Coops led by an MDE Math Specialist. The Regional Math Networks will provide dedicated mathematics trainers/coaches who will train regional support staff from the MN Service Cooperatives who would then support school leaders and teachers to implement evidence-based instructional strategies in mathematics; and MDE will host an annual 3-day Mathematics Standards-Based Instructional Institute. MDE will maintain MnMTSS and COMPASS staff.

\$3 million annually will fund grants with key partners to enhance regional capacity in MnMTSS implementation as well as evaluation of COMPASS in the areas of literacy, math, and social-emotional learning supports. These contracts include \$2 million for Building Assets, Reducing Risks (BARR), and \$1 million for CAREI. BARR works directly with schools and districts to implement evidence-based practices that allows teachers to focus on building relationships with students to access their strengths and areas for growth using strategies that facilitate real, meaningful relationships between adults and students. CAREI has and will continue to provide implementation and evaluation support serving as the main evaluator for COMPASS and the MnMTSS framework.

	FY24	FY25	FY26	FY27
MDE FTE (excluding .25 grant admin)	\$50,000	\$1,004,000	\$1,292,000	\$1,292,000
Grants to Regional Partners	\$11,950,000	\$10,996,000	\$10,708,000	\$10,708,000
Grants to Schools	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Contracts for Summer Math Institute	\$250,000	\$250,000	\$250,000	\$250,000
BARR	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
CAREI	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
	\$20,250,000	\$20,250,000	\$20,250,000	\$20,250,000

Impact on Children and Families:

Given the continued impact that the COVID-19 pandemic has had on children and families across the state, supporting schools and communities to implement a multi-tiered system of support is needed now more than ever. The MnMTSS framework and implementation guidance provides professional development and support for district and school leaders in building infrastructure to address multiple levels of need within a community and within a school system by ensuring students receive the supports necessary to move them beyond what they experienced (or did not experience) during COVID.

Equity and Inclusion:

The MnMTSS Framework centers equity and inclusion. When implemented as intended, the MnMTSS Framework will ensure that each child receives the support needed academically, socially, and emotionally. MDE’s intent is to build capacity across the state in the implementation of MnMTSS and that every school system in the state will implement and provide a consistent framework and level of support for children and families.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The program will be evaluated based on the number of school districts and charter schools that MDE supports in the formal implementation of COMPASS and the MnMTSS Framework. Indicators from those schools that will validate the model for further statewide expansion include:

- Improved reading scores and reduction in disparities between white students and students of color and American Indian students;
- Improved math scores and reduction in disparities between white students and students of color and American Indian students;
- Increased student engagement and attendance;
- Lower discipline rates, especially with exclusionary results; and
- Increased participation in rigorous coursework.

For example, specific to BARR, large urban schools have seen a 40 percent reduction in failure rate after one year of BARR while smaller rural schools have seen a 29 percent reduction. Additionally, an independent study of more than 1,800 randomly assigned high school freshman found that more than 42 percent of non-BARR students failed at least one core course. For BARR students, that number fell to less than 30 percent. The effects were especially large for students of color, male students, and students from low-income families (as measured by eligibility for free and reduced-price lunch).

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of school districts or charter school teams served	78	Fall 2022	78	78 + 45 = 123	2023-2024 school year
Results	Survey feedback from participants on attendance	N/A	N/A	No improvement	Improvement	2023-2024 school year

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Competency-Based Education Expansion

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	32,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	32,000	0	0	0
FTEs	2.1	0	0	0

Recommendation:

The Governor recommends \$32 million in fiscal year (FY) 2024 for districts and charter schools to expand learner-centered flexible, personalized, and competency-based learning opportunities. Funds will provide competitive grants to school districts and charter schools, a statewide landscape study and digital credentials pilot, and increased statewide capacity for support.

Rationale/Background:

Students are seeking more flexibility in where, when, and how they learn. Preliminary enrollment data show a 52 percent overall increase in online enrollments (19,592) and an even greater rate of increase from Asian (475 percent), Black/African American (151 percent), and Hispanic/Latino (117 percent) students. Students have limited options to engage in learning opportunities aligned with their specific interests. This leads to a lack of engagement in school and a persistent number of students who are not graduating. In addition, students leaving High School may not be aware of career pathways and the skills and competencies needed along the way.

Expanding competency-based education opportunities will help to:

- Create flexibility and expansion of learning related to time, place, path, and pace;
- Promote community partnerships that integrate learning experiences;
- Expand learner access to learning opportunities outside of the traditional school building and schedule including dual-credit courses, PSEO, internship, mentorship, community and work-based learning; and,
- Expand assessment, evaluation, and reporting of individual learning outcomes, skills, and competencies.

Proposal:

This proposal provides \$32 million in FY 2024 to engage a cohort of school districts, their stakeholders, and their partners who are implementing student-centered, flexible, personalized, and competency-based practices. Funds will primarily provide grant awards to expand those successful practices. Promising practices supported by results will be collected and shared so that others can learn from them and implement them on a broader scale. Funds will be available for four years through FY 2027.

Approximately \$31 million in competitive grants will be available to school districts and charter schools, with grants awards between \$250,000 and \$1.5 million. These grants are estimated to reach 150,000 to 300,000 students in Minnesota. Proposed grantee cohort components would include:

1. Quarterly, regionally-based cohort meetings including community partners to share current practices to create greater flexibility and expansion of learning – related to time, place, path, and pace;

2. Monthly partnership discussions with district/charter leadership to share practices, review data, and reflect on progress;
3. Local educator engagement in the Minnesota Department of Education’s (MDE) *Student Agency in Learning (SAIL)* content, which integrates principles of formative assessment with student identity and classroom culture in order to enrich and deepen instructional practice in support of student agency; and,
4. Annual grantee symposium to share learning, ideas, and reflection on progress amongst grantees, community partners, MDE, and others.

\$325,000 will fund the facilitation of community-based conversations around the expansion of existing innovations around learner-centered, flexible, personalized learning models. This data will culminate in a landscape study summarizing local, regional, and statewide opportunities and needs identified by students, families, educators, industries, and businesses across the state.

\$20,000 will fund a demonstration project with a school district or charter school to pilot how digital credentials can be integrated with learner records and implemented to be aligned with student personal learning plans (PLP).

Finally, \$644,000 will fund increased administrative and programmatic capacity at MDE through 2.1 full-time equivalent (FTE) positions. The positions will support technical assistance, cohort facilitation, data collection, and reporting.

Impact on Children and Families:

This will provide students more opportunities to engage in meaningful learning activities in a variety of educational, vocational, and community settings that support their development along a career pathway.

Equity and Inclusion:

Competency-based education measures learning based on demonstrated skills and application of knowledge, instead of focusing on standards that test or compare learners to an “average” or norm, and skew towards a majority bias. Educators will have the flexibility to fully implement personalized learning that honors the uniqueness of every individual, how they learn best, and prioritizes specific resources and supports for each student.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Performance data to establish a baseline will be collected during engagement with the cohort and individual programs during the grant period and shared publicly.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>
Quantity	Number of pilot programs offering flexible, personalized and competency-based learning (FPCBL).	Unknown			

Type of Measure	Name of Measure	Current Value	Date	Projected Value (without)	Projected Value (with)
Quantity	Number of students disaggregated by group participating in FPCBL.	Unknown			
Quantity	Number of educators engaged in FPCBL practices.	Unknown			
Quality	Program implementation – fidelity with goals and/or model.	Unknown			
Quality	% of students participating in FPCB programs by demographic and geographic groups.	Unknown		Collecting baseline data will be part of the pilot.	Data will be collected ongoing for continuous improvement and at the conclusion to measure effectiveness.
Results	Students are engaged with their learning.	Unknown		Collecting baseline data will be part of the pilot.	Data will be collected ongoing for continuous improvement and at the conclusion to measure effectiveness.
Results	Students are entering career pathways.	Unknown		Collecting baseline data will be part of the pilot.	Data will be collected ongoing for continuous improvement and at the conclusion to measure effectiveness.
Results	Students are earning credentials.	Unknown		Collecting baseline data will be part of the pilot.	Data will be collected ongoing for continuous improvement and at the conclusion to measure effectiveness.
Results	Increased knowledge of FPCB best practices to inform more efficient, higher quality and successful programs statewide.	NA			

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Rigorous Coursework Expansion

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	3,165	3,165	3,165	3,165
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,165	3,165	3,165	3,165
FTEs	0.6	0.6	0.6	0.6

Recommendation:

The Governor recommends \$3.165 million annually beginning in fiscal year (FY) 2024 to expand rigorous coursework participation for students who are underserved in dual credit opportunities, such as Advanced Placement (AP), International Baccalaureate Career Program (IBCP), Career and Technical Education (CTE), Early Middle College (EMC), and Concurrent Enrollment (CE) courses to foster opportunities for underserved and underrepresented students, including students with a disability, to prepare and train for career and college. Funds will be used to provide competitive grants for school districts and charter schools.

Rationale/Background:

While many students benefit from rigorous coursework, not all Minnesota students are not on a level playing field when it comes to accessing these programs or receiving the support they need to succeed. Recent data reveals gaps in participation in rigorous course opportunities for students of color and low-income students. For Advanced Placement (AP), Postsecondary Enrollment Option (PSEO), and concurrent enrollment (CE) programs, data indicate that their participation rates are proportionately lower when compared to the overall state population, with the largest gap in AP. For example, Black or African American students participate proportionately less than their white counterparts in all rigorous course programs and white students outnumber students of color in all programs except International Baccalaureate (IB). Students of color are least represented in concurrent enrollment, with 20 percent participation when compared to a representation of 34 percent of all Minnesota high school students. Eligible students may have the ability to participate in these courses but may lack the academic skills to be successful without additional support. Grant funding and statewide support can help Minnesota high schools expand and support targeted student groups.

Proposal:

This proposal provides \$3.165 million per year to maintain and modify an existing competitive grant program currently funded by American Rescue Plan (ARP) funds to expand rigorous coursework opportunities as defined in Minnesota Statutes, section 120B.13, subdivision 4. \$3 million annually would provide grants to school districts and charter schools, which may be used:

- To recruit and support the underserved and underrepresented student groups in AP, IB, PSEO and concurrent enrollment classes, including PSEO by contract. This includes language translation of marketing materials, adding sections to promote smaller class sizes, creating writing centers to ensure students' success in college-level classes, and establishing partnerships with community-based organizations, including culturally based organizations.
- To provide teacher training for added rigorous courses.

- To provide students with transportation to/from the postsecondary institution for PSEO courses.
- To expand current rigorous course offerings to engage underserved students (i.e. AP Computer Science or PSEO Career Technical Education courses).
- To increase support for students enrolled in Early/Middle College programs, which serve off-track students in established partnerships between secondary alternative programs and postsecondary institutions in a well-defined career pathway. These programs have no additional funded support in legislation and their students traditionally require more support and resources (i.e. advising, academic support, transportation, and childcare) than their on-track peers.

\$165,000 annually will provide expanded administrative and programmatic capacity at the Minnesota Department of Education (MDE).

Grants may be made for up to a three-year period. The applications for this grant program would be evaluated by items such as, but not limited to, targeted students served, diversity of programming, the ability to self-sustain the programs in the future, and proportion of targeted students passing the courses. Up to 5 percent of the allocation may be used for grant administration.

Impact on Children and Families:

By investing in expansion and supports for targeted student groups, underserved student participation should not only increase but those students will find success in the courses. Rigorous courses would be more accessible to students who are college-ready but uncertain about their post-high school plans and to students who are not college-ready but would succeed in a rigorous course with some support. Students will be better prepared for careers and college, which will help prepare them for a family-sustaining income after high school.

Equity and Inclusion:

The courses included in this grant proposal have been shown to increase enrollment and engagement of disadvantaged and underrepresented students, better prepare students for college level coursework/postsecondary training and increase their enrollment in and completion of postsecondary education and training programs. To be equitable, these rigorous courses should target students from groups that are historically underserved. Unfortunately, they are disproportionately underserved in most rigorous coursework programs, which was exasperated by the pandemic (see trend data below).

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

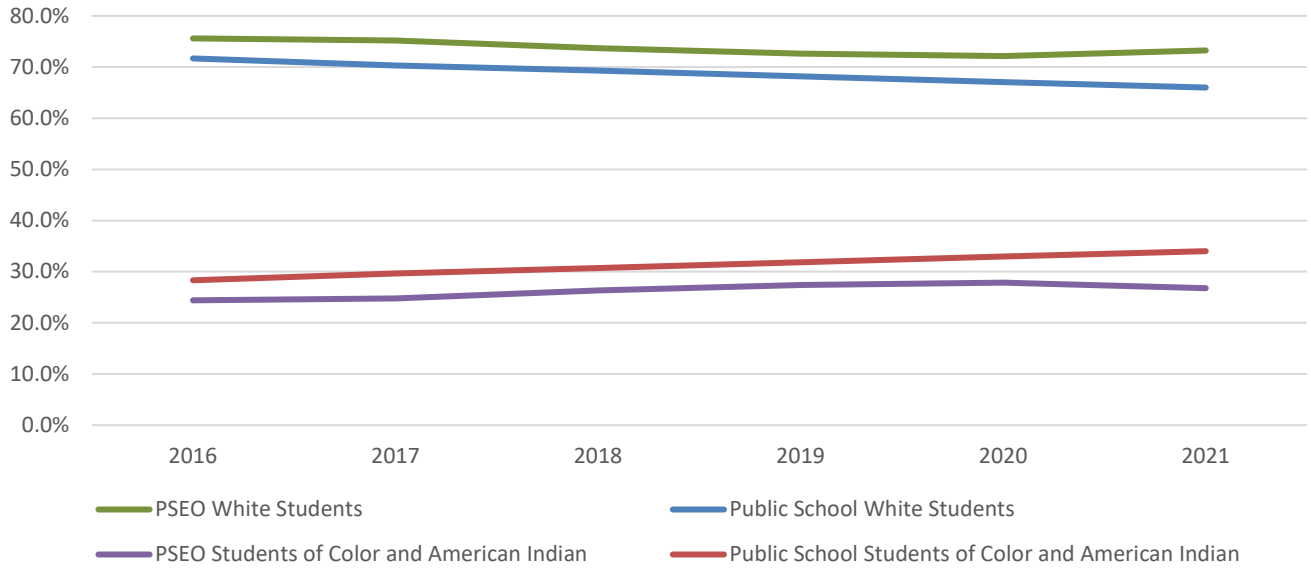
- Yes
- No

Results:

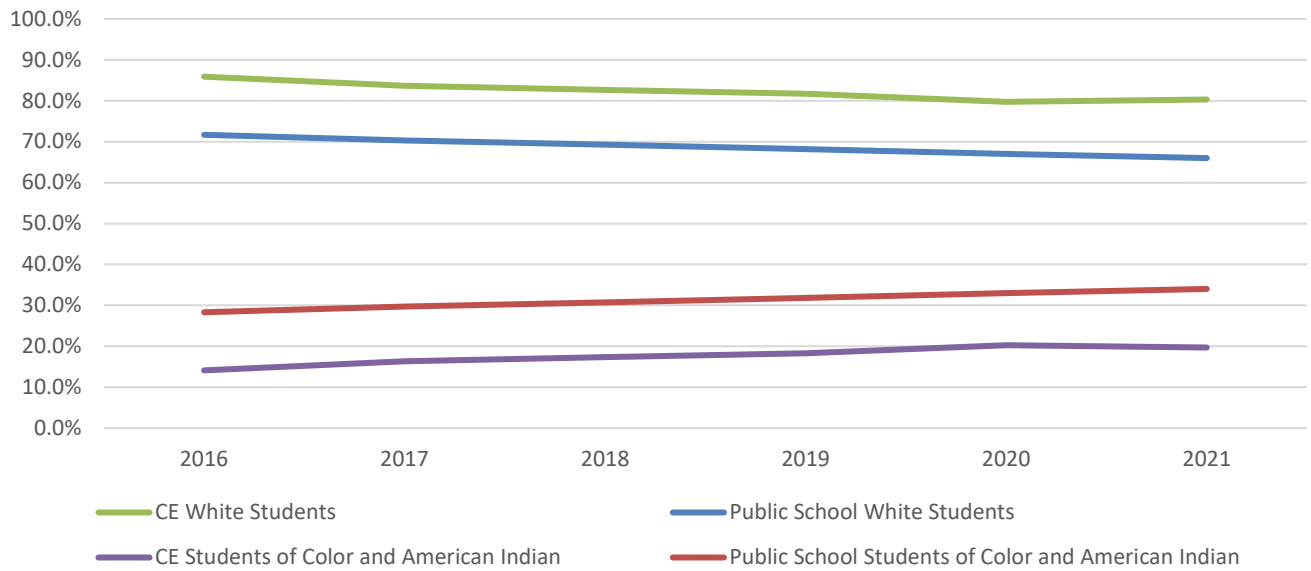
Part A: Performance measures

MDE annually collects student group data on participation in both courses and applicable exams, and number of credits earned. PSEO, CE, and CTE all had enrollment gaps that stayed consistent with overall state demographic enrollment changes from 2016 to 2020. The charts below show these gaps began to widen during the pandemic. Although IB enrollment is small as courses are only offered in IB certified schools, the IB program had a disproportionate decrease of enrollment in students of color and American Indian students in 2021. The AP program had consistent equity gaps from 2019 to 2021. Trend data would suggest the equity gaps in vigorous coursework will remain or widen without intentional interventions.

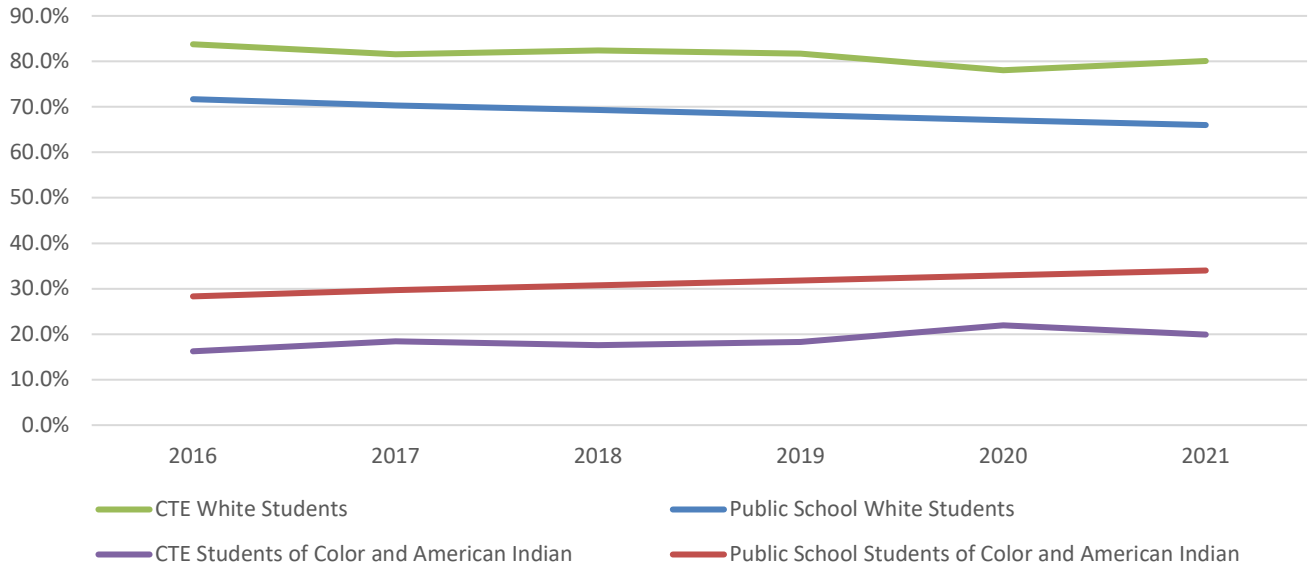
Disproportionate Representation in PSEO Program



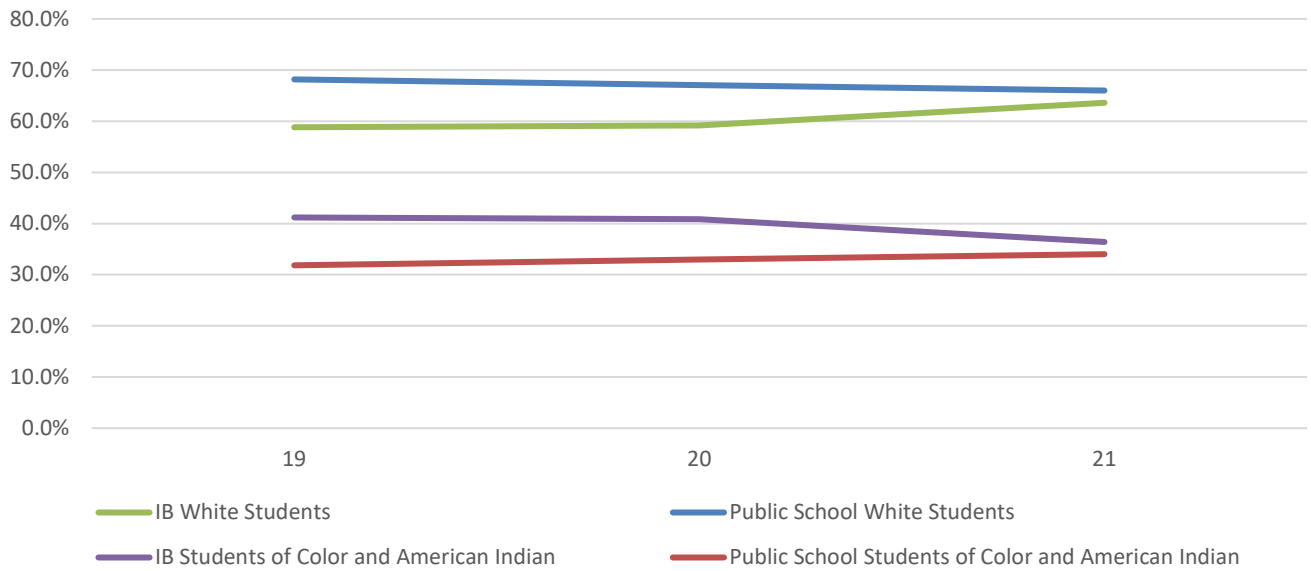
Disproportionate Representation in Concurrent Enrollment Program

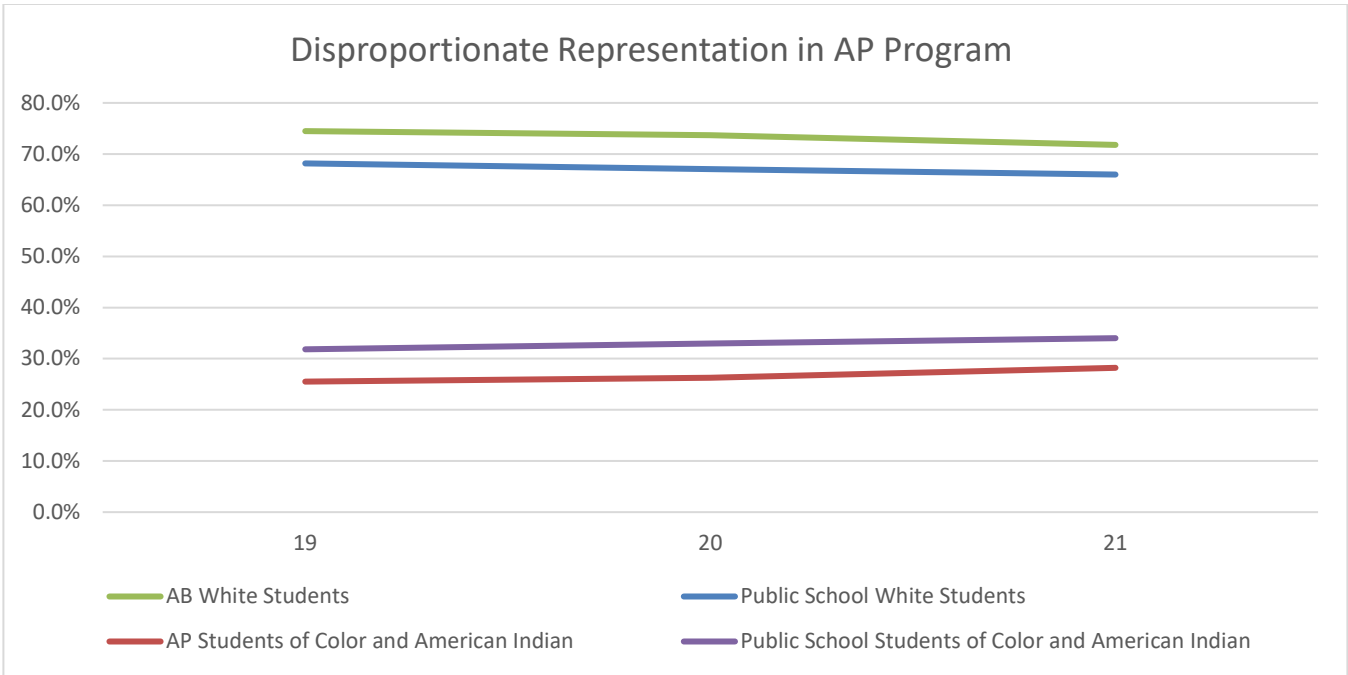


Disproportionate Representation in CTE Program



Disproportionate Representation in IB Program





As demonstrated, data is already collected on these programs. The results of the grant will be included in the Rigorous Coursework Report. Success would be a reversal of the current trend and a closing of the participation gap of students of color and American Indian Students enrolled in rigorous coursework.

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Early Middle College for at-risk students	Early College, Early Success: Early College High School Initiative Impact Study ¹
Personalized Learning	National Dropout Prevention Center. (n.d.). 15 effective strategies for dropout prevention ²
Dual Enrollment	What Works Clearinghouse. (2017). Dual Enrollment Programs. ³

¹ Early College, Early Success: Early College High School Initiative Impact Study. (2013). Retrieved from https://www.air.org/sites/default/files/downloads/report/ECHSI_Impact_Study_Report_Final1_0.pdf

² National Dropout Prevention Center. (n.d.). 15 effective strategies for dropout prevention. Retrieved from http://dropoutprevention.org/wp-content/uploads/2018/03/NDPC_15_effective_strategies.pdf

³ What Works Clearinghouse. (2017). Dual Enrollment Programs. Retrieved from https://ies.ed.gov/ncee/wwc/Docs/InterventionReports/wwc_dual_enrollment_022817.pdf

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Postsecondary Enrollment Options (PSEO) Funding Pilot

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	50,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	50,000	0	0	0
FTEs	3.6	0	0	0

Recommendation:

The Governor recommends \$50 million in fiscal year (FY) 2024 for a pilot to explore fully funding the postsecondary enrollment options (PSEO) program. This funding would primarily provide grants to districts and charter schools to partner with postsecondary institutions (PSI) and allow them to receive full funding for average daily membership (ADM) for students taking PSEO courses. Additionally, the project would provide expanded career and academic counseling supports for students, increase postsecondary degree attainment, target recruitment of underrepresented populations, and provide disaggregated data around current PSEO by contract participation.

Rationale/Background:

The current funding mechanism for PSEO results in a loss of ADM at the secondary school level. Instead, institutions of higher education receive funding for courses. This funding loss negatively impacts school and district budgets, potentially resulting in restricted access to student participation and success in the program. School districts and charter schools have an interest in keeping students in their buildings in order to keep their funding. As a result, high school students may enroll in dual credit courses with little counseling and advising to ensure that their PSEO course selections align with their college and career goals.

In addition to state-paid PSEO described above, Minnesota Statutes, section 124D.09, allows for “courses according to agreements”, known more commonly as “PSEO by contract.” This allows school districts and charter schools to receiving funding based upon ADM and pay the postsecondary institutions directly for course tuition. Many school districts and charter schools prefer this payment model as a way to control their budget. However, reporting to the state is not required and definitive data on overall student participation in PSEO is thus not available. It is estimated that nearly 50 percent of current PSEO participation is through courses according to agreements.

Minnesota would benefit from examining the dual enrollment funding model to ensure greater student access and success. The current model puts secondary and postsecondary systems at odds and does not strengthen partnerships in favor of student outcomes. An accurate picture of statewide PSEO participation encompassing both state-paid PSEO and courses according to agreements to accurately project the budget impact of fully funding PSEO in Minnesota is needed. Further, more supports around advising, counseling, and structured academic tutoring will support students to access and ensure success in PSEO.

Proposal:

This proposal provides \$50 million in FY 2024 for a pilot program focused on PSEO funding methodology and data to inform possible changes, as well as on increasing access and success rates for Minnesota PSEO students. Specifically, the program aims to increase effective partnerships between secondary and postsecondary institutions, provide districts with up to 88 percent in additional ADM for students taking PSEO courses, provide greater support to students in PSEO, and to collect data to understand possible changes around the funding and structure of dual credit opportunities. Funds will be available for four years through FY 2027.

\$47.9 million will provide grants to school districts and charter schools for planning, implementation, evaluation, and reporting. A geographically diverse representation of schools and districts across the state will be encouraged to apply for a grant to pilot the impact of fully funding PSEO at Minnesota high schools. Up to 5 percent of this funding may be used for grant administration.

\$2.1 million will provide increased administrative and programmatic capacity at the state level through 3.6 full-time equivalent (FTE) positions at the Minnesota Department of Education (MDE) and professional services contracts estimated at \$300,000. The positions, collectively spread out over four years, will support the collection of data and its analysis to assist with forecasting the budget costs associated with fully funding PSEO, and establish a system of monitoring, reporting, and evaluating the impacts of fully funding PSEO and PSEO by contract.

Impact on Children and Families:

Dual enrollment has been demonstrated by a number of significant high-quality research studies to improve a student’s ability to access and succeed in college, as well as other positive benefits to the student’s ability to complete secondary education and thrive in postsecondary. As it stands, these opportunities are available to too few Minnesota high school students, despite the intention of the existing program being that all students should have access if they demonstrate college readiness. This proposal would support expanding access to more students, and providing those students with more supports to ensure their success and advancing towards a postsecondary degree or credential.

Equity and Inclusion:

This proposal is designed to contribute towards closing existing equity gaps in dual enrollment participation in Minnesota. The reality of the current funding system is that by and large, only school districts with budgets that can withstand the funding impacts of increased PSEO participation are in a position to encourage student access. Many other school districts and high schools deemphasize or actively work to discourage student participation in PSEO, which exacerbates equity gaps.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

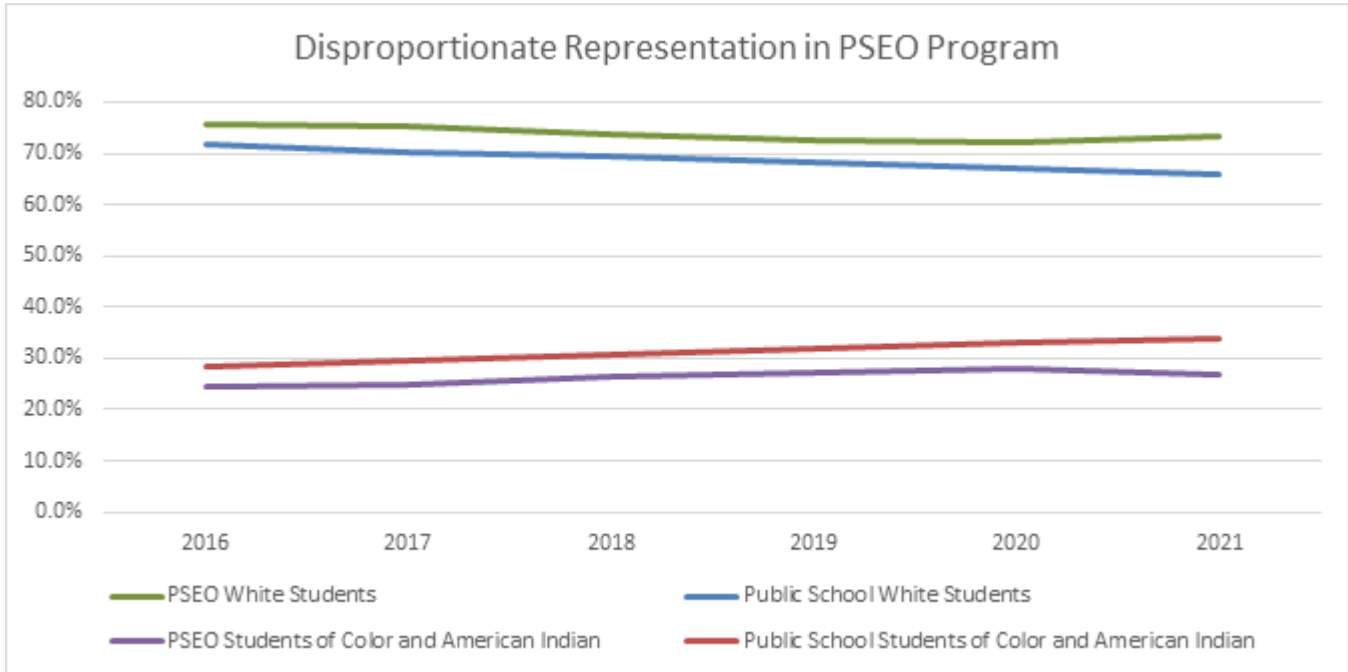
NA

Results:

Part A: Performance measures

MDE annually collects student group data on participation in PSEO. PSEO had enrollment gaps that stayed consistent with overall state demographic enrollment changes from 2016 to 2020. The charts below show these

gaps began to widen during the pandemic. Trend data would suggest the equity gaps in rigorous coursework will remain or widen without intentional interventions.



Quantity: Number of grants, schools, PSIs, and students in PSEO by demographics participating in the pilot. Number of Associate Degrees earned by PSEO student demographics.

Quality: Percent of pilot school students in PSEO by demographics. School, PSIs, student and family satisfaction. Percent of Associate Degrees earned by PSEO student demographics.

Result: For MDE, pilot information will enhance Minnesota’s ability to address participation disparities in PSEO statewide with improved policies, efficiently targeted resources, and expanded best practices. For participating schools, success would be a reversal of the current trend and a closing of the participation gap of students of color and American Indian Students enrolled in PSEO. Success would also be additional students earning Associate Degrees.

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Dual enrollment/Post-Secondary enrollment Options (PSEO)	Washington State Institute for Public Policy & Results First Clearinghouse Database

Statutory Change(s):

Minnesota Statutes, section 124D.09

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Career and Technical Education Access

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	30,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	30,000	0	0	0
FTEs	2.1	0	0	0

Recommendation:

The Governor recommends funding of \$30 million to grow and expand student access to quality Career and Technical Education (CTE) pathways across the state. Funding will provide \$26.3 million in grants to school districts and charter schools to incentivize growth and expansion of CTE programs, \$2.5 million for statewide mentoring supports, and \$1.2 million towards administrative and programmatic capacity to provide technical assistance, training, leadership, and accountability.

Rationale/Background:

Minnesota's workforce is experiencing an employment gap, disparities for underrepresented populations, and a significant talent and skill misalignment. The Minnesota Business First Stop Commissioners heard through their business and community tours (well before the impact of COVID on the economy), that there was a clear need for a renewed commitment to increase funding and support for expanding, and in some areas establishing, CTE programs across the state. Minnesota is home to an over-representative number of Fortune 500 companies due to its highly educated and skilled workforce.

The current CTE Levy provides \$28.1 million in local tax funds for local sustainability. However, there are no current state funds for incentivizing CTE growth and expansion.

Proposal:

This proposal would provide \$30 million starting in FY 2024 to support the expansion of Career and Technical Education programs in public schools as a workforce development tool. Funds will be available over four years through FY 2027.

\$26.3 million will provide grants to school districts, charter schools, and intermediate school districts to expand or establish CTE programs. Funding may be used for teacher development, student development, replacing or purchasing equipment, and curriculum.

\$2.5 million will support a statewide CTE teacher mentoring and retention project, including licensure support for Tier 1 and Tier 2 teachers, and work-based learning adoption.

Additionally, \$1.2 million will support the expansion of the administrative and programmatic capacity at the Minnesota Department of Education (MDE). Specifically, 2.1 full-time equivalent (FTE) positions will provide technical assistance, programmatic approval and accountability activities, connections with educators and industry partners, and coordination of grant and mentorship activities.

Impact on Children and Families:

Students who successfully completed CTE courses with the additional component of a work-based learning course were more likely to become employed in the same region compared to other CTE participants. Successfully completing a work-based learning course or apprenticeship allows students to become more familiar and confident in real work environments, gain valuable work experience, network and meet people in their community with similar interests, and learn more about a particular industry.

Equity and Inclusion:

This proposal will help secondary schools improve equitable access for all students to engage with CTE programs and career pathways. Students who acquire transferable and marketable skills through CTE programs go on to become a part of Minnesota's equitably employed and productive labor force. In fact, high school students who have successfully completed 150 course hours or more in state-approved CTE courses go on to earn a higher income than non-CTE students up to 7 years post high school graduation. This ensures that families are able to earn a sustainable wage and are better equipped to provide stable housing and care for their children.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs:

NA

Results:

During the 2020-2021 school year, MDE supported over 1,400 approved CTE Programs which enrolled 194,896 students. This data is collected as part of MN CTE Program Approval (Rule 3505 Secondary Vocational Education) and the requirements of the *Strengthening Career and Technical Education for the 21st Century Act*.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of students in CTE programs	194,896	10/4/2022			
	Number of CTE Teachers	TBD (PELSB-owned data)				
Quality (Teacher)	Teacher mentorship support-#of teachers on OFP, Tier 1, Tier 2 and moving to Tier 3 or 4. CTE Teacher retention with mentoring and regional supports.	TBD (PELSB-owned data)	TBD	TBD	TBD	TBD
(Student)	Participants	121,915 (63%)				
	Concentrators	72,981 (37%)	10/4/2022			

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Results	Increase in the number of programs	1,515 state-approved CTE programs AFNR: 205 Bus/Mkt: 248 FCS/SO: 222 Health: 69 T&I: 464 WBL: 307	10/4/2022			
	Increase in the number of courses offered.	10,556 courses offered within state-approved CTE programs AFNR: 2,618 Bus/Mkt: 2,521 FCS/SO: 1,860 Health: 308 T&I: 2,534 WBL: 712	10/4/2022			
	Increase participation in Work-Based Learning.	9.98% (n=2,907)	12/17/2021			

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Youth Apprenticeship Programs Alignment

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	300	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	300	0	0	0
FTEs	0.5	0	0	0

Recommendation:

The Governor recommends \$300,000 in fiscal year (FY) 2024 to support the alignment of youth apprenticeship programs coordinated by the Minnesota Department of Education (MDE) to registered apprenticeship programs coordinated by the Minnesota Department of Labor and Industry (DLI).

Rationale/Background:

Currently, students who complete a youth apprenticeship program approved by MDE are unable to transfer their completed program hours to a related registered apprenticeship program administered by DLI. During the 2020-2021 school year this impacted 123 students across 19 youth apprenticeship programs.

This misalignment of programs results in a duplication of efforts by students and families and delays students' entry into the workforce. With a one-time investment, the resulting alignment of programs will ensure students are able to use their youth apprenticeship hours in a registered apprenticeship program, similar to how high school students can use dual credit to meet both secondary and postsecondary educational requirements.

Proposal:

This proposal provides \$300,000 in FY 2024 to support the alignment of apprenticeship programs administered by MDE and DLI. Funds will primarily be used to support a workgroup consisting of MDE representatives, DLI representatives, postsecondary education faculty, and industry representatives to review work competencies within registered apprenticeship programs and identify select work competencies that can be incorporated into youth apprenticeship programs. Funds will additionally support the development of training materials for youth apprenticeship programs, and a 0.5 full-time equivalent (FTE) position to coordinate the alignment project and the subsequent MDE program review process.

Appropriation Summary	FY24
Alignment workgroup activities	\$100,000
Administrative capacity to manage the proposed project	\$175,000
Training materials	\$25,000

Impact on Children and Families:

This proposal will support children and families by increasing access, participation, and representation in rigorous career and technical education courses and by eliminating a duplication of effort in competing a registered apprenticeship program.

Equity and Inclusion:

This proposal helps secondary schools improve youth apprenticeship programming that serves all students, including those that are historically underserved.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

During the 2020-2021 school year, the Minnesota Department of Education coordinated 19 approved youth apprenticeship programs which enrolled 123 students. This data is collected as part of the requirements of the *Strengthening Career and Technical Education for the 21st Century Act* and is disaggregated by federally defined special populations. A gap analysis is conducted each year to identify special population subgroups that are underrepresented within the youth apprenticeship program.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of Approved Youth Apprentices Programs	19	2020-21	22	30	2024-25
Quality	Number of Students Enrolled	123	2020-21	150	210	2024-25
Results	Students Enrolled in Youth Apprenticeship Transfer to Registered Apprenticeship	NA	2020-21	5	30	2024-25

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Computer Science Education

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	400	425	485	485
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	400	425	485	485
FTEs	0	0.3	0.3	0.3

Recommendation:

The Governor recommends \$400,000 in fiscal year (FY) 2024 and \$425,000 in FY 2025 to create a state plan for increasing computer science instruction.

Rationale/Background:

Minnesota ranks lowest in the nation for kindergarten through grade 12 computer science program offerings and participation according to the 2022 State of Computer Science Education Report. In the 21st century, every career that Minnesota high school graduates enter requires some knowledge of computer science. Equitable access to computer science education can be improved. Nationally, it is recognized that access to computer science is seen as an equity issue. Current offerings of computer science are largely less available to students of color, indigenous students, students at rural schools, and students in schools with high numbers of students who qualify for free and reduced-price meals. The perception that its benefit is primarily to college-bound students should be expanded to include the workforce readiness benefits to the Minnesota economy through computer science courses offered through career and technical education programs. Additionally, recently revised Minnesota Academic Standards in Science, English Language Arts (ELA) and Social Studies as well as the forthcoming version 3 mathematics standards include computer science concepts, which are integrated at the benchmark level. Additional training is needed for teachers to be prepared to teach these benchmarks.

There have been efforts by the College Board underway since 2017 to expand access to Advanced Placement Computer Science courses. Career Technical Education (CTE) Frameworks, which identify performance indicators for a variety of computer science courses have been developed and updated in recent years by the Minnesota Department of Educations (MDE) in collaboration with educators and business and industry representatives.

Proposal:

This proposal will fund a new initiative that includes the establishment of a task force, the collection and analysis of data, and a competitive grant opportunity.

The task Force will be convened during the 2023-24 school year. Members will include: government officials, teachers currently teaching computer science including those in CTE programs, administrators, higher education faculty, business representatives, professional organizations including the Computer Science Teachers Association, Professional Educator Licensing and Standards Board staff, and representation from Minnesota American Indian Tribes and communities. Members should represent the geographic and racial/ethnic diversity of Minnesota. MDE, including Academic Standards, Instruction and Assessment and Career and College Success, in collaboration with key groups represented on the task force will work with an external facilitator to lead the

effort. Funds will provide for substitute teachers, meeting space rental, meals (if needed), compensation for task force members' time and mileage/travel. Funds will also be used to support the collection and analysis of relevant data and national association memberships to support the task force.

Funds will also provide a competitive grant opportunity beginning in FY 2025. Grants will provide up to \$435,000 for school districts and charter schools to implement elements of the state computer science plan. This will fund approximately 12 pilots statewide at about \$30,000 in FY 2025 and up to \$36,000 annually in FY2026 and FY2027. Service coops, nonprofit organizations, and postsecondary institutions would also be eligible to apply.

As the state plan is developed it is anticipated that teacher licensure will be an element to increase instructional offerings in computer science. At this point, teachers with business, CTE, and mathematics licenses can teach a computer science course. Additionally, planning and discussion with higher education to support pre-service training and in-service licensure support, as well as professional learning for teachers who are currently licensed and need ongoing support will be necessary.

Description	FY24	FY25	FY26	FY27
Task Force	30,000			
Facilitator	40,000			
PELSB CS Lic	10,000			
HE Engagement	27,000	10,000		
PD	200,000	10,000	20,000	
Data Collection and Analysis	85,000			20,000
Grants (Implementation)		375,000	435,000	435,000
Association Memberships	8,000	8,000	8,000	8,000
5% Grant Admin		21,750	21,750	21,750
TOTAL	400,000	424,750	484,750	484,750

Impact on Children and Families:

The face of the workforce is changing and the transformation of operations requires increased Computer Science education across all individuals to level the employment access and fill projected workforce demands. A positive impact would be the expanded Career Field options for all students by including protected classes with Computer Science education.

Equity and Inclusion:

This budget proposal will provide equitable access to computer science for all students by developing a state plan that will support computer science in elementary and middle schools to build student interest and confidence before traditionally underserved populations begin to self-select out of the subject and reduce barriers to accessing employment for those in low socio-economic areas to reduce cycles of poverty.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

NA

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Percent of high schools that offer foundational Computer Science	35%* Only 33% high schools reported data to the Minnesota Common Course Catalog (MCCC) Of those who reported. Perkins has this data: 69% of schools participating in Perkins offer computer science. There is overlap in the MCCC and Perkins data.	November 2022	35%	50% Arkansas started this work in 2017 and has a graduation requirement for computer science and has 92% of high schools offering the course, the national % is 53% as of 2022 report.	2030
Quality	Number of Educators prepared to provide instruction in Computer Science	0*	September 2022	0*	300**	2030
Results	Number of students taking computer science courses in high school.	We have just AP enrollment in most recent State of Computer Science Report 2022	May 2022			2050
Results	Equitable representation of students taking computer science courses in high school.	39% of the 198 districts that offered computer science courses in 2020-21 were in the 7-county metro area according to MNCCC data.	May 2022	Continued offering of computer science courses mostly in the 7-county metro area	Expanded offering of courses statewide and equitable representation by gender, race and ethnicity, and free and reduced lunch status, of students taking computer science courses.	

*While there isn't a computer science only license, there are teachers with math, business, and Communications Technology Career licenses that teach computer science. There are no pre-service teacher training programs in computer science. Currently, we don't have a way to measure in-service teachers who have completed in-depth professional development in computer science.

**This number would vary based on the licensure recommendations from the task force and how long licensure rulemaking takes

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Adult Basic Education Gross Revenue per Contact Hour Increase

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that the Adult Basic Education (ABE) funding gross revenue per contact hour cap be set at \$30 per contact hour, up from the current \$22 per contact hour cap. This change does not increase overall ABE funding, but it does impact how the funding is distributed among ABE programs.

Rationale/Background:

Due to changes in how programming is offered as a result of the pandemic, individual students are generating fewer contact hours but needing more intensive services. In addition, many ABE grantees have hit the gross revenue per contact hour cap, and some have needed to reduce services in some communities. Currently the capped funds are held until the following year and distributed through the state ABE formula.

The gross revenue per contact hour cap should be adjusted to prevent decreases in ABE services. This will ensure ABE consortia around the state can have the resources to provide high quality adult basic education services. Adjusting this cap can help promote a consistent quality and quantity of adult education services, especially in greater Minnesota.

Proposal:

This proposal will increase the gross revenue per contact hour cap from \$22 per contact hour to \$30 per contact hour. This will not generate more state aid, but it will impact the distribution to ABE programs and result in fewer funds being held until the following year. It will raise the cap that a number of ABE grantees are subject to at the current level and prevent a sharp decrease for others in the future.

The majority of the ABE grantees hitting this cap are in Greater Minnesota. Not adjusting this cap could result in lower grant award amounts leading to fewer ABE services in these Greater Minnesota communities. This change will ensure that more ABE grantees, especially in Greater Minnesota, are able to be fully funded.

This change will be effective for state FY 2024 ABE funding.

Impact on Children and Families:

Research shows that the literacy level of a mother is a key indicator in the educational success of her child(ren). Adults who access ABE services in the state of Minnesota are very often parents or grandparents. Educating these individuals leads to greater school success for the young people in their families. This proposal supports the fair distribution of ABE funding across the state to continue offering this valuable programming to all eligible students.

Equity and Inclusion:

Approximately 80 percent of ABE participants are Black, Indigenous and/or People of Color (BIPOC). This proposal would ensure that there are ongoing funds available for ABE programming to serve people that have not had access to or succeeded in traditional educational systems. In addition, not passing this proposal would create a geographic inequity by decreasing ABE programming in smaller Minnesota communities. Through ABE, adults have access to high quality educational programming to help them build literacy skills, earn diplomas, and complete job training. With literacy skills, diplomas, and job training, adults can receive the education they deserve and can succeed in family-sustaining wage careers.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of participants served with 12+ hours that are included in federal targets	25,029	2021-22	22,526	26,000	2023-24

Evidence-based Practice	Source of Evidence
Adult Education	https://ies.ed.gov/ncee/pubs/2021007/
High School Equivalency Diplomas	https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/high-school-equivalency-credentials

Statutory Change(s):

Minnesota Statutes, section 124D.531, subdivision 4

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Adult Basic Education Funding Growth Factor Clarification

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends a statutory clarification of the Adult Basic Education (ABE) funding growth formula, ensuring continued funding for ABE at current levels (Minnesota Statutes 2022, section 124D.531). There is no cost for this proposal.

Rationale/Background:

ABE provides instruction to eligible adults in the basic academic skill areas of reading, writing, speaking, and math. ABE courses include workforce instruction, literacy tutoring, English proficiency for speakers of other languages, citizenship training, work readiness, high school diploma instruction, and transition to postsecondary education.

Currently, Minnesota Statutes, section 124D.531, directs that ABE aid be equal to the prior year plus cap savings times either 1.03 or the actual growth rate of contact hours, whichever is less. Historically, the actual growth rate has increased. The average ABE growth in contact hours over the prior 10 years is now less than 1.00. Disruptions due to COVID-19 have exacerbated this issue.

For the FY 2019 ABE aid calculation, MDE determined that the statute was not intended to cause the aid to decline and that the statute had been written as it was because no one imagined the “growth” factor would ever be less than 1.00. MDE sought and received an Attorney General’s (AG) opinion that agreed with that assertion. As a result, the FY 2019 and FY 2020 ABE aids were calculated using a growth factor of 1.00.

Proposal:

This proposal will clarify the statute on the ABE funding growth formula to confirm that the growth formula projections would not mean that funding would automatically decrease from one year to the next, if growth trends decreased. The AG opinion supports this recommendation.

This is a change to an existing program and does not require additional funding. The average ABE growth in contact hours over the prior 10 years is now less than 1.00. The current statute directs that the ABE appropriation be equal to the prior year plus cap savings times either 1.03 or the actual growth rate, whichever is less. Given the above, the statute should be changed to align with the AG’s opinion and current practice.

Impact on Children and Families:

This proposal would confirm at least level funds available for ABE programming, including programming for parents. In 2019-20, more than 48,900 individuals age 17+ participated in Adult Basic Education (ABE). Annually, just over 10 percent of individuals served by ABE are single parents. Many more participants are parents that are

not identified as single parents. Through ABE, parents have access to high quality educational programming to help them build literacy skills, earn diplomas, and complete job training. With literacy skills, diplomas, and job training, parents better support children with their education. Parents also have more skills and confidence in serving as their children’s first educator. Parents succeeding in family-sustaining wage careers create more stable homes for children.

Equity and Inclusion:

Approximately 80 percent of ABE participants are Black, Indigenous, and/or People of Color (BIPOC). This proposal would ensure level or increasing funds available for ABE programming to serve people that have not had access to or succeeded in traditional educational systems. Through ABE, adults have access to high quality educational programming to help them build literacy skills, earn diplomas, and complete job training. With literacy skills, diplomas, and job training, adults can receive the education they deserve and can succeed in family-sustaining wage careers.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

ABE programming currently occurs in at least three Tribal Nations: Red Lake, White Earth, and Leech Lake. Red Lake and White Earth’s Tribal Nation organizations are ABE grantees, while Cass Lake-Bena Public Schools operates the ABE program in Leech Lake’s Tribal Nation. In addition, American Indian OIC is another ABE grantee with sites also at Northwest Indian CDC in Bemidji. Statewide decreases in ABE funding would affect these Tribal Nations allocations.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of participants served with 12+ hours that are included in federal targets*	25,029	2021-22	23,777	25,029	2023-24

Evidence-based Practice	Source of Evidence
Adult Education	https://ies.ed.gov/ncee/pubs/2021007/
High School Equivalency Diplomas	https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/high-school-equivalency-credentials

Statutory Change(s):

Minnesota Statutes, section 124D.531

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: High School Equivalency Test

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	490	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	490			
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$490,000 in fiscal year (FY) 2024 to pay for one commissioner-approved high school equivalency exam per eligible Minnesota tester. The current commissioner-approved tests are General Educational Development test (GED) and the High School Equivalency Test (HiSET).

Rationale/Background:

A full test battery for the GED or HiSET currently costs as much as \$136. This is a barrier for Minnesotans that are not able to afford to pay for a GED or HiSET test to earn their High School Equivalency Diploma. Minnesotans should not be denied the opportunity to earn a high school equivalency diploma due to not having enough money to pay to take the assessment.

The Minnesota Department of Education (MDE) has issued approximately 2,000-10,000 high school equivalency diplomas per year to those that have passed the GED test. From 2016 through 2020, state funds have been available to pay for one complete high school equivalency testing battery. Since the allocation for a free test ended, testing numbers have dropped and tests have become less accessible, especially for Minnesotans with low incomes.

The benefit of having high school tests accessible for any Minnesotan in need will ensure they can earn a diploma and improve their career and earning potential upon receipt. People with diplomas, including high school equivalency diplomas, generally earn more than people who do not have a diploma. On average, GED graduates can earn \$9,000 more per year, according to GED Testing Service. With a high school equivalency diploma, graduates are more likely to succeed in family-sustaining wage careers. Paying for one testing battery per Minnesotan will reduce barriers for Minnesotans in earning their high school equivalency diploma. Having more Minnesotans with diplomas will create a more skilled and more employable workforce, benefiting Minnesotans and employers.

Proposal:

This proposal allocates \$490,000 in FY 2024 to be used to pay for one high school equivalency test per applicant. Funds may be used for up to four years through FY 2027.

All funds will pay for GED and HiSET testing fees. The fees are as much as \$136 per test currently. This funding could pay for an estimated 3,500 complete high school equivalency test batteries for Minnesotans taking GED and HiSET tests starting July 1, 2023.

Impact on Children and Families:

This proposal would prevent family income from being diverted from food and other family expenses to pay for high school equivalency testing.

Equity and Inclusion:

Adults who do not have a diploma have experienced interrupted education due to hardships and face barriers to employment. These adults are disproportionately Black, Native American, and people of color.

Approximately 50 percent of Minnesota’s GED testers are Black, Indigenous, or People of Color (BIPOC).

Ensuring an accessible path to earn a high school equivalency diploma can start to reduce these disparities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of Testers in MN	3,552	2020-21	3,552	4,000	2023-24
Quantity	Number of Tests in MN	10,403	2020-21	10,403	13,900	2023-24
Quality	Minnesota’s High School Equivalency Assessment Passing Rate	81%	2020-21	81%	81%	2023-24
Results	Number of High School Equivalency Diplomas Issued in MN	1,724	2020-21	1,724	2,500	2023-24

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
High School Equivalency Diplomas	https://www.countyhealthrankings.org/take-action-to-improve-health/what-works-for-health/strategies/high-school-equivalency-credentials

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Early Childhood Health and Developmental Screening Aid Increase

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,059	1,096	1,087	1,087
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,059	1,096	1,087	1,087
FTEs	.50	.50	.50	.50

Recommendation:

The Governor recommends \$1,059,000 in fiscal year (FY) 2024 and \$1,096,000 in FY 2025 to increase reimbursement rates by 30 percent for Early Childhood Screening (ECS) state aid. Funds will cover increased costs to administer the program at the local level and provide administrative funding, including for funds to improve information technology, and for the Minnesota Department of Education (MDE) to support local school districts and charters who elect to provide the screening program.

Rationale/Background:

Early Childhood Health and Developmental Screening is a brief procedure used to identify and refer potential health or developmental problems in young children who may need a health assessment, diagnostic assessment, or educational evaluation. Screening includes identification of risk factors that may influence learning, health care coverage, vision and hearing, height and weight, immunization review, large and small muscles, thinking, language and communication skills, as well as social and emotional development. Screening offers families anticipatory guidance on development and refers families to early learning programs. Early screening leads to earlier intervention and better learning and health outcomes. Screening is required for entrance in Minnesota's public schools' early learning programs or within 30 days of enrollment into kindergarten.

Districts and the 10 charter schools who elect to provide the screening program are given state aid reimbursement based on the age of each child at the time of screening. Training and higher reimbursement rates incentivize screening at younger ages. Current rates range from \$75 for age 3 and \$30 for a child in the first 30 days of kindergarten.

Screening state aid has remained consistent since 2008, while costs of staff and staff turnover, interpreters, and administration continue to rise. Districts have reported through the annual statewide screening report that they have to supplement screening costs by over 30 percent in order to fully support this requirement. Similarly, MDE has been administering this required, universal program with only 0.5 full-time equivalent (FTE). In the seven years prior to COVID-19, the numbers of 3-year-olds screened had risen by about 1 percent each year. With an increase in state aid funding for screening staff and services, it is assumed the number of 3-year-olds screened will again increase each year.

Districts, charters, screening coordinators, parents who have difficulty accessing appointments, and the Minnesota Interagency Developmental Screening Task Force have requested this change. Additionally, MDE has learned through family feedback that families are not consistently offered interpreters for early childhood

screening. Lack of interpreters is a barrier to screening and is directly related to the screening programs' lack of funds since a typical interpreter costs more than the current average reimbursement rate.

Proposal:

The proposal requests additional funding to support a 30 percent increase in Early Childhood Screening Program aid. The estimated additional aid generated is approximately \$1 million per year on an entitlement basis, though the final cost is dependent on the number of screenings districts are able to complete. It is expected that as a higher state aid is awarded, districts will have increased capacity and staff to screen more children in subsequent years but also recognized that birth rates are expected to decline.

By increasing state aid by 30 percent, which is the low estimate of the amount districts report needing to spend from their local funds to meet the screening program costs, districts will be better able to fully implement their programs. Children between the age of three and the start of kindergarten, and their parents, will be impacted by this funding increase through earlier access to high quality screening, referral and intervention, or resolution of health and developmental concerns, thereby decreasing the cost burden of long-term disability services. The increase in state aid will result in districts being better able to fully implement their screening programs, through hiring additional staff to screening, resulting in a higher number of children being screened at three years of age, as was the case after the 2008 state aid increase. The incentive for districts will promote program changes to focus on screening at three years of age.

This proposal includes \$50,000 in FY 2024 for technology upgrades and \$77,000 in FY 2024 and thereafter for 0.5 FTE at MDE to improve administration.

Impact on Children and Families:

With additional early childhood screening aid school districts will be better able to meet the needs of all children and families, and in particularly those who speak languages other than English, by having additional funds for translation services. Data demonstrates that increased screening at three years old is consistent with improved attendance in kindergarten. Improved attendance is linked to better learning outcomes. Early detection of health and developmental concerns, as evidenced in special education data, is also linked to improved reading in third grade.

Equity and Inclusion:

Currently, Black, Indigenous, and people of color (BIPOC) are less likely to receive screening prior to kindergarten entry. Increasing state aid will support districts in reaching more children earlier. Because fewer BIPOC children currently receive screening than white children relative to their population, increasing the number of children screened will likely benefit these populations. Additionally, families who speak languages other than English will have greater access to early childhood screening because districts will have additional funding to support translation services.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Percentage of Minnesota 3-year-old children receiving health and developmental screening.	22%	FY 2021	24%	35%	FY 2024
Quality	Percentage of districts providing interpreter assistance for diverse populations to access screening.	73%	FY 2021	74%	77%	FY 2024
Results	Referrals for further assistance made for children identified as having possible health and/or developmental concerns including interventions to resolve the newly identified issues.	16,123	FY 2021	16,500	18,000	FY 2024

Statutory Change(s):

Minnesota Statutes, section 121A.19

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Early Childhood Technical Funding Correction: English Learner and Breakfast Aid for Early Childhood Special Education (ECSE) Students

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	570	671	733	810
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	570	671	733	810
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$570,000 in fiscal year (FY) 2024 and \$671,000 in FY 2025 to address two technical funding gaps related to young children with disabilities. These corrections will ensure they have equal access to services and equitable funding when compared to their general education peers enrolled in prekindergarten programs. Specifically, this recommendation includes making changes to the eligibility of English language (EL) learner and school breakfast programs to include early childhood special education (ECSE) students.

Rationale/Background:

There are several different general education-funded early childhood programs that districts may offer, each with slightly different program requirements. An unintended consequence has been exclusions in statutory language as new programs have been added to ensure that children with disabilities receive the same benefits as children without disabilities. Currently districts administering voluntary prekindergarten (VPK) or school readiness plus (SRP) early childhood programs do not receive state aid for English language learner services or school breakfast for their ECSE students. Therefore, they are not obligated under Minnesota statute to provide those services to children receiving ECSE services, while they must for children who do not receive ECSE services. It is unclear if districts are providing the services without funding or not, but regardless, children receiving ECSE services should generate equitable funding.

Proposal:

This proposal will make voluntary prekindergarten (VPK) and school readiness plus (SRP) students receiving ECSE services eligible for English learner services and prekindergarten school breakfast reimbursements consistent with their peers not receiving ECSE services beginning in FY 2024.

Since FY 2015, 13.12 percent of ECSE students ages 3 to 5 spoke a language other than English at home. This number matches closely to the 13.79 percent of students in the student accounting grade for kindergarteners with a disability. Of those kindergarteners with a disability, about 81.5 percent have been identified as qualifying for English learner services. The forecasted cost for expanding English learner services to ECSE students uses the kindergarteners with a disability identification rate to estimate a potential 900 ECSE students that qualify for English language services. Using an assumption that 65 percent will take up services in the first year and that the take up rate will increase by 5 percent until FY 2027, the expenditures for English learner services for VPK/SRP students will increase by \$546,000 in FY 2024 and \$596,000 in FY 2025 on an entitlement basis.

In FY 2020, 1,767 ECSE students were served in a VPK or SRP setting. The estimated cost for providing breakfast to ECSE students used the same participation rates, days served, and cost per meal used for estimating meals for VPK/SRP students. This component of the proposal will cost \$79,000 in FY 2024 and thereafter.

This proposal provides technical clean up in law and is consistent with efforts to make sure that all early learning students enrolled in classrooms have equitable access to services and supports, including children who are receiving early childhood special education services. This proposal also produces efficiencies for program management and creates inclusive classrooms that support a strong early start for young children. School districts have been supportive of these fixes over multiple years.

<i>(entitlement basis)</i>	<i>FY 2024-2025</i>	<i>FY 2026-2027</i>
<i>English Learner Eligibility</i>	<i>\$1,142,000</i>	<i>\$1,399,000</i>
<i>School Breakfast Eligibility</i>	<i>\$158,000</i>	<i>\$158,000</i>
<i>TOTAL</i>	<i>\$1,300,000</i>	<i>\$1,557,000</i>

Impact on Children and Families:

This proposal would assure equitable access to English learner and breakfast programs for students with disabilities participating in state funded preschool programs.

Equity and Inclusion:

The proposal addresses a student population that is at risk academically, but also has a higher percentage of protected students and a higher percentage of students who are economically disadvantaged. As a whole, 36 percent of kindergarten students with disabilities are students of color or American Indians and 47 percent are eligible for free or reduced-price meals. Kindergarten students with disabilities in targeted services programs are 54 percent students of color or American Indians and 54 percent are eligible for the free or reduced-price meal program.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Currently, there are no children receiving state aid for these services. Almost 1,000 additional children will earn state aid for school breakfast and EL services as a result of the proposal.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of pre-k students with ESCE services receiving state aid for school breakfast	0	FY 2022	0	881	FY 2024
Quantity	Number of pre-k students with ESCE services receiving English Language services	0	FY 2022	0	573	FY2024

Statutory Change(s):

Minnesota Statutes, section 124D.59
 Minnesota Statutes, section 124D.1158

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Early Childhood Technical Funding Correction: Average Daily Membership (ADM) Change for Kindergarten Students with a Disability

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	67	73	76	76
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	67	73	76	76
FTEs	0	0	0	0

Recommendation:

The Governor recommends changing the average daily membership (ADM) calculation for kindergarten students with a disability by making it the same as the ADM calculation for other kindergarten students. This will eliminate an unintended and inequitable disparity in funding between kindergarten students with a disability and other kindergarten students. Currently, kindergarten students with a disability generate slightly less general education revenue than their nondisabled peers who are served the same number of hours during the fiscal year. This proposal would increase general education spending by \$67,000 in the fiscal year (FY) 2024, \$73,000 in FY 2025, and \$76,000 each year thereafter.

Rationale/Background:

ADM and pupil units for kindergarten students with a disability have long been calculated based on the ratio of the number of hours of assessment and education services required in the fiscal year by the student's individualized education program (IEP) to 875 hours, with a limit of one pupil unit per student. Since the ADM calculations for kindergarten students with a disability are based on total hours served during the fiscal year and are limited to 1.0 ADM, kindergarten students with a disability do not generate extended-time revenue when they are served in a targeted services program outside of the regular school day.

Pupil units for nondisabled kindergarten students were historically limited to 0.50, and later to 0.612. When all-day, every day kindergarten funding was enacted in 2013, the ADM calculations for kindergarten students with a disability were inadvertently not updated to make them consistent with the calculations for kindergarten students without a disability. Kindergarten students without a disability generate one pupil unit if enrolled for 850 hours during the school year, and also qualify for extended-time funding if enrolled in a targeted services program outside of regular school hours. As a result, kindergarten students with a disability generate less general education revenue per hour enrolled than non-disabled kindergarten students for two reasons: (1) The number of hours required to generate one ADM is 875 for students with a disability and 850 for students without a disability; and, (2) students with a disability do not qualify for extended-time revenue if they are served outside of regular school hours in a targeted services program. For grades 1 through 12, ADM for students with a disability is calculated in the same manner as for students in the same grade level without a disability.

Calculating ADM for kindergarten students with a disability in the same manner as for kindergarten students without a disability will simplify the school finance system by eliminating a separate set of ADM calculations for these students. Simplifying the ADM calculations also streamlines student reporting for school districts and

charter schools by eliminating the need to compute membership differently for kindergarten students with a disability than for their nondisabled peers and older students.

Proposal:

This proposal provides that, beginning in FY 2024, ADM and pupil units for kindergarten students with a disability would be calculated in the same manner as they are for kindergarten students without a disability. The impact on regular ADM for kindergarten students with a disability will be negligible because nearly all of these students are currently served in a program providing 875 or more hours of service per year.

Kindergarten extended-time ADM is projected to increase by 16 in FY 2024 and later (a 5.8 percent increase). The cost of the proposal would be \$67,000 in FY 2024, \$73,000 in FY 2025, and \$76,000 each year thereafter.

Impact on Children and Families:

This proposal would assure that kindergarten students with an IEP are not discouraged from participation in targeted services programs because of the program’s inability to generate extended-time revenue.

Equity and Inclusion:

While there are no documented cases of kindergarten students with a disability being denied access to extended-time programs, the current ADM calculations create a financial disincentive for school districts to provide targeted services to kindergarten students with a disability. The proposal would eliminate an unintended and inequitable disparity in funding between kindergarten students with a disability and kindergarten students without a disability. There is no justification for providing less funding for kindergarten students with a disability than for kindergarten students without a disability.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

NA

Results:

The calculation of general education revenue will be simpler and more equitable.

Statutory Change(s):

Minnesota Statutes, section 126C.05, Subdivision 1

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Special Education Separate Sites and Programs Aid

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	4,378	5,083	5,337	5,604
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,378	5,083	5,337	5,604
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$4,378,000 in fiscal year (FY) 2024 and \$5,083,000 in FY 2025 to fund a per pupil allocation to special education separate schools, sites, and programs (Special Education Settings 4 and higher) to better serve students with disabilities with the highest needs for services and supports. Funding will be used to provide the additional services and supports that students with disabilities with the highest needs require, and which are not sufficiently met with existing state and federal special education funds.

Rationale/Background:

The provision of special education services and supports for students with disabilities with the highest levels of need can impose per pupil costs on a school district that are significantly higher than the average per pupil costs of special education. Information from special education directors confirms that these higher costs pose significant challenges to the capacity of special education separate sites and programs (Special Education Settings 4 and higher) including special education cooperatives, intermediate school districts, and education cooperatives. Where the additional costs of special education are not met with state and federal special education funds, costs are subsidized by local level education funds.

Previous grant funding – which was provided to intermediate school districts to support their capacity to provide mental health services to students with disabilities with the highest needs for those services – demonstrated the efficacy of focused funding to not only improve school district capacity for services and supports, but also improve educational efficacy and success for students with disabilities as well. The previously funded grants were featured both in news media (<https://apnews.com/article/b7f9599026144ef58aa82c65dc284050>) and the Minnesota legislature’s Session Daily (<https://www.house.leg.state.mn.us/SessionDaily/Story/13032>).

Proposal:

The proposal will provide additional funding to special education separate sites and programs (Special Education Settings 4 and higher), including special education cooperatives and intermediate school districts, in order to support the needed capacity of programs to provide services and supports to students with disabilities with the highest needs. Funding would be allocated based upon the number of students with disabilities at an approximate rate of \$1,689 per average daily membership (ADM), and is in addition to state special education aid. This rate is based on a per pupil amount previously provided to intermediate school districts through a 2018 Department of Human Services (DHS) school mental health innovation grant.

# of School Systems	# of Students with Disabilities	Funding in FY 2024
<p style="text-align: center;">36</p> <p>Special Education Cooperatives, Intermediate School Districts, and Education Districts with Special Education Separate Sites and Programs in Minnesota</p>	<p style="text-align: center;">2,880</p> <p>Average Daily Membership (ADM) in Special Education Cooperatives, Intermediate School Districts, and Education Districts with Special Education Separate Sites and Programs in Minnesota</p>	<p style="text-align: center;">2,880 x \$1,689 = \$4,864,320</p> <p>Average Daily Membership (ADM) multiplied by \$1,689</p> <p>\$4.9m is the amount of the aid entitlement in FY24; \$4.4m is the appropriated amount. Entitlement growth is estimated at 5% annually.</p>

Education cooperatives, intermediate school districts, and education districts would be able to use the additional provided state funding for the same uses as are permitted for state special education aid (see the [Special Education Funding Guide](#), and [Section 19 - Eligibility of Expenditures for Special Education Aid](#)). These uses include staffing and direct provision of special education services and supports for students with disabilities with the highest needs for those services and supports. Special education cooperatives, intermediate school districts, and education districts accessing these funds would determine their own district level budgets and expenditures to provide services and supports to students with disabilities with these funds, as they do currently with state special education aid.

Impact on Children and Families:

Because the focus of this proposal is on supporting school capacity to serve students with disabilities with the highest needs, and because these needs often include significant needs for individualized mental health services and behavioral supports, the proposal aligns with current MDE work to implement [Positive Behavioral Interventions and Supports](#) (Tier 3) and reduce of the use of [restrictive procedures](#) in special education programs. It is possible that improved services for a students in special education separate sites and programs could support successful transition of the student to less restrictive and more integrated educational settings, an overarching goal of both Minnesota’s [State Performance Plan \(SPP\)](#) for special education (filed with the federal [Office of Special Education Programs](#)), and the [Minnesota Olmstead Plan](#).

Equity and Inclusion:

The funding is designed to reduce or eliminate inequities for students with disabilities with the highest needs for individualized services and supports in school, and especially in special education separate sites and programs. The needs of these students represent the highest levels of need among Minnesota’s student population; the equitable level of support that these students need will be bolstered by the proposed funding.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Minnesota special education performance measures are integrated into the state’s Special Education [State Performance Plan and Annual Performance Report](#) (SPP/APR) to the federal [Office of Special Education Programs](#), and are publicly available. There are not any established performance measures for adequacy of funding support to special education separate sites and programs (Special Education Settings 4 and higher) to meet the needs of students with disabilities with the highest needs for individualized services and supports. It may be possible to measure improvement in student outcomes in special education separate sites and programs from the year before added funding implementation – i.e. FY 2023 – through the successive years of the proposed additional funding. The student outcome measures may include attendance, graduation, and dropout.

Statutory Change(s):

New statute

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Special Instruction and Services Extended to Age 22

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	4,567	5,108	5,113	5,113
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,567	5,108	5,113	5,113
FTEs	0	0	0	0

Recommendation:

The Governor recommends funding to extend special instruction and services for children with a disability until age 22, consistent with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. § 1412(a)(1)(B). This proposal would increase general education funding by \$4,567,000 in fiscal year (FY) 2024 and \$5,074,000 thereafter and special education aid by \$34,000 in FY 2025 and \$39,000 in each year thereafter.

Rationale/Background:

Currently, under Minnesota Statutes, section 125A.03(b), special instruction and services must be provided from birth until July 1 after the child with a disability becomes 21 years old. However, under the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. § 1412(a)(1)(B), a free appropriate public education (FAPE) must be “available to all children with disabilities . . . between the ages of 3 and 21, inclusive.” Ensuring special instruction and services are provided to children with disabilities from birth until their 22nd birthday is important for their success and alignment with federal law. School districts should also receive funding for those services.

Proposal:

This proposal will ensure that children with disabilities receive services until their 22nd birthday, instead of ending services July 1 after the child with a disability comes 21 years old. The estimated cost of the proposal is \$4.567 million in FY 2024 and \$5.108 million in FY 2025. Actual costs would be determined based upon the number of students with disabilities turning 21 prior to July 1 each year and the special instruction and services necessary for those children to continue to receive a free and appropriate education (FAPE) as required by federal law.

There were 357 students who were age 21 as of December 1, 2021, and another 1,108 students who were age 20. The 357 students who were age 21 and 620 of the students who were age 20 would normally have aged out of special education and would not have been eligible for services in FY 2023, but would now be eligible under this proposal. Nearly all of the cost of the proposal is due to additional general education revenue based on the average daily membership (ADM) these students would generate.

Impact on Children and Families:

This proposal will increase equity and bridge the opportunity gap for children, youth, and families through improved and continued access to special instruction and services throughout the State of Minnesota. This proposal provides additional services to improve the lives of the next generation of Minnesotans with disabilities.

Equity and Inclusion:

The proposal will assist in reducing the inequities for people with disabilities by strengthening skills and career and college readiness to allow people with disabilities a more equitable opportunity to compete and engage in Minnesota's career and technical education pathways. The proposal supports students historically left behind.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

This proposal creates a change to the existing programs and activities pertaining to the provision of special instruction and services. Currently, special instruction and services are provided to children with disabilities from birth until July 1 after the child with a disability becomes 21 years old. This proposal extends the existing program of special instruction and services until the child with a disability becomes 22 years old. Performance measures would continue to include ensuring the provision of a free appropriate public education to each child until the age of 22 as outlined by state and federal laws (IDEA) and would be enforced through the alternative dispute resolution systems guaranteed under state and federal laws.

Statutory Change(s):

Minnesota Statutes 125A.03(b), Minnesota Statutes 120A.20, subdivision 1(c), Minnesota Statutes 121A.41, subdivision 7(a)(2), Minnesota Statutes 124D.128, subdivision 2(c) and Minnesota Statutes 124D.68, subdivision 2(b).

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Specific Learning Disability Criteria Change

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	573	573	573	573
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	573	573	573	573
FTEs	1.15	1.15	1.15	1.15

Recommendation:

The Governor recommends \$573,000 annually to update the policy and state rule for identifying students with Specific Learning Disabilities (SLD) so that they align with the currently applicable federal reauthorization of the Individuals with Disabilities Education Act (IDEA).

Rationale/Background:

Minnesota has two options for determining eligibility for special education services. The first option is use of data determining below grade-level performance, lack of response to well-designed interventions, and a weakness in a basic psychological process that is consistent with low achievement. Some may refer to this as lack of response to intervention or identification through a Multi-tiered System of Supports (MTSS). Districts do not have to apply or be approved to use eligibility criteria under a MTSS system; however, they must document their process in the Total Special Education System (see Minnesota Rules, part 3525.1341, subpart 4). Many schools maintain use of discrepancy criteria for instances where data and application of a MTSS system are not in place and implemented with fidelity. Districts are not required to report which criteria they are using for eligibility; however, in a survey of 1,500 schools across the state, only 20 percent report fully implementing MTSS (2018 MTSS survey results).

For the last 15 years, stakeholder groups such as parents, advocates, school psychologists, administrators, and educational lawyers have expressed enduring concerns on who is and is not being identified and provided specially designed instruction. There is worry about not just the criteria but that data used for eligibility does not enable the team to articulate the nature of the disability and its impact on growth, access, and progress in state standards. Multiple stakeholders are also increasingly concerned that identification has no correlation to needs-based services and improved student outcomes.

Proposed changes in rule will need to address, or be aligned to, the accountability of schools in systematizing supports for core instruction and interventions. Federal reauthorization of IDEA and changes to eligibility criteria for the category of Specific Learning Disabilities is overdue and needs to be aligned to current and evolving evidence-based practices in identification.

Proposal:

This proposal provides \$573,000 annually beginning in FY 2024 to update the policy and state rule for identifying students with Specific Learning Disabilities (SLD) to be consistent with changes in Federal Individuals with Disabilities Education Act (IDEA) made in 2004 and amended in 2015. Funds will support rulemaking, administrative updates, and training resources.

Impact on Children and Families:

This proposal will support children being identified for special education services by addressing current delays in SLD identification that leads to gaps and increased costs of services. It benefits students, families, and schools when specially designed instruction can occur at ages earlier than third grade.

Equity and Inclusion:

This proposal will help to remedy current equity gaps in special education identification of students with specific learning disabilities. Currently SLD criteria under-identify some groups (Asian, white, and Dual Language Learners) while over identifying other groups (Latino, Native American, African American, and low socio-economic).

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

NA

Results:

Part A: Performance measures

Current performance measures include [IDEA 618](#) data reporting and annual special education [State Performance Plan and Annual Performance Report](#) submission to the federal Office of Special Education Programs, including count of students served in the special education category of Specific Learning Disability, and analyses of disproportionality in the identification of students for special education by race/ethnicity.

Annual and historical data of Minnesota special education [Child Count](#) by disability category of Specific Learning Disability, race/ethnicity, ad age, are publicly available from MDE at [Data Reports and Analytics](#).

2022 Data

Race	Disability	TOTAL
Asian	Specific Learning Disabilities	1,540
Black	Specific Learning Disabilities	4,582
Haw/Pacif Isl	Specific Learning Disabilities	37
Hispanic	Specific Learning Disabilities	6,524
Multiple Race/Ethnicity	Specific Learning Disabilities	2,423
Native American/Alaska Native	Specific Learning Disabilities	1,281
White	Specific Learning Disabilities	20,524
	TOTAL	151,532

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
MTSS for SLD Identification	<p>The following national technical assistance centers provide sources of evidence and implementation guidance:</p> <p>National Center on Intensive Interventions (NCII), http://www.intensiveintervention.org/ NCII’s mission is to build district and school capacity to support implementation of data-based individualization in reading, mathematics, and behavior for students with severe and persistent learning and behavioral needs.</p> <p>National Center on Response to Intervention (NCRTI), www.rti4success.org The National Center on Response to Intervention’s mission is to provide technical assistance to states and districts and build the capacity of states to assist districts in implementing proven models for RTI/EIS.</p> <p>RTI Action Network, www.rtinetwork.org/connect/leadership-network The RTI Action Network provides resources to guide educators and families in the large-scale implementation of RTI. The RTI Action Network provides a variety of resources for RTI including: “virtual visits” to schools implementing RTI, expert interviews, online discussions, forms, checklists, and research briefs. The RTI Action Network is a program of the National Center for Learning Disabilities, funded by the Cisco Foundation.</p> <p>In addition see Whittaker, M. and Burns, M. (2019), <i>Evaluation for Specific Learning Disabilities: Allowable Methods of Identification and Their Implications</i>, National Center for Learning Disabilities: https://www.nclld.org/wp-content/uploads/2019/11/NCLD-White-Paper-Evaluation-for-Specific-Learning-Disabilities-Allowable-Methods-of-Identification-Their-Implications.Final_.pdf</p>

Statutory Change(s):

NA

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: After School Community Learning Grant Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	45,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	45,000	0	0	0
FTEs	2.25	0	0	0

Recommendation:

The Governor recommends one-time funding of \$45 million in fiscal year (FY) 2024 to reestablish the After School Community Learning grant program that expired in FY 2009 in order to meet the needs for expanded learning opportunities in communities across the state. The funding will provide grants that connect schools and communities so that they can offer culturally affirming and enriching afterschool programs that meet the needs of students and their families. Incorporated are changes to the existing program to include funding to support organizational capacity building and professional development activities.

Rationale/Background:

According to a [2020 report from the Afterschool Alliance](#), school-age children and youth spend 80 percent of their waking hours outside of school. High-quality afterschool programs provide benefits to youth, families, and communities that can support social, emotional, cultural, and academic development and provide safe and supportive environments for children and youth. Minnesota students continue to feel the impacts of social isolation and disruptions to learning during the pandemic. Increasing access to high-quality afterschool programs will provide additional learning time and promote social-emotional wellbeing for students. Investments in professional development and continuous program improvement infrastructure ensure that all program providers have access to the training and support they need to be effective.

Minnesota has a history of funding afterschool programs. In the 1990s, the state operated the After School Enrichment program. The grant program was defunded in 2002. The After School Community Learning Centers grant program was originally established in 2007 and provided funding for programs that served youth after school or during non-school hours. The funding provided grants to 21 afterschool program providers for two years. The grant program ended in 2009 because funds were not appropriated to implement the program but the statute establishing the program remains (Minnesota Statutes, section 124D.2211).

The Minnesota Department of Education (MDE) also administers the federal 21st Century Community Learning Centers (21st CCLC) grant program. Since 2002 MDE has held eight grant competitions and received 500 applications for grant awards but has only been able to fund approximately 25 percent of the proposals submitted over the years. Until 2021, the 21st CCLC grant program was the only dedicated federal source of funding for afterschool and the largest source of funding for afterschool programming in Minnesota. The Elementary and Secondary School Emergency Relief (ESSER) funds included in the American Rescue Plan (ARP) include set-asides for summer and afterschool programming. Those funds will expire in 2024, but the need for access to high-quality afterschool programs will continue.

Proposal:

This proposal provides \$45 million in FY 2024 to reestablish the After School Community Learning Centers grant program and will be available for four years through FY 2027. Grants will be structured to support community and school partnerships in the implementation of culturally affirming and enriching high-quality afterschool and summer learning programs that meet the needs of students and families. Funds will be geographically distributed and prioritized to support for culturally specific programming.

A portion of the funding for administration will be used to contract with Ignite Afterschool to build out a state-wide system of support for continuous improvement. Continuous program improvement supports are needed to ensure that funded organizations are offering high-quality programming and engaging in best practice. Research shows that participation in programs focused on quality and continuous program improvement produce positive student outcomes.

Up to 5 percent of the funds may be used for grant administration, program monitoring, providing technical assistance to grantees, and evaluating the effectiveness of the program.

Impact on Children and Families:

The After School Community Learning program will support high quality afterschool and summer learning opportunities that meet the needs of students and their families. A community learning program will offer enrichment activities that complement and reinforce the school day program and engage families of students who are served in the programs. The programs will be intentionally designed to meet the needs of the local community and require that schools and community organizations work together. Grant recipients will be required to authentically engage – not merely consult – students and families in the design, implementation, administration, and evaluation of the program. They will also support working parents by providing safe spaces for children to learn and grow.

Equity and Inclusion:

As noted above, the After School Community Learning program is designed to be flexible enough to meet the needs of students and families. Alignment with the Minnesota ARP ESSER state plan will prioritize historically underserved students. As a result, the bulk of the benefit will be directed towards communities of color and American Indian communities. As the previously cited research states, this would result in positive outcomes for these communities.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Part A: Performance measures

- **Quantity:** Number of grant recipients; number of students served; number and locations of program sites and hours of operation; activities provided during the reporting period including activity type, amount of time provided, frequency of offering and number of participants; staffing and professional development including participation in continuous program improvement activities; partnerships and collaboration.
- **Quality:** Number and percent of new programs provided/new program sites; family, student, and community satisfaction based on survey results
- **Result:** This will be dependent on the types of services and programming that the grantee implements. In general, MDE will be looking at grantee progress towards achievement of outcome goals as identified in grant application; increases in engagement in learning and/or connections to school and community;

student reports of feeling supported by caring adults; improved academic performance and school day attendance.

- **How will you collect the performance data, and how will you communicate it?** Many of the quality measures will need to be tracked through the grant monitoring process and using surveys. Quantity measures will also largely come about through the reporting and grant monitoring process as well as internal tracking (documenting whether or not trainings have happened, for example). For the results, we will be able to look at outcomes based on our own accountability data. Depending on funding, we would ideally partner with an organization that would help us conduct a rigorous evaluation of the program.

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Afterschool programs: Enrichment or extra-curricular activities	What Works for Health
Afterschool programs: General programs	Crime Solutions
Academically focused summer learning	WSIPP

The [Afterschool Alliance](#) has compiled a summary document of findings from a variety of research projects and evaluations that demonstrate the effectiveness of afterschool program and the positive impact participation has on student cultural development, and social, emotional, and academic outcomes. Additionally, the Minnesota Management and Budget (MMB) Results First Initiative has identified afterschool enrichment programing as a promising practice in the Minnesota Inventory.

Statutory Change(s):

Minnesota Statutes, section 124D.2211.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Regional Library Basic System Support

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,800	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,800	2,000	2,000	2,000
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$1.8 million in fiscal year (FY) 2024 and \$2 million per year thereafter for Minnesota’s twelve regional library systems and a change to the statutory formula for determining Regional Library Basic Systems of Support (RLBSS). This funding will stabilize the volatility of the RLBSS formula, while holding all twelve regional library systems harmless.

Rationale/Background:

Public libraries are community anchors that play a unique and vital role in the state of Minnesota. Before, during, and since the pandemic, libraries have played a key role in economic recovery by partnering with state and local organizations to support early childhood literacy, education, lifelong learning education/literacy, workforce assistance, and access to healthcare, social services, and other vital resources for all Minnesotans. In early 2020, Minnesota libraries sprang into action, reinventing library services, loaning out internet hotspots, and providing contactless service and technology support, all while maintaining traditional library services.

The demand for these resources continues to grow as Minnesota enters a “new normal.” Increased reliance on digital technologies and their myriad intersections with healthcare, education, and employment have widened the “digital divide” for many Minnesotans. Increasing and stabilizing funding for Minnesota libraries will ensure that libraries have the tools they need to continue providing high-quality resources and access for their communities.

The current funding formula in Minnesota Statutes, sections 134.34 and 134.355, results in unpredictable funding swings from year to year. Each of the regional library systems does not know if they are going to gain or lose funding between years; these gains/losses can be as high as \$100,000 per year. The lack of stability shifts the burden to local city and county portions of the budget. Stabilizing the formula will allow regional public library system governing boards to set operating budgets based on actual funding amounts, rather than on anticipated amounts. The stabilization in the formula can occur if the “base factor” is increased and the “equalization” portion is reduced. Stabilizing the formula will reduce extreme funding swings from year to year.

Proposal:

This proposal will provide \$2 million, paid on a 90/10 basis, in order to hold all regional library systems harmless during the process of stabilizing the formula. The Regional Public Library Support aid calculation has four main factors for determining the appropriation - population, area, basic system services, and equalization. This proposal requests a decrease in the percentage of equalization, and a corresponding increase in base. By changing the percentages of these two factors, the volatility and drastic fluctuations from year to year will be reduced significantly and will provide consistency in funding to all twelve regional library systems. The factors will shift basic system services from 5 percent to 15 percent, and equalization from 25 percent to 15 percent.

Proposed RLBSS funding formula:

Formula Factor	Percentage
State Population	57.50%
State Area	12.50%
Basic System Services	15.00%
Equalization	15.00%

Balancing Factor: 11.2729
Equalization Total: 2,335,500.13

Example of the formula change using 2022 aid allocation figures:

System	Population*			Area		Basic System Service		Equalization**	
	2020 Population	% of adj State Pop.	\$ Share	% of State Area	\$ Share	% of Basic Service	\$ Share	% of State Equal.	\$ Share
Arrowhead	313,630	5.51%	493,220	22.28%	433,591	8.33%	194,625	17.55%	479,178
East Central	183,765	3.23%	288,992	6.50%	126,478	8.33%	194,625	12.72%	352,889
Great River	498,786	8.76%	784,399	6.18%	120,182	8.33%	194,625	23.37%	597,827
Kitchigami	174,705	3.07%	274,744	8.77%	170,754	8.33%	194,625	6.80%	202,756
Lake Agassiz	149,399	2.62%	234,947	9.43%	183,526	8.33%	194,625	4.14%	109,817
MELSA	3,164,844	55.59%	4,977,088	3.50%	68,113	8.33%	194,625	16.52%	131,750
Northwest	46,505	0.82%	73,135	7.03%	136,772	8.33%	194,625	2.33%	65,266
Pioneerland	161,623	2.84%	254,171	7.82%	152,177	8.33%	194,625	1.87%	39,963
Plum Creek	117,423	2.06%	184,661	7.33%	142,745	8.33%	194,625	0.00%	-
SELCO	519,113	9.12%	816,366	8.49%	165,164	8.33%	194,625	12.87%	322,061
Traverse des Sioux	233,713	4.11%	367,541	6.44%	125,371	8.33%	194,625	1.83%	33,994
Viking	129,393	2.27%	203,486	6.24%	121,377	8.33%	194,625	0.00%	-
Total	5,692,899	100%	\$8,952,750	100%	\$1,946,250	100%	\$2,335,500	100%	\$2,335,500

*Population from MN State Demographer, August 2021

** Based on adjusted net tax capacity from MN Dept of Revenue, August 2021

Example of the stabilization increase using 2022 aid allocation figures:

System	System % of FY20 RLBSS Allocation	Actual FY22	\$ change from FY22 to FY23	Estimated FY23
Arrowhead	10.36%	1,459,666	140,948	1,600,614
East Central	6.41%	850,161	112,823	962,984
Great River	11.82%	1,637,874	59,158	1,697,033
Kitchigami	4.98%	675,422	167,457	842,879
Lake Agassiz	3.93%	561,636	161,279	722,915
MELSA	38.63%	5,014,075	357,500	5,371,576
Northwest	2.42%	318,469	151,328	469,797
Pioneerland	3.33%	473,978	166,959	640,937
Plum Creek	2.51%	341,892	180,139	522,032
SELCO	9.42%	1,348,768	149,448	1,498,216
Traverse des Sioux	3.70%	548,384	173,147	721,531
Viking	2.49%	339,675	179,813	519,488
Total	100%	\$13,570,000	\$2,000,000	\$15,570,000

The funds will be used to:

- Expand services for seniors and lifelong learners
- Increase access to vital technology and broadband
- Increase support for Pre-K-12 students, their families, and lifelong learners
- Increase services to enhance literacy, reading skills, and school success
- Expand partnerships with schools, business, and government agencies
- Increase capacity to provide sufficient library resources, materials, and hours of operation
- Increase service to enhance library, literacy, and workforce assistance to help Minnesotans advance skills and reach employment goals
- Work to narrow the “digital divide” for Minnesota’s citizens and ensure an equitable distribution of vital library resources and services.

Impact on Children and Families:

Libraries are community anchors and play many important roles, but are especially impactful for children and families. Libraries support early childhood learning and early literacy, and provide family access to quality programs and services.

Equity and Inclusion:

From teaching critical literacy skills to promoting entrepreneurship and small business development, to preserving and facilitating our community stories, Libraries provide important resources for Minnesotans. Libraries are great democratic institutions that serve people of every age, income level, location, ethnicity, and physical ability, and provide access to the full range of resources that people need to live, learn, govern, and work. The proposed funding increase and formula change is endorsed by the 12 Minnesota Regional Public Library System Governing Boards and the Minnesota Library Association (MLA) in effort to maintain a strong public library network for all Minnesotans. Funding increases for libraries have traditionally had widespread support from a statistical majority of Minnesota residents.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

NA

Results:

The proposed formula and stabilization request will reduce extreme funding swings from year to year. Currently, each of the regional library systems does not know if they are going to gain or lose funding from year to year, these gains/losses can be as high as \$100K per year. The lack of increase shifts the burden to local city and county portions of the budget. This bill will allow regional public library system governing boards to set operating budgets based on actual funding amounts, rather than on anticipated amounts. Passage of this bill will allow libraries to keep pace with the variety of needs related to providing access and resources to all Minnesotans.

Performance can be measured by noting the reduction of funding swings from year to year, reduced dependence on local dollars, and the continued expansion of library services to all Minnesotans.

Statutory Change(s):

Minnesota Statutes, sections 134.34 and 134.355.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Full-Service Community Schools

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	14,500	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	14,500	0	0	0
FTEs	1.1	0	0	0

Recommendation:

The Governor recommends \$14.5 million in fiscal year (FY) 2024 to expand the Full-Service Community Schools (FSCS) model statewide, in order to increase access to equitable opportunities for school communities. This will reestablish the FSCS grant program that expired in fiscal year (FY) 2018. Funds will be available for four years.

Rationale/Background:

The Community School model is an evidence-based school improvement strategy designed to help schools support students and their families so that they can fully engage in high-quality learning opportunities. The Community School model helps schools to actively build strong webs of supports around the following four pillars:

1. Active Family, Student, and Community Engagement
2. Collaborative Leadership driven by Continuous Improvement
3. Integrated Student Supports
4. Enriched Learning Opportunities

According to What Works for Health’s review of the evidence on the Full-Service Community Schools model:

An example of place-based initiatives, community schools may be developed through partnerships among educators, city planners, public health practitioners, and community members. Community schools are frequently located in low income rural or urban areas and are financed through a mix of public and private funds. Community schools, also called Full-Service Community Schools, comprehensive community schools, or community learning centers, are open to students, their families, and the broader community every day, even when school is not in session. Services offered through community schools vary; each school is designed to address local needs and priorities. ([What Works for Health - Community Schools](#))

Minnesota’s Full-Service Community School grant program was established in 2015 to provide funding to establish and expand the Full-Service Community Schools model in school communities across Minnesota. \$1.3 million was appropriated in 2016 and 2017, and provided 13 start-up grant awards with 18-month grant periods. Twelve of the thirteen schools originally funded continue to practice the Full-Service Community School model today. These schools, and more schools each year, continue to meet and network as the Minnesota Coalition of Community Schools. New districts and school sites have adopted the Full-Service Community Schools model as they have seen promising results across Minnesota and the country. However, many Minnesota schools aren’t able to establish the model without additional funding, technical assistance, and networking opportunities.

Proposal:

The Governor recommends \$14.5 million in FY 2024 to expand the FSCS model across Minnesota in both rural or small, and metro or large school communities with the highest needs and demonstrated commitments to fortifying the four pillars of Full-Service Community Schools. This will reestablish the FSCS grant program that expired in fiscal year (FY) 2018 with which 13 grantees were awarded up to \$132,000 for an 18-month grant period. Funds will be available for four years through FY 2027.

The new funding will provide a combination of competitive three-year start-up grants to new grantees, and targeted three-year expansion grants to districts or schools that have previously engaged in the implementation of the FSCS model. Minnesota statute dictates that schools receiving the grant must be identified for improvement under the state's accountability system under the Elementary and Secondary Education Act. This grant opportunity will be published by July 1, 2023, and grants will be awarded by November 1, 2023.

Competitive start-up grantees will receive three-year awards, up to \$400,000, to complete the community needs assessment, create plans for the implementation of the Full-Service Community Schools program, and to hire or contract with an organization to provide a community school coordinator to lead implementation of the model. Targeted expansion grantees will receive three-year awards, up to \$350,000, to continue funding the community school coordinator position and establish or expand services, resources, or programming while furthering implementation of the model.

Up to 5 percent of the appropriation may be used for grant administration, to create and convene a state steering committee, to provide technical assistance and professional development to Full-Service Community Schools, and to facilitate the Full-Service Community Schools program review as outlined in Minnesota Statutes, section 124D.231, resulting in the addition of one full-time equivalent (FTE) position for programmatic work and 0.1 FTE for grant administration.

The Statewide Steering Committee will be representative of a wide array of partners in the FSCS work, including but not limited to families, educators, community school coordinators and initiative leaders, other community partners, public services, and culturally-specific community organizations. The Committee will, in collaboration with MDE, continue defining a clear MN FSCS model, work to establish evaluation criteria for the FSCS model, and guide future FSCS scaling initiatives.

Impact on Children and Families:

When schools prioritize engaging every family as valued partners through a FSCS model, students show improved outcomes in key areas that indicate likely academic success such as school readiness, higher grades, higher test scores, better attendance, fewer tardies, lower suspension and expulsion rates, and increased likelihood of high school graduation. Data from across the country demonstrates that the FSCS model will positively impact the lives of the next generation of Minnesotans. For example, in 2020, the [RAND Corporations study](#) of New York City Community Schools found strong evidence that this model improved outcomes for students on several indicators including student attendance, on-time grade progression, graduation rates, and math achievement.

Equity and Inclusion:

The 2019 Education Policy Innovation Center's publication, *Building an Equitable School System for All Students and Educators*, highlights the FSCS model as a strategy for advancing educational equity:

The Full-Service Community School strategy is an educational equity-focused model that places the needs of students at the center of analysis and decision-making in school improvement. The community school comprehensive needs assessment examines opportunity gaps and looks at systematic disparities affecting student achievement. By addressing disparities at the community level, community schools target the root causes of inequities affecting the public school system. (Educator Policy and Innovation Center, 2019)

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Federal Tribal schools, as well as many schools with American Indian students who are enrolled members of a Tribal Nation in Minnesota, will be eligible to apply for these grants. The program area will seek guidance and feedback from Tribal governments as a part of the community needs assessment prior to the development of the grantee selection criteria and application materials.

A Tribal Nation Education Committee (TNEC) representative or designee will be asked to join the state steering committee. Tribal government education directors or designees will have the opportunity to be included on grantee’s Full-Service Community School Leadership Teams for schools serving tribal member students.

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Schools implementing the FSCS model	25	9/27/2022	25 or fewer	Minimum of 35-	November, 2023
Results	School Baseline Data	Unknown	9/27/2022		Improved student outcomes. Assess impact after three years of implementation.	Report due to legislature by January 2026.
Quantity	Services offered by type of service and by number of schools	To be determined	1/06/2022	No increase	Each grantee is required to add or expand two services	After the three-year grant period June 30, 2029

Part B: Evidence-based practices

Evidence suggests, the Full-Service Community Schools model is one strategy that can improve student outcomes in schools where other school improvement efforts haven’t demonstrated success. Professional organizations such as Education Minnesota have highlighted the model as a viable school improvement strategy, and counties and municipalities across Minnesota have expressed to the State’s Education, Health, and Human Services agencies they are ready to work collaboratively with schools to increase student and family access to programs designed to reduce dependence on costly local government programs and increase family permanency, build social capital, and improve school and student achievement.

Evidence-based Practice	Rating
Full-Service Community Schools	Promising MMB's Results First and What Works for Health
School-based supports for child health and well-being	Strong-Proven Results for America's Economic Mobility Catalog

Sources of Evidence
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Partnership for the Future of Learning. (2018). *Community Schools Playbook*. <https://learningpolicyinstitute.org/product/community-schools-playbook>

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Statutory Change(s):

Minnesota Statute 124D.231.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Student Voice Models

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	8,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	8,000	0	0	0
FTEs	2.3	0	0	0

Recommendation:

The Governor recommends \$8 million in one-time funding in fiscal year (FY) 2024 to build the capacity of educators to implement youth voice models through external community partnerships, expanding the impact of Minnesota Youth Council (MYC), leveraging the Minnesota Student Survey (MSS) to support youth voice, and building the capacity of the Minnesota Department of Education (MDE) to systematically support and embed youth voice at a state and local level.

Rationale/Background:

Education systems that hold space for, share space with, and find value in student voice provide more culturally responsive, student-centered services. These efforts improve school climate while simultaneously helping students do better academically. Participation in youth voice activities helps students build critical social and emotional skills and feel like they belong, they are valued, and their contributions matter. High-quality student engagement processes also amplify innovation and creativity, increase public support, improve policies and programs, and save money. Funding for student voice models will build the mindsets, skills, and resources necessary to systematically increase youth voice statewide.

Proposal:

This proposal provides \$8 million in FY 2024 to fund three strategies to improve efforts to increase participation in youth voice activities. Funds will be available through FY 2027.

The first strategy is to build the capacity of schools and districts by offering competitive grants for school districts and charter schools to implement key youth voice strategies. Grant funding would support youth participatory action research teams to assess and address issues impacting their school experience, identity-based student groups (e.g. Gay-Straight Alliance, Black student union), reimagining the role of student council, and mixed-methods evaluation and engagement projects to secure youth voice.

The second strategy is to support external community partnerships by offering competitive grants for Tribal Nations, community organizations, service cooperatives, networks, coalitions, etc., to coordinate regional programs and supports for schools and districts. Included in this strategy is \$500,000 for the MYC to increase stipends, supports for youth, student-led engagement, and external facilitators to build regular communication channels between the MYC and MDE.

The third strategy is to expand the MSS to support youth voice and improve school climate and provide school districts and charter schools with measurable youth data to continuously improve practices to support youth and improve education outcomes. Funding would be used to build and publish an engaging and interactive survey dashboard, develop and post guidance for how students, staff, and families can interpret and use survey data, and for training on use of survey results. This funding will also add two full-time equivalent (FTE) positions focused on increasing district use of their MSS data to the Data Practices and Analytics division at MDE. The FTEs will be responsible for district outreach and communication, training for districts and MDE staff on using youth data to support school improvement, developing guidance for data use, supporting the technology and reporting of the MSS, and developing guidance for how students, staff, and families can interpret and use survey data.

Up to 5% of funding may be used for grant administration.

Impact on Children and Families:

This proposal has the potential to impact all youth in Minnesota. Authentically incorporating youth voice is critical to taking education to the next level because they are closest to the systems being changed. Including youth voice broadens perspectives, leads to new approaches to change, and contributes to the professional and social development of young people. As a result of youth engagement, research indicates that youth receive critically-needed support, organizations see greater commitment and capacity among youth leaders, and agendas for advocacy better reflect the priorities and solutions of youth.

Equity and Inclusion:

National School Climate surveys consistently find that students of color, students with disabilities, and students who experience difficulties in school experience significant disparities in terms of sense of connectedness and support in school. When students have meaningful access to youth voice activities, they are more likely to experience a sense of belonging, higher self-esteem and engagement, and see a greater purpose in school. Due to systemic racism and interpersonal discrimination, our educational spaces can foster a climate and culture that is oppressive. These funds will provide opportunities to elevate the voices of Black, indigenous and other students of color, students of disabilities, students who identify as LGBTQ+ and students who experience difficulties in school.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

MDE and participating districts will take a mixed-methods and participatory approach to program and system-level evaluation of the funds. All grant recipients will submit regular program reports that include a detailed description of the districts’ programs, the number of students served and the demographics of those students. Each grant recipient will need to set individualized goals and plans for monitoring implementation that will be reported annually. During all training and technical assistance, program specialists will embed a participatory evaluation method and utilize formative surveys to support continuous improvement.

To measure the quality and impact of the funding, participating districts will utilize several key assessment tools. The first will be the Youth Program Quality Assessment (YPQA), a validated youth perception measure to assess students’ perception of student and adult partnerships, the extent to which there are youth-centered policies and practices, high expectations for youth and staff, and access to youth voice opportunities.

Additionally, participating districts will complete the Youth/Young Adult Voice in Agency- and System-Level Advising and Decision-Making assessment, another validated tool to measure the extent to which districts have installed a comprehensive array of best practice strategies to support meaningful youth and young adult participation and voice in advising and decision-making at the organizational level. At the end of the grant period, results will be analyzed at a district and state level and shared back at the State's first ever youth voice summit; where grantees will also have an opportunity to present learnings from site-based programs.

Student voice can be a promising strategy for enhancing education access, opportunity, and success for all students, particularly those who are historically marginalized within the prekindergarten to grade 12 education system. This model aligns to best practices in engaging young people as defined by the US Department of Education's National Center on Safe Supportive Learning Environments and draws heavily from emerging practices pioneered by districts in Minnesota.

Background research

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Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: School Attendance Policies and Practices

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	230	230	230	230
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	230	230	230	230
FTEs	1.2	1.2	1.2	1.2

Recommendation:

The Governor recommends \$230,000 annually beginning in fiscal year (FY) 2024 to provide guidance and technical support to school districts on the development and implementation of local attendance policies and practices. This proposal funds a new position to provide leadership around increasing consistent attendance and access to learning opportunities and decreasing chronic absenteeism.

Rationale/Background:

[The United States Department of Education data story](#) on the impacts of chronic absenteeism explains that students who are chronically absent in early grades are less likely to read at grade level in third grade. Students who do not read at grade level in third grade are much more likely to drop out of school before graduation, and students who drop out of school before graduation are more likely to experience poor outcomes later in life, such as poverty, diminished health, and involvement with the criminal justice system.

Student absenteeism is caused by multiple factors, including external barriers to attendance and a lack of connection and sense of belonging in the school. With the inclusion of student attendance in the state accountability system, school communities are increasingly understanding that student attendance is both an important indicator of a student's connectedness to their school and has a major impact on the student's educational outcomes. Schools and districts are in need of guidance and technical support to meet this challenge.

A dedicated position at the state level will ensure schools and districts receive the support needed to build their capacities to respond to the causes of chronic absenteeism by developing and implementing evidence-based policies and strategies to meet the needs of students, families, and the community. The guidance and support offered will combine national, state, and local data sources to create a deeper understanding of the barriers faced and solutions that will work at the local level.

Proposal:

The Governor recommends \$230,000 annually to provide guidance and technical support to school districts on the development and implementation of attendance policy and practices. Funds will support one full-time equivalent (FTE) position to provide much needed leadership around increasing attendance and decreasing chronic absenteeism for students through non-punitive attendance policies and strategies. The new position will build meaningful engagement mechanisms and two-way communication between schools, families, local government agencies and community partners while centering the needs of children and families.

In addition to funding one FTE, this will provide funds for contracting with organizations such as Attendance Works, expenses related to providing support such as travel and stipends, and partial FTEs for data and analytics supervision.

This work will be evidence-based and informed by a wide body of research on absenteeism, the impacts of absenteeism, and best practices for increasing consistent school attendance. However, a meaningful understanding of the unique barriers faced by students and families, and the right strategies to address these challenges must be evaluated and co-created at the community level. The guidance and support provided to schools and districts will blend national research and best practices with a focus on community needs assessments and community-driven, whole-child, non-punitive solutions.

Impact on Children and Families:

This budget proposal aligns with work being done to increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources and services within their communities by supporting schools and districts to develop and implement evidence-based, community driven, whole-child, and non-punitive attendance policies and strategies.

Equity and Inclusion:

While chronic absenteeism and the negative life outcomes associated with it are a national concern, occurring in over 90% of school districts in the United States. Students of color, Native Americans, students with disabilities and other protected classes of students are impacted disproportionately. The new position will work to support meaningful engagement and communication between schools, families, local government agencies and community partners with the needs of students at the center, with a focus on community specific barriers and solutions.

Tribal Consultation:

- Yes
- No

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of schools and districts MDE has supported with attendance policies and strategies.	Will establish baseline		No increase	Will be established when baseline is established	
Quality	Develop guidance and models to support community driven non-punitive policies and strategies.					
Results	Statewide chronic absenteeism, all students and disaggregated by student group.	Will establish baseline		No decrease	Will be established when baseline is established	

Part B: Evidence-based practices

Evidence-based Practice	Source of Evidence
Early Warning Intervention Monitoring Systems (EWIMS) - Minnesota Early Indicator and Response System (MEIRS) 2.0	“Promising” MMB’s Results First Evidence for ESSA
Attendance interventions for chronically absent students	“Scientifically Supported” What Works for Health “Promising” MMB’s Results First
Check and Connect	“Promising” MMB’s Results First “Promising” IES What Works Clearing House
Full-Service Community Schools	“Promising” MMB’s Results First What Works for Health
Second Step	“Proven Effective” MMB’s Results First Washington State Institute for Public Policy
School attendance, persistence, and alternative paths to graduation	Results 4 America Economic Mobility Catalog

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Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Compensatory Spending at Generating Site

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends increasing the amount of compensatory revenue that must be spent on qualifying programs at the generating sites from 50 percent to 80 percent. This proposal has no cost as it does not change overall state aid.

Rationale/Background:

Compensatory education revenue helps schools pay for the academic needs of and programming for students who need extra attention and support to stay on track academically. The funding is allocated based on the number and concentration of children from low-income families within a school, as defined by the prior year's count of students who receive free or reduced-price lunch.

A district must allocate its compensatory revenue to each school building in the district where the children who have generated the revenue are served. Statute allows school districts to reallocate up to 50 percent of their revenue to other sites based on a plan adopted by the school board. In 2015, the legislature increased the amount a district could reallocate from 10 percent to the current 50 percent.

The allocation requirement applies only to school districts. Charter schools have no similar restrictions on how the revenue may be allocated among the charter school sites.

Proposal:

This proposal will reduce the amount of compensatory revenue that may be reallocated between school sites from 50 percent to 20 percent. This will more closely align revenue to the sites generating the revenue.

Impact on Children and Families:

This proposal will more closely align compensatory funding with the students who generated the revenue.

Equity and Inclusion:

Free and reduced-price meal eligibility serves as a proxy mechanism for distributing more revenue to sites with higher proportions of students from lower-income backgrounds with more barriers to learning. This proposal ensures that a higher proportion of the revenue is spent on programs serving students at the sites generating the revenue, while still providing the district with some flexibility to support programs for under-prepared and under-performing learners across the district.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The following are a number of MDE’s key performance measures.

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading - Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math - Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science - Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation - Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate - Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

Statutory Change(s):

Minnesota Statutes, section 126C.15, subdivision 2

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Foster Student Transportation

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	519	598	606
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	519	598	606
FTEs	0	0	0	0

Recommendation:

The Governor recommends funding for transportation costs to enable students placed in a family foster care home to remain enrolled in their school of origin. The proposal is estimated to cost \$519,000 in fiscal year (FY) 2025. The eligibility change would be effective for FY 2024, but the funding is a reimbursement that would be received in the year following the year in which costs were incurred; thus, this proposal's costs begin in FY 2025.

Rationale/Background:

Currently, students in family foster care homes are not included in the special transportation legislation. Prior to passage of the Every Student Succeeds Act (ESSA) in 2016, all foster students were included in the definition of homeless children and youth under the McKinney-Vento Homeless Assistance Act. Returning special transportation funding back to the original condition prior to the passage of ESSA will support children in foster care to remain enrolled in their school of origin.

Proposal:

This proposal provides funding to school districts for transportation costs when transporting foster students placed in homes outside their school attendance boundaries or outside the district but who wish to remain enrolled in the school of origin. School districts would be reimbursed for the costs of transportation that are not covered by federal funds. This would assure that foster students are able to remain in the school of origin with reliable transportation.

There is no additional transportation cost when students are placed within the school attendance boundaries. However, in some cases, the school district experiences significant additional transportation costs that are not funded with federal funds. Foster students are no longer considered McKinney-Vento eligible, and their transportation costs are no longer eligible to generate special education dollars.

With the number of foster care students projected to increase 1 percent per year, this proposal would allow for one more financial option to provide for needed foster care transportation if Title VI funds or county foster transportation revenue is not able to cover all eligible costs. It is estimated that approximately 175 students placed in foster care would need special transportation.

Impact on Children and Families:

This proposal will increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources.

Equity and Inclusion:

This proposal will address inequities for children of color and Native American children who are disproportionately represented in the number of children in foster care in the state of Minnesota by providing better access to the school of origin as determined by the Best Interest Determination process.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

Students that have been placed in foster care would be provided transportation to the school of origin based on the best interest determination. Transportation would not be a barrier for students placed in foster home to remain enrolled in their school of origin as state funding would be available to cover the costs.

Statutory Change(s):

Minnesota Statutes, section 123B.92

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Facilities Funding

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	29,898	36,482	38,271	41,488
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	29,898	36,482	38,271	41,488
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$29.898 million annually in fiscal year (FY) 2024 and \$36.482 million in FY 2025 for a facilities improvement aid distributed to districts not eligible under Minnesota Statutes 2014, section 123B.59. The purpose of the aid program is to decrease the gap of deferred maintenance, health, and safety costs associated with projects eligible under the Long-Term Facilities Maintenance (LTFM) program. The amount is a per district allocation based upon eligibility.

Rationale/Background:

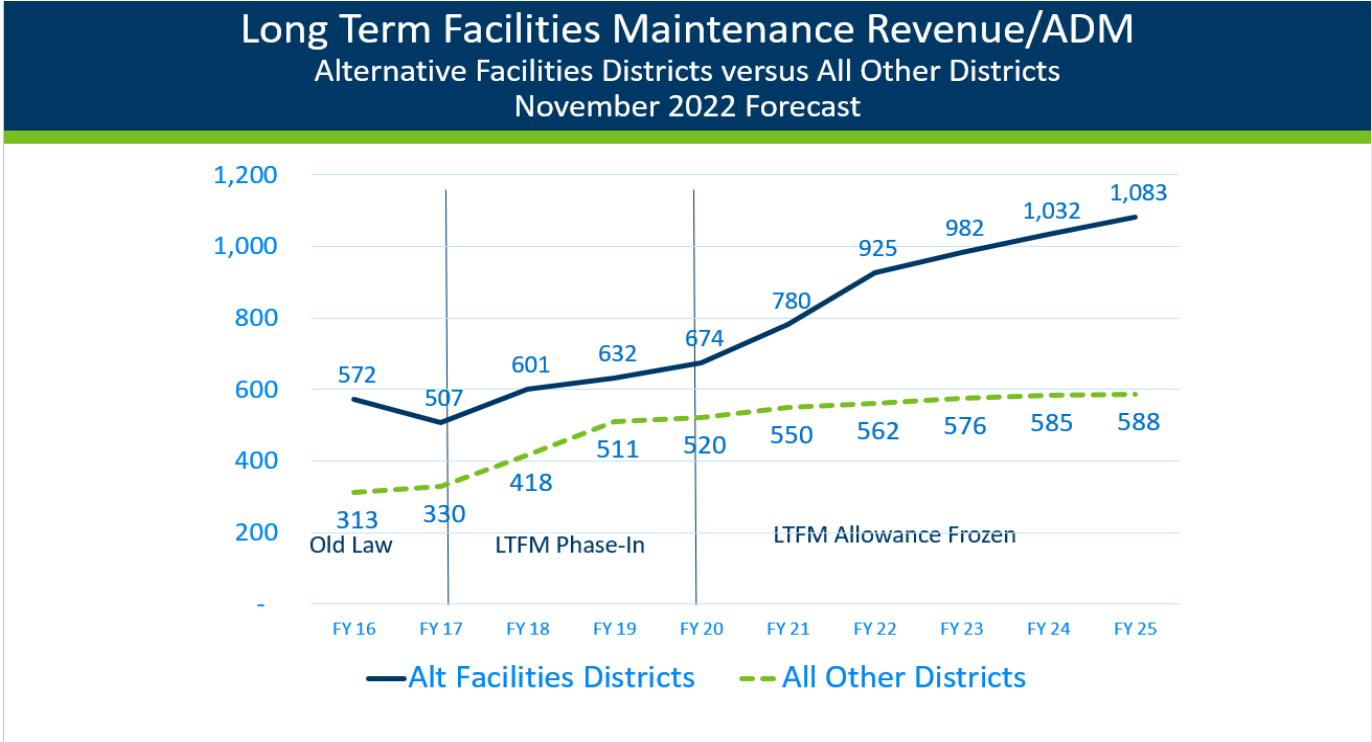
School district day-to-day facilities costs are generally included in their operational general fund budget and include costs of staff, contracts, and supplies to maintain and support buildings and grounds. The long-term sustainability and upkeep of sites and buildings is managed under the LTFM program which provides districts limited funding and limited uses of funds through an approval process that includes deferred maintenance and health and safety related projects. Districts are required to submit project proposals, along with projected costs for the next ten years. These projects are reviewed and approved by the Minnesota Department of Education (MDE) and then subject to review and cost reconciliation.

LTFM revenue was enacted in 2015, replacing deferred maintenance revenue and health and safety (H&S) revenue for most districts and alternative facilities revenue and H&S revenue for the 25 largest school districts. The new funding formula was phased in over a three-year period, with a formula allowance adjusted for the age of the building of \$193 per pupil in FY 2017, \$292 in FY 2018, and \$380 for FY 2019 and later years. Although LTFM revenue is reserved, districts have a great deal of flexibility in planning for the use of these funds, whether funding costs on an annual basis, bonding for long term financing, or saving the funds for a multiyear period to self-finance larger projects. The LTFM levy is equalized up to \$380 per pupil unit at an equalizing factor equal to 123 percent of the state average ag-modified Adjusted Net Tax Capacity (ANTC) per third year prior pupil unit. Additional revenue is available for H&S projects addressing indoor air quality, fire safety, and asbestos removal exceeding \$100,000 per school site. Since this is cost-based additional funding, district revenue is limited to actual costs which must be reconciled every year.

A hold harmless provision exists where revenue is calculated on both the new and old law to ensure that no district receives less than they would have under the old law. For most districts, the old deferred maintenance revenue at \$35 per pupil along with H&S revenue does not produce nearly the level of revenue that the LTFM program has provided once fully phased in. To satisfy the hold harmless requirements, districts must report H&S costs and reconcile these expenditures as well. Over the years, the hold harmless provision has added complexity and administrative overburden for these districts with little to no added benefit.

The old alternative facilities program for the 25 largest districts allows those districts to levy at any level the school board authorizes. Most of these districts choose to fund their facilities maintenance program at a higher level than the LTFM per pupil cap would allow by remaining under the alternative facilities hold harmless. While they may generate more revenue, they do not have the same level of flexibility as under the new law LTFM program, since all but bond financed alternative facilities revenue must be reconciled to expenditures every year.

While the LTFM program made an improvement in closing the gap in funding between these two groups of districts, since the LTFM formula has not been increased since FY 2019, the disparity in funding continues to go up every year.



Additionally, allowing for more aid and for more flexibility in approved projects will permit districts to exercise more local control over a commitment to addressing annual maintenance needs through strategic planning and funding options. This is particularly important for smaller, rural districts that may have more challenges to get adequate funding when based on a per pupil allocation or if there is a levy component.

Proposal:

The proposal will make the following changes to the LTFM revenue programming beginning in FY 2024:

- An allocation will be made each year into the new facilities improvement aid fund to be distributed to eligible independent and special school districts.
- The appropriation will be on a per district basis, excluding districts identified in Minnesota Statutes 2014, section 123B.59.
- The revenue will be all aid and subject to the same project eligibility requirements allowed in the LTFM program and outlined below.
- Revenue may be reserved and used in future years, with a limit of \$1 million in reserve at the end of any fiscal year.
- Revenue used does not decrease or limit the authority of other eligible LTFM revenue but may be used in conjunction with other approved facilities revenues.

Additionally, the proposal will extend additional revenue authority to cover all approved H&S projects with costs over \$100,000 per site for any health and safety purpose not already limited by a per pupil funding limit, and extend approvals to cover specific deferred maintenance projects with costs over \$100,000 per site or district to include roof replacement, sidewalks, and parking lots.

	FY 2024	FY 2025	FY 2026	FY 2027
Qualifying Districts	299	299	299	299
Per District Allocation	\$110,000	\$122,000	\$127,250	\$138,500
Appropriation	\$29,898,000	\$36,482,000	\$38,271,000	\$41,488,000

Impact on Children and Families:

Improving facilities funding helps ensure that all children have a safe and healthy learning environment.

Equity and Inclusion:

Reducing disparities in funding helps ensure that all students across the state have equal access to safe and healthy learning environments.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

This new state aid will provide qualifying districts the opportunity to address facilities needs related to the LTFM program. The result will be that distribution closes some of the gap between the former Alternative Facilities districts receiving more access to revenues than those limited only to the \$380 per adjusted pupil unit.

Statutory Change(s):

Minnesota Statutes, sections 123B.595, and 126C.40

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Building and Cyber Security Grant Program

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	50,140	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	50,140	0	0	0
FTEs	1.0	0	0	0

Recommendation:

This Governor recommends \$50.14 million in fiscal year (FY) 2024 to provide Minnesota school districts and charter schools funding to improve student, building, and cyber security. Funds would be used for a non-competitive, first-come first-served Building and Cyber Security Grant program and would be available until June 30, 2027.

Rationale/Background:

Providing a safe, thriving environment for students to learn and staff to work is the foremost goal of any school setting. Creating a safe school environment that facilitates learning can be a challenging task. During the 2018 legislative session, \$25 million of one-time general funds were provided in the bonding bill to fund school safety facility grants to qualifying schools. On the first day that grant applications were open, MDE received almost 1,200 applications totaling over \$250 million in requests.

Proposal:

This proposal includes \$50.14 million in FY 2024 for a non-competitive, first-come-first-serve Building and Cyber Security Grant program. Funds would be available until June 30, 2027.

\$50 million in funding will provide building and cyber security grants that would be awarded to school districts, charter schools, and other educational entities on a first-come, first-served basis for improvements related to violence prevention and facility security in qualifying school buildings and to protect data by providing funds for cyber insurance premiums and associated costs to obtain cyber insurance. Funding would be available for up to four years. The Minnesota Department of Education (MDE) would consult with the Minnesota Department of Public Safety's Minnesota School Safety Center prior to grant awards being made. At least half of the grants would be awarded to school districts, charter schools, and other educational entities outside of the 11-county metro area.

Up to \$140,000 would be available for the costs associated with managing a grant program according to state policies including pre-award reviews, preparing grant agreements, review of budgets and payments, and all grant completion activities. If the grant is over \$50,000, state grant management policy requires annual monitoring in the form of either site visits or desk reviews.

Impact on Children and Families:

This proposal provides funding to help ensure that students are provided a safe environment to learn in and staff are provided a safe environment to work in.

Equity and Inclusion:

Charter schools and cooperatives other than intermediates, which are currently excluded from eligibility for safe schools’ revenue, would be included in the program and would receive the same opportunities as school districts and intermediate districts, respectively.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The following are a number of MDE’s key performance measures.

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading - Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math - Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science - Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation - Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate - Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Add Review and Comment Requirement for Capital Projects Funded by Integration Lease Levy Authority

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that school districts eligible for capital lease purchase or installment buys under Minnesota Statutes, section 126C.40, subdivision 6, must submit a review and comment for all projects utilized by this lease authority in the same manner as other school districts. This change item would not have a direct impact on the general fund budget as all lease levies do not have an aid component.

Rationale/Background:

Eligible capital projects under current statute are subject to approval by the commissioner, but not required to submit a review and comment if the funds are being used to remodel or add additions. This change would bring these project requests in alignment with other capital improvement requirements of all other districts. Current law provides that a project requested for approval under this authority would also need to receive approval that the project is in alignment with their current submitted achievement and integration plan.

Proposal:

This proposal provides that school districts eligible for capital lease purchase or installment buys under Minnesota Statutes, section. 126C.40, subdivision 6, which includes Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, Independent School District No. 709, Duluth, and Independent School District No. 535, Rochester, must submit a review and comment for all projects utilized by this lease authority in the same manner as other school districts.

Under current law, a project requested for approval under this authority would also need to receive approval that the project is in alignment with their current submitted achievement and integration plan.

Impact on Children and Families:

The impact on children and families would be to ensure that projects are in compliance and alignment with district's achievement and integration goals.

Equity and Inclusion:

This proposal will continue to reduce inequities for people of color, Native Americans, people with disabilities, people in the LGBTQ community, and other protected classes through project alignment with district achievement and integration plans.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

The following are a number of MDE’s key performance measures.

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading - Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math - Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science - Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation - Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate - Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

Statutory Change(s):

Minnesota Statutes, section 126C.40

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: District Renewal of Current Voter Approved Operating Referendums

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends that school districts with eligible operating referendums be allowed to have one automatic renewal of a current referendum of the same length as was originally approved by the voters. This change item would not have a direct impact on the general fund budget as all referendums with state aid components are already budgeted.

Rationale/Background:

In February 2021, House File (HF) 292 was heard in the House Education Finance committee, which included a position paper submitted by the Association of Metropolitan School Districts (AMSD) supporting automatic renewals. According to AMSD, from 2014 to 2020, all 104 renewal referendum questions were approved by the voters. “More than 90% of Minnesota school districts rely on revenue from an operating referendum to provide basic programming and services to their students,” according to the AMSD report. In 2020, the Minnesota Rural Education Association (MREA) noted that of 14 renewal operating ballot questions, 13 passed. The overwhelming passage rate indicates that time, effort, and costs associated with renewal referendums could be saved with a one-time automatic renewal.

Proposal:

The proposal enables school districts with eligible operating referendums to have one automatic renewal of a current referendum of the same length as was originally approved by the voters. Upon the expiration of a voter-approved referendum, a school board may vote to extend the existing referendum one-time for the same number of years as determined in the last voter-approved election.

Impact on Children and Families:

The impact on children and families would be a more consistent funding source for school districts which should allow for more financial stability to support programs and services.

Equity and Inclusion:

The proposal will provide a more predictable funding sources for school districts to support programming across various areas, including those that support students with disabilities, and Black, Indigenous, and people of color.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading - Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math - Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science - Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation - Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate - Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

2021 Result	2025 Goal	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

Statutory Change(s):

Minnesota Statutes, section 126C.17, subd. 9b

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Information Technology Resources

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,792	3,340	4,906	4,906
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,792	3,340	4,906	4,906
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$1.8 million in fiscal year (FY) 2024, \$3.3 million in FY 2025, and \$4.9 million in FY 2026 and beyond to invest in modernization of the Minnesota Department of Education’s (MDE) technology infrastructure and technology portfolio to increase efficiency and effectiveness for Minnesota’s educators, schools, and students. This initiative enables MDE to modernize existing public education systems to provide secure and reliable technology solutions that support every public school and district across the state.

Rationale/Background:

Investing in modernized systems will enable Minnesota’s school districts to better serve districts, schools, families, and students. IT activities include performing system modernization, managerial oversight, cyber security, system vulnerability management, educational data enhancements, and transparency efforts. System modernization analysis on the 136 applications MDE maintains will allow for the determination of modernizing, upgrading, eliminating, or migrating a system. This initiative will help the Department secure technical resources to use security software to monitor threats and identify system vulnerabilities that require addressing.

There is also a desire to transform the citizen experience through new dashboard and reporting tools that provide data on the performance of students in Minnesota. It will empower the Department and districts with data driven decision-making using modern analytic tools to produce and distribute data. This proposal will also improve data management and the infrastructure of the data to align with agency use. The most recent need is to update reports that use federally defined race and ethnicities to using the State-defined race and ethnicity on all secure and public reports. Districts and citizens rely on the use of reports to make data driven decisions creating the need to modernize systems to meet the increased demands of the public.

Proposal:

The proposal is to increase MN.IT at MDE technical staff to meet the goals and vision of the Department on technical needs.

Invest in improving Education system and process of applications to:

- Ensure flexibility, stability, and transparency for all applications.
- Deliver maximum value to ensure alignment of applications with the Department’s strategic vision.
- Embed data-driven decision-making across the technical portfolio to deliver solutions that lead to improved outcomes for districts and students.
- Focus on results-oriented strategic data analytics to drive decision-making.

Invest in modernization of legacy systems to:

- Implement a cloud migration plan
- Prioritize, test, and implement application security to protect citizen data and delivery of state services.
- Allow technical teams to be proactive rather than reactive
- Focus on monitoring our systems and strategize with businesses in regards to system retirements, refreshes, or replacements.
- Improve situational awareness and response times.

Invest in increase technology capabilities to:

- Add IT staff to improve resource availability to meet service deliverables
- Provide IT leadership, support, and partnership to the Department
- Develop professional development plans to keep up to date with new technologies

Impact on Children and Families:

The Minnesota Department of Education is responsible for collecting, analyzing, and reporting on the educational outcomes of Minnesota children. The state agency technology applications provide the ability to analyze data to ensure children are supported financially, physically, and mentally. This request allows increased technical support to modernize existing systems and processes which will continue support to children and families.

Equity and Inclusion:

This request focuses on the modernization of systems that collect and monitor data on students in traditionally marginalized communities. It is also focused on the security of data of these groups for privacy protections.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

The Department of Education and Minnesota IT Services is tasked with implementing the new State-defined races and ethnicities to improve reporting to better represent students attending public education facilities. It is requested and approved by the Tribal Nations Education Committee (TNEC) and the Office of Indian Education (OIE). This request impacts all systems that collect and report race and ethnicities.

IT Costs

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll	1,792	3,340	4,906	4,906	4,906	4,906
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Total	1,792	3,340	4,906	4,906	4,906	4,906
MNIT FTEs	10	19	28	28	28	28
Agency FTEs	0	0	0	0	0	0

Results:

The IT focused results that we are driving to achieve from this investment are:

- Ensure greater data protection
- Provide faster delivery on agency requests
- Elevate the support and development across the agency
- Consolidate the application footprint and reduce technical debt
- Reduce our vulnerability
- Modernize work capabilities to meet the demand of the agency requirements

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Ed-Fi Data Collection System and Data Reporting

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	595	2,609	2,359	2,359
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	595	2,609	2,359	2,359
FTEs	0	4.0	4.0	4.0

Recommendation:

The Governor recommends \$595,000 in fiscal year (FY) 2024 and \$2,609,000 in FY 2025 to modernize data submission systems for school districts and charter schools through the expansion of the data collection and integration system known as “Ed-Fi.” This includes improved and expanded data reporting through the use of Tableau, a business intelligence tool used for building interactive data dashboards. Base funding beginning in FY 2026 would be \$2,359,000 each year for the Minnesota Department of Education (MDE) and Minnesota IT Services (MNIT) costs. The Ed-Fi initiative is partially funded with \$6 million of American Rescue Plan (ARP) funds between FY 2022 and FY 2024.

Rationale/Background:

During the last decade the amount of data collected by MDE has grown as a result of new federal and state requirements. This growth has meant that the number of data collection systems also grew. By 2017 MDE collected data through dozens of systems and methods. These include the Minnesota Automated Reporting Student System (MARSS), Disciplinary Incident Reporting System (DIRS), Minnesota Common Course Catalog (MCCC), Student Support Data Collection (SSDC), Early Education (EE) Student, as well as spreadsheets submitted through SharePoint and online survey tools.

As the need for more data grew, challenges arose. It became expensive to build large, custom web applications for each new data collection. Districts also struggled to submit valid data through multiple systems, and it was time-intensive and problematic to integrate data. District staff complained that MDE requires them to send the same data multiple times for different programs, creating the possibility of submitting contradictory information. In addition, the growing number of custom-built web application systems for MDE were often built with one-time grant funds, such as Statewide Longitudinal Data Systems (SLDS) grants. The lack of ongoing funding made it difficult to support the operation and enhancements of these systems. Difficulties in supporting these systems was further exacerbated by retirements and the loss of institutional knowledge in both the business area and the technical team that supports MDE.

The Counting All Students legislation in 2016 required MDE to collect detailed Ancestry Ethnic Origin (AEO) data for students of color and American Indian students. The only way to add additional racial and ethnic categories by fall 2017 was to add another collection. Given the previous challenges, creating a new data collection system posed risks. Additional data collections create greater risk for errors, duplication, and frustration for district staff responsible for collecting, entering, and validating the data. Instead of creating a new system, Minnesota Information Technology Services (MNIT) conducted a feasibility study in spring 2017 that involved interviewing 10 other states and comparing different types of data collection solutions. Ed-Fi was the recommendation that

resulted from that feasibility study because of its ability to automate, streamline, and integrate data collections. It serves as a long-term solution for connecting student-level data and allows educators to have a complete view of students by integrating data sets.

Over the last five years, significant progress has been made toward the goals of automating, streamlining, and integrating data collections through Ed-Fi. During school year (SY) 2021-22, all school districts and charter schools successfully synchronized their student information systems (SIS) with Ed-Fi. As a result, 453 districts/charters submitted AEO data for SY 2021-22, an increase of 245% from the previous year. Ed-Fi also replaced the former EE student system, resulting in the submission of early education enrollment data from all districts. Most notably, every district was able to begin the transition from MARSS to Ed-Fi, and six districts have completed the rigorous certification process to submit MARSS data exclusively through Ed-Fi. Other successes include data from 312 districts on Digital Equity and a pilot of MCCC with five districts.

While Ed-Fi is an important next step to modernize data submission systems at MDE, it is essential that the data are available through user-friendly means for districts and the public. Student enrollment and assessment data are currently reported by detailed ancestry and ethnic origin groups at a state level, but enhancements are possible. As MDE moves toward adopting Tableau as the preferred business intelligence tool, greater opportunities exist to transform the wide spectrum of data available to MDE into dashboards that aid families, policymakers, and the public in decision-making. In particular, Tableau reports will maximize the true value of Ed-Fi by disseminating comprehensive student data in more meaningful ways.

Proposal:

This proposal will provide \$595,000 in FY 2024 and \$2,609,000 in FY2025 to support the continued integration of data submissions from a variety of program areas through Ed-Fi by further establishing infrastructure to streamline and integrate data collections. Funding will allow MDE to maintain and grow the level of service being provided currently from ARP federal dollars. It will also secure the long-term benefits of Ed-Fi without piecing together temporary funding, which has proven problematic over the past several years and presents significant risk to the viability of the program. This proposal also funds the continued use of Tableau in order to create data visualizations and analytics for public and secure dashboards. This ensures that districts and the public will have access to educational data in easy-to-understand formats.

Ed-Fi addresses the root problem of disconnected data collections by collecting data through districts' student information systems and connecting to MDE through a common data standard. It streamlines collections and reduces duplication of data provided by districts. Rather than submitting data through multiple systems, MDE and districts will have access to interconnected data that can be used for decision-making, rather than needing to manually link datasets together. The addition of Tableau dashboards will make it easy for districts and the public to utilize the information to better understand students' experiences and make informed decisions.

A full transition of major data collections into Ed-Fi and Tableau will take until the end of FY 2027 and will require ongoing maintenance beyond that time. Once programs are utilizing Ed-Fi and Tableau, costs associated with the legacy systems will be eliminated. In addition, the automation will substantially decrease the amount of MDE staff time spent on collecting, cleaning, verifying, and organizing data that are submitted through spreadsheets.

This proposal includes the MDE costs of \$592,000 costs in FY 2025 and later. MDE costs for FY 2024 are fully covered by ARP funds. MNIT costs are outlined in the IT Costs section. The 4.0 FTE in FY 2025 and later consist of: an Ed-Fi Project Manager to coordinate and document project tasks between MDE program staff, MNIT, and vendors; an Ed-Fi Change Management Specialist to manage the Ed-Fi change initiative to ensure full adoption; an Ed-Fi Technical Support Specialist to support districts' technical needs as they transition to Ed-Fi; and an Ed-Fi Supervisor to provide direction and support to MDE Ed-Fi staff.

Impact on Children and Families:

This proposal builds on innovations from other public, private, and Tribal agencies to increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources and services within their community by providing timely, accurate data to identify access and gaps. In order to make informed decisions on where to place resources, data that impacts Minnesota students and families should be transparent and easily accessible by all Minnesotans. Sustaining and expanding MDE's use of Tableau will support MDE's effort to ensure that data collected on Minnesota students is being consumed and understood by the public, policymakers, school leaders, and families so that decisions can be made that support their ability to succeed.

Equity and Inclusion:

Additional programs implementing Ed-Fi will allow for more efficient disaggregation of data by student groups as well as new reports which would provide disaggregation of data by detailed student groups. The opportunity gaps and access to technology that students of color experience will be able to be communicated more clearly, transparently, and will be unavoidably visible. To collectively forge a path forward in addressing the inequities that exist for students of color, American Indian students, LGBTQ students, and students with disabilities, everyone must be able to understand the depth of the data and relationship between data sets. Using a business intelligence tool such as Tableau will enable MDE to better communicate these disparities visually and in a manner that is easy to understand for non-data experts.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

The IT cost estimate is based on the following expectations and assertions:

1. Planning and budgeting for MDE's Ed-Fi system must encompass the full data pipeline, including data collection, data validation, data transformation, and data reporting in order for MDE to realize the full benefits of this system. The original focus was on data collection, which must expand to include validation, transformation, and reporting. In the past, MDE's Ed-Fi system planning and budgeting was too focused on the data collection part of the process.
2. MNIT requires a significant increase in annual funding for staffing and infrastructure to support MDE's steadily growing data collection and reporting needs.
3. Modernizing MDE's data collection and reporting infrastructure using Ed-Fi and Tableau will allow MDE to serve state and federal education data collection and reporting needs for decades to come.
4. The focus of the professional / technical contracts is for cloud modernization of MDE's Ed-Fi system, technical support, maintenance, and knowledge transfer to MNIT staff.
5. The bulk of future MDE enhancement requests to MDE's Ed-Fi system will be done by MNIT staff, not by professional/technical contractors.
6. Most MNIT costs in FY24 are covered by ARP funds.

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>
Payroll		1,622	1,622	1,622
Professional/Technical Contracts	450	250		
Infrastructure	145	145	145	145
Hardware				
Software				
Training				
Enterprise Services				
Staff costs (MNIT or agency)				
Total	595	2,017	1,767	1,767
MNIT FTEs	9.7	9.7	9.7	9.7
Agency FTEs				

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of Ed-Fi only districts for MARSS	6	10/2022	0	500+	FY25
Quantity	Number of districts submitting AEO data	453	10/2022	0	500+	FY25
Quantity	Number of districts submitting MCCC data	0	10/2022	0	500+	FY26
Quantity	Number of districts submitting DIRS data	0	10/2022	0	500+	FY26
Quality	Quality of MARSS comparison reports	6 districts completed 2 consecutive clean comparison reports	10/2022	6	500+	FY25
Results	Availability of Tableau reports	0	10/2022	0	10	FY26

Part B: Evidence-based practices

The Michigan Department of Education conducted a Return on Investment (ROI) and Potential Costs Savings Study in 2016. The study estimated that when fully implemented, districts could save up to \$56 million per year by eliminating duplicate integrations, integrating systems that are not currently connected, and by streamlining and partially automating the state reporting process.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Data Governance Manager

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	160	160	160
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	160	160	160
FTEs	0	1.0	1.0	1.0

Recommendation:

The Governor recommends \$160,000 beginning in fiscal year (FY) 2025 for a Data Governance Manager position that oversees data governance work at the Minnesota Department of Education.

Rationale/Background:

Data informs the Minnesota Department of Education's (MDE) policies, programs, and decisions. A best practice is to treat data as an asset that needs to be managed, with the goal of data management enabling organizations to get more value from its data. This proposal will ensure that MDE has a permanent Data Governance Manager to oversee a long-term data governance plan at the agency.

In 2017 MDE began a data governance program to coordinate data management across agency divisions. The original intent was to prevent repetitive data submission requests from Local Education Agencies (LEAs) and address gaps created by the existing siloed structure. A structured data governance program was established using temporary funding. Over a four-year period MDE was able to work with national experts to implement a data governance structure that includes data stewards, a data management committee, and an executive data policy committee.

Initial temporary funding ended in 2021. Additional temporary funding was secured a year later, which will end in FY2024. After over a year without a dedicated data governance manager, it is clear that without dedicated funding to operate a data governance program, there is a risk that silos will begin to reemerge and decisions about data collection and reporting may be made without collective input.

The intended results of this investment are to mature the data governance program at MDE, and to establish and maintain data governance policies, procedures, and standards in order to ensure data integrity. This impacts the quality of data used to make decisions on funding, as well as programming targeted to meet the needs of Minnesota students. Without a permanent Data Governance Manager, there will be gaps in oversight of data management and reduced collaboration amongst agency staff in managing data decisions.

Proposal:

This proposal will provide ongoing operating funds to maintain MDE's current level of service. An adjustment is necessary because the Data Governance Manager position is currently funded with temporary American Rescue Program (ARP) funds. This request will fund one permanent full-time equivalent (FTE) to serve as the Data Governance Manager. Based on the employee salary cost calculator for FY 2023, the cost for one FTE data

governance manager salary, fringe, and rent is \$160,000. ARP funds would continue to pay employee costs through FY24. New funding would begin in FY25.

The Data Governance Manager facilitates regular meetings with the data governance committees, defines the data governance structure and responsibilities, establishes agency-wide standards, processes, and procedures for data collections, reporting and release, and identifies critical data issues and coordinates steps for resolution. Having a permanently funded Data Governance Manager to oversee MDE’s data governance programs helps ensure the agency efficiently manages and produces quality data that can be used to effectively inform decisions that impact Minnesota students.

Impact on Children and Families:

Having a strong data governance program ensures MDE’s data assets are well-managed and families have access to high-quality information. Minnesota schools and families benefit from using valid and reliable data to identify how to effectively target services to ensure Minnesota students receive a quality education. Data governance also works to ensure that student privacy is maintained while also balancing the need for transparency.

Equity and Inclusion:

In order to effectively identify where there are gaps and needs that must be addressed to target resources to reduce or eliminate inequities and ensure every child receives a quality education, there must be oversight of data governance policies, procedures, and standards that ensures high quality data is collected, used appropriately, and managed well.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

The state of MDE’s data governance program was recently measured through a Data Management Maturity Assessment (DMMA). This information identifies where there are gaps, opportunities for growth, and supports the creation of a roadmap that prioritizes where to focus efforts to mature our data governance program. The areas evaluated in the assessment include awareness, formalization, metadata, stewardship, data quality and master data. The chart below shows average scores as of September 2022 out of a possible score of 5.

Category	Score
Awareness	1.9
Formalization	1.8
Metadata	1.0
Stewardship	1.8
Data quality	1.8
Master data	1.7

Future evaluations of MDE’s data governance program using the DMMA will show which areas have experienced growth and matured. The DMMA will be conducted annually to determine where gains have been made and where efforts should focus.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Digital Equity Data and Report

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	135	27	13	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	135	27	13	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$135,000 in fiscal year (FY) 2024 and \$27,000 in FY 2025 to support digital equity for students enrolled in Minnesota public schools. Funds will be used to collect, analyze, and report on information about student access to digital devices and Internet connectivity. This information will enhance Minnesota’s ability to target resources and address access disparities affecting resident’s education, access to health and human services, employment opportunities, and civic engagement.

Rationale/Background:

Student access to digital devices and the Internet is correlated with higher homework completion, higher GPA, more interest and enrollment in post-secondary education, and more interest in STEM career pathways. This request provides data to inform the allocation of local, regional, state, and federal resources to support digital equity. This information will be particularly useful to local partners who are providing digital navigation services.

Better, more robust and accurate data will do two things:

- Allow local, regional, and state partners to better understand where the needs are based on human experience rather than available infrastructure.
- Help us understand the barriers individuals are facing such as affordability, language access, and application requirements so that targeted support can take place.

This proposal is aligned with recommendations of the Governor’s Broadband Taskforce and will support the state Digital Equity Plan.

Proposal:

This proposal provides \$135,000 in FY 2024 and \$27,000 in FY 2025 for information technology infrastructure modifications related to digital equity data. Digital equity data is being collected currently. This funding would allow development of the reporting functionality so that robust data analysis can take place. This initiative will also allow for increased support of districts and charter schools who are collecting and reporting this data.

Impact on Children and Families:

This proposal helps to ensure that information is available for each student enrolled in Minnesota public schools. Data use and sharing agreements can be between local districts and charter schools and organizations who can provide support to students and families.

Equity and Inclusion:

Black, Indigenous, and people of color are less likely to have access to the Internet and digital devices sufficient to access education and other services. This proposal will improve conditions for individuals by coupling more granular data with support services and resources that are increasingly available.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs

The following IT cost estimate is based on the following assumptions:

1. The state IT costs of this change item are for sustaining data collection of student-level digital equity data with demographic data elements and developing reporting that disaggregates student counts for digital equity by demographic groups.
2. Data collection of student-level digital equity will continue to use the department’s Ed-Fi system. Reporting this data requires that this data is managed in the department’s Ed-Fi data pipeline for data validation, matching, and reporting.

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>
Payroll	135	27	13	
Professional/Technical Contracts				
Infrastructure				
Hardware				
Software				
Training				
Enterprise Services				
Staff costs (MNIT or agency)				
Total	135	27	13	
MNIT FTEs	.9	.2	.1	
Agency FTEs				

Results:

This new project replaces the need for manual data processing with a semi-automated data pipeline for annual reporting of student-level digital equity data disaggregated by demographic groups.

Quantity: Number of Minnesota public school students represented in the digital equity student data submitted annually by districts. Number of reports generated by the system.

Quality: Percent of Minnesota public school students represented in the digital equity student data submitted annually by districts. Response time to generate reports about student access to digital devices and Internet connectivity.

Result: Timely information will enhance Minnesota’s ability to target resources and address access disparities affecting resident’s education, access to health and human services, employment opportunities, and civic engagement.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Reasonable Force Reporting

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	47	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	47	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends \$47,000 for information technology (IT) costs related to updating the restrictive procedures reporting system. Currently, restrictive procedures reporting is limited to students with disabilities, so the restrictive procedure reporting system was supported by federal Individuals with Disabilities Education Act (IDEA) funding. However, because the data required under this proposal would be for all students, including those students who do not have a disability, IDEA funding may no longer be used.

Rationale/Background:

Since the addition of reasonable force under the restrictive procedures statute in Minnesota Statutes, section 125A.0942, subd. 3(b), there has been considerable misunderstanding on how and when it is reported. It should be clarified that even if the action is determined to be reasonable force when used on a student with disability, if it meets the definition of physical holding outlined in Minnesota Statutes, section 125A.0941(c), it still must be reported to the department. Additionally, a reporting provision should be added to include that even if the action is determined to be reasonable force when used on a student without a disability, and it meets the definition of physical holding outlined in Minnesota Statutes, section 25A.0941(c), it must be reported to the Minnesota Department of Education (MDE).

Proposal:

This proposal provides \$47,000 in FY 2024 for funding to update IT systems to expand the data reported to MDE regarding reasonable force use. This will provide a clearer picture of how reasonable force is used and whether it is being used in a way to avoid reporting incidents as a use of restrictive procedures. Specifically, this will allow the Restrictive Procedures Workgroup to utilize data collected in their work to reduce the use of restrictive procedures and use of reasonable force. The program will be updated in the summer of 2023 for restrictive procedures reporting by districts in school year 2023-2024.

Impact on Children and Families:

Restrictive procedures are disproportionately used by schools on students with disabilities. As reporting requirements and scrutiny of the use of restrictive procedures has increased over the last few years, a loophole has opened that allows schools to attribute the use of restrictive procedures to the use of reasonable force. MDE does not have comprehensive data on the use of reasonable force. This proposal will give MDE the data to see how prevalent the use of reasonable force is, and it will inform the use of evidence-based practices to reduce the use of reasonable force.

Equity and Inclusion:

This proposal will benefit students with disabilities who disproportionately experience use of reasonable force.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll						
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)	\$47					
Total						
MNIT FTEs						
Agency FTEs						

Results:

- What performance measures are currently used?
 - Use of restrictive procedures and seclusion
- Historical data to reflect major trends.
 - See reports here: [Restrictive Procedures \(mn.gov\)](https://mn.gov/restrictive-procedures)
- The most current available data – preferably from within the last year.
 - See report here: [Restrictive Procedures \(mn.gov\)](https://mn.gov/restrictive-procedures)

Statutory Change(s):

Minnesota Statutes, section 121A.582

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Athletic Race/Ethnicity Data Collection

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	110	70	65	65
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	110	70	65	65
FTEs	.4	.4	.4	.4

Recommendation:

The Governor recommends \$110,000 in fiscal year (FY) 2024, \$70,000 in FY 2025 and \$65,000 in FY 2026 and beyond for the Minnesota Department of Education (MDE) to collect and report aggregate race and ethnicity demographics from public and private schools on students participating in intramural and interscholastic programs.

Rationale/Background:

MDE currently collects information about intramural and interscholastic athletics from each public and private school/school district through the Athletic Reporting System (Minnesota Rule 3535.3600). An elementary and secondary athletic report contains, by building:

1. Number of sports offered for each sex.
2. The season each sport is offered for each sex.
3. Number of weeks each sport is offered.
4. Number of teams in each sport.
5. Number of coaches assigned to each sport.
6. Number of students by sex participating in each sport.
7. Dollar expenditure per sport.
8. Total unduplicated count of student participation in the interscholastic program by sex.
9. Total unduplicated count of student participation in the intramural program by sex.

The purpose of the data collection is to support the requirements laid out in Minnesota Statutes, section 121A.04, subdivision 1, which recognizes past inequities in access to athletic programs, the various degrees of athletic opportunities previously afforded members of each sex, and the need to provide equal opportunities for members of both sexes to participate in athletic programs.

Since 2021 the reporting system has allowed schools to generate a Participation Report that assists them in determining whether they provide equal opportunities for members of both sexes to participate in athletic programs. Additionally, the Minnesota State High School League (MSHSL) collects data by gathering participation numbers by sport and sex and forwards them to the National Federation of State High School Associations to compile nationwide participation numbers.

Currently neither MDE nor the MSHSL collects or reports race and ethnicity demographic data on athletic participation, as it is not required by state or federal law. While the addition of race and ethnicity demographic data currently exceeds MDE’s data collection purpose (as described in Minnesota Statutes, section 121A.04, subdivision 1, and Minnesota Rules 3535.3600), its addition would allow users to determine if student race and ethnicity groups are represented equitably across athletic programs. The addition of race and ethnicity to the Athletic Reporting System in order to identify the number of students who participate in each sport by race and ethnicity will increase the opportunity to better serve Minnesota students by ensuring all students have access to sports that interest them.

Proposal:

This proposal provides funding for an expansion of the intramural and interscholastic athletic report collected by MDE from schools. Schools will be required to collect and report aggregate race and ethnicity data for each sport annually. This will include the number of students by race and ethnicity participating in each sport.

Data collection will require technical modifications from Minnesota Information Technology Services (MNIT) to an existing data collection system to include race and ethnicity fields for each sport. In addition, 0.25 full-time equivalent (FTE) of MDE staff time will be required to train, support, and monitor districts on collecting and submitting this information. Data reporting will require MNIT support to develop an online report, as well as 0.25 FTE of MDE staff time to support data analytics.

Costs:

- MNIT costs: \$60,000 in FY 2024-25, \$50,000/year thereafter
- 0.2 FTE MDE staff (training, support, monitoring): \$28,000/year
- 0.2 FTE MDE staff (data analytics): \$28,000/year
- Overhead: \$4,000/year

The race and ethnicity data collection and reporting systems will be developed during the 2023-24 school year and implemented during the 2024-25 school year.

Impact on Children and Families:

Tracking demographic data of students who participate in athletic activities, and revising the biennial determination of student interest, will allow for more purpose-driven decisions about athletic offerings. Specifically, this will provide data that will allow MDE, the MSHSL, and the public to identify gaps in participation.

Equity and Inclusion:

This policy is specifically designed to promote equity and inclusion. Equity work cannot be done in the context of athletic opportunities until there is a data about who wants to participate and is not participating.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

IT Costs:

<i>Category</i>	<i>FY 2024</i>	<i>FY 2025</i>	<i>FY 2026</i>	<i>FY 2027</i>	<i>FY 2028</i>	<i>FY 2029</i>
Payroll	\$49,500	\$9,900	\$4,950	\$4,950	\$4,950	\$4,950
Professional/Technical Contracts						
Infrastructure						
Hardware						
Software						
Training						
Enterprise Services						
Staff costs (MNIT or agency)						
Total						
MNIT FTEs	0.2	0.04	0.02	0.02	0.02	0.02
Agency FTEs						

Results:

Part A: Performance measures

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of districts reporting race/ethnicity data on athletic activities	0	FY23	0	500+	FY25
Quality	Data follow validation protocols	0	FY23	0	500+	FY25
Results	Data are used for decision making	NA	NA	NA	NA	NA

Statutory Change(s):

Minnesota Statutes 121A.04.

The following rules would have to be revised: Minnesota Rules 3535.3000 - 3535.3700.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Audit and Internal Control Resources

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	800	800	800	800
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	800	800	800	800
FTEs	5	5	5	5

Recommendation:

The Governor recommends \$800,000 annually beginning in fiscal year (FY) 2024 to meet the increasing demand for reviews, audits, and internal control expertise. Funding will provide additional staff and resources at the Minnesota Department of Education (MDE) to conduct external auditing and internal control functions.

Rationale/Background:

MDE administers numerous school funding programs and provides supportive leadership to all educational entities by providing guidance and technical assistance to meet state and federally legislated requirements. This includes distributing formula and competitive grants, as well as aid programs, calculating state aid and distributing payments to school districts and charter schools, and calculating school district local property tax levies. State law and best practices set forth requirements for auditing, internal control, and internal auditing functions.

Minnesota Statutes, section 127A.41, subdivision 3, specifies that whenever possible, the commissioner shall audit at least 25 districts each year to help ensure the accuracy and validity of the student and financial data used to drive the calculation of approximately \$10 billion in state aid entitlements and \$2.6 billion in property tax levy limitations each year. The target of 25 audits per year was enacted before the existence of charter schools. With over 325 school districts, 184 charter schools, four intermediate school districts, and several other cooperative units that serve students, there are over 500 local education agencies (LEAs) that should be audited on a regular basis. Given current staffing levels of three full-time equivalents (FTE), MDE has completed an average of 29 audits per year over the last five fiscal years, meaning that school districts and charter schools are audited about once every 20 years on average. While the number of audits completed annually has slightly exceeded the statutory target, with current staffing and travel budgets, it is difficult for MDE to conduct large, more complex audits or conduct on-site audits in greater Minnesota.

Increased funding for school finance audit activities will enhance fiscal accountability by:

- Increasing the number of audits completed each year, thereby reducing the average length of time between audits from 20 years to 10-12 years;
- Improving the mix of audits to include more proportional representation of school districts, charter schools and cooperatives of all sizes throughout the state; and,
- Expanding the scope of audits to include a wider range of data driving state aid and levy. Improving student accounting and other data reported to the state, thereby ensuring state aids are calculated and distributed more accurately.

Minnesota statutes also establish requirements around internal controls and risk mitigation. The head of each executive branch state agency must design, implement, and maintain an effective system of internal control within the agency. The law requires that the system:

- Safeguard public funds and assets and minimize incidences of fraud, waste, and abuse;
- Ensure that programs are administered in compliance with federal and state laws and rules; and,
- Require documentation of internal control procedures over financial management activities, provide for analysis of risks, and provide for periodic evaluation of control procedures to satisfy that these procedures are adequately designed, properly implemented, and functioning effectively.

Furthermore, Executive Order 19-23 directs the development and maintenance of state agency continuity of operations plans. Under the order, state agencies must develop and maintain an up-to-date continuity plan. Planning includes periodic testing and training for all staff at the agency. Continuity planning is a key element of a strong internal control environment and business best practices. Internal control and risk mitigation activities, including leading agency control environment and risk assessments and continuity of operations planning, requires additional resources beyond the current staffing levels of one FTE. These functions should be separate and distinct from internal audit functions, which actually audit and test the internal business processes to ensure effectiveness, efficiency, consistency, strong internal controls, and provide management with reasonable assurance that fraud is not occurring. MDE internal audit functions are currently conducted through compensating controls, separation of duties and supervisor oversight and require dedicated staffing.

Proposal:

This proposal provides \$800,000 annually beginning in FY 2024 for three purposes. First, it includes \$320,000 annually for two school auditors and related travel costs to permit a proportionate number of audits in all geographic regions throughout the state. This will allow audit staff to increase their audit coverage, complete larger complex audits, and to travel outside the metro area more frequently. More school districts and charter schools would be audited each year, improving fiscal accountability and the accuracy of student accounting and other data reported to the state, ensuring state aids and levies are calculated and distributed more accurately.

Second, it includes \$320,000 annually for two internal control specialists to enhance the internal control activities within MDE. This will allow the agency to increase risk assessment and mitigation activities and expand business continuity activities to include updating and maintaining our current plan, performing testing and providing appropriate staff training.

Finally, this proposal includes \$160,000 annually for an internal auditor to implement an internal audit program that provides independent, objective assurance and consulting activities designed to add value and improve operations at MDE. Internal Audit will assist MDE in accomplishing its management objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and various governance processes.

Impact on Children and Families:

This proposal provides resources to help ensure that education funding for public schools, libraries, students, families, staff, and communities statewide will be fully utilized for its intended purpose thus ensuring all children have: a healthy start; access to affordable and quality child care and early education; and access to mental health supports.

Equity and Inclusion:

This proposal provides resources to help ensure that education funding for public schools, libraries, students, families, staff, and communities statewide will be fully utilized for its intended purpose thus serving people of color, Native Americans, people with disabilities, people in the LGBTQ community, and other protected classes.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

The overall result of this proposal is to strengthen the State of Minnesota's approach to combating fraud, waste, and abuse. Specifically:

- The number of school audits completed each year will be increased, thereby reducing the average length of time between audits from 20 years to 10-12 years;
- The mix of school audits will be improved to include more proportional representation of school districts, charter schools and cooperatives of all sizes throughout the state; and,
- The scope of school audits will be expanded to include a wider range of data driving state aid and levy
Improving student accounting and other data reported to the state, thereby ensuring state aids are calculated and distributed more accurately.
- Risk mitigation will be enhanced through the completion of a risk assessment for every division
- Perform 1-2 targeted risk assessments or internal control tests annually based on risk assessment data or MDE audits
- Perform 2-4 tests/reviews and analysis of internal control for high-risk areas and/or processes annually
- Perform 1-2 financial audits of the agency's accounting processes or methodologies per year
- Formal monitoring of the annual Single Audit, the findings, and completion of the corrective action plans (CAP's)
- Perform 1-2 internal compliance audits or reviews to assess compliance with laws and regulations annually

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Equity, Diversity, and Inclusion (EDI) Center Staffing and Grants

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	33,076	2,000	2,000	2,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	33,076	2,000	2,000	2,000
FTEs	14	14	14	14

Recommendation:

The Governor recommends \$33.076 million in fiscal year (FY) 2024 and \$2.0 million in FY 2025 and beyond to fully fund the Equity, Diversity and Inclusion (EDI) Center at the Minnesota Department of Education (MDE) to ensure the conditions, strategies, resources, and training for equity, diversity, and inclusion thrive in our educational system across the state. The recommendation includes \$30 million in one-time grants to school districts and charter schools to implement culturally relevant practices. The grant funds are available until June 30, 2027.

Rationale/Background:

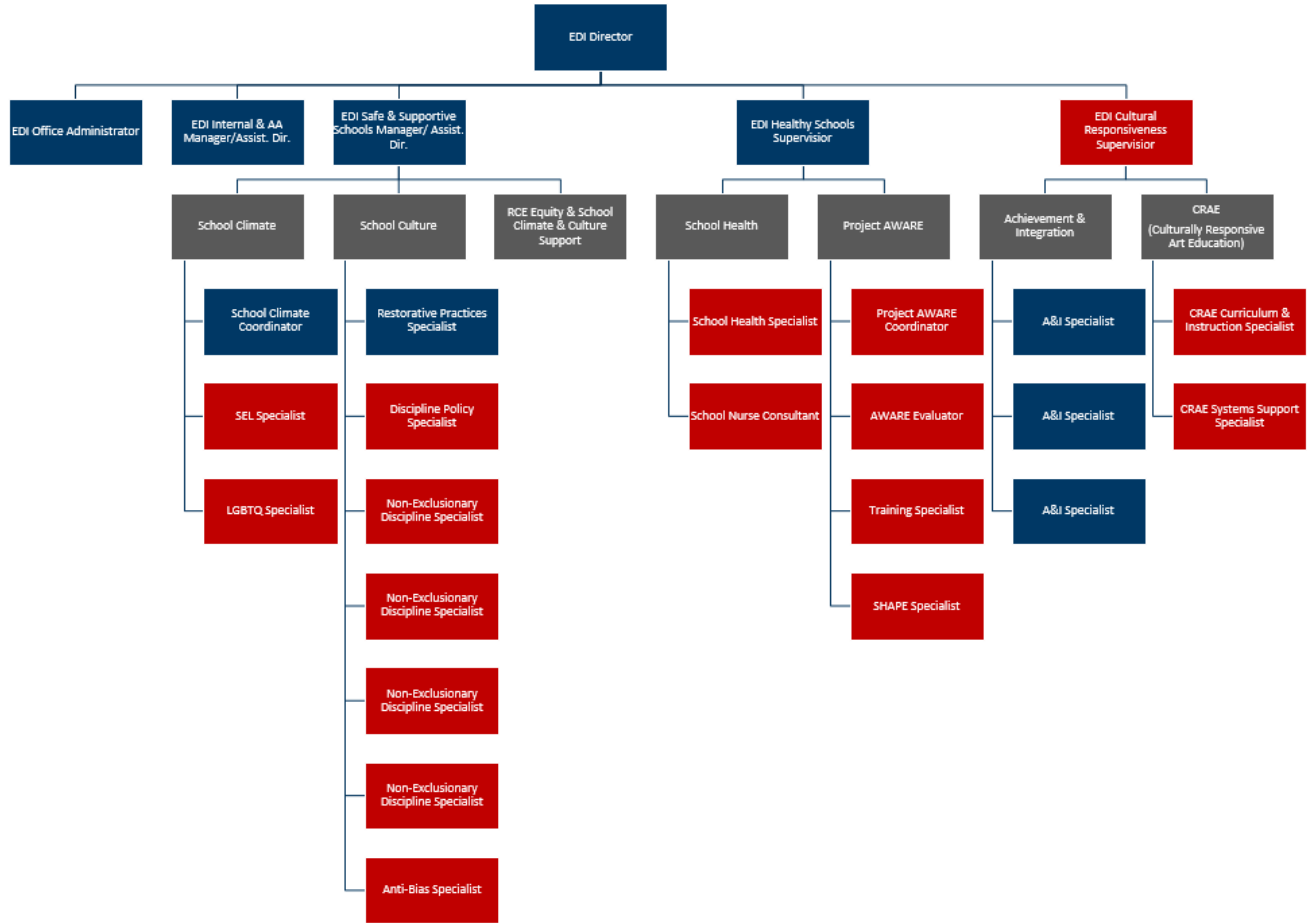
Equity, diversity, and inclusion are foundational principles that when operationalized ensure the betterment for all. Minnesota's educational disparities are among the worst in the nation and can be found in every region of the state (urban, suburban, rural) and in all types of schools (public, private and charter schools). Minnesota's educational disparities disproportionately impact students of color, American Indian students, English Language learners, students with disabilities and students from economically disadvantaged communities. The Due North Education Plan set forth the creation of the EDI Center at MDE. The EDI Center was tasked with creating the conditions and identifying strategies, resources, and training for equity, diversity, and inclusion to thrive in our educational system across the state.

The mission of the EDI Center is to advance the principles of equity, diversity, and inclusion to create the conditions for building authentic cross-cultural communities where harm is eliminated, and every person's humanity is acknowledged and valued. The vision for this center is for the principles of equity, diversity, and inclusion to be achieved within MDE and across the state, producing environments where practices of anti-racism are implemented. This work is both personal and collective, requiring each individual to develop a critical consciousness that fosters beliefs, behaviors, and practices that eliminate harm, values our diverse human experience, and cultivates environments that dismantle racism and all oppressions.

The EDI Center recognizes that for students to truly thrive equity, diversion, and inclusion must be foundational in all systems of support that reaches our students, families, and communities. With this in mind, in 2022, MDE restructured the agency to combine the School Climate team with the EDI Center. This merger coupled vital supports with EDI principles, and in doing so created the mechanism for identifying practices, strategies, and resources and materials for improvement.

It is important to note that accomplishing this mission and vision requires intentionally allocated resources, and carefully constructed infrastructure. Currently the EDI Center has 27 full-time equivalent (FTE) positions working

to lead a range of programs and grants. However, the majority of staff (63% or 17 positions) are supported through temporary funding allocated from grants and money from the American Rescue Plan (ARP). Without permanent funding, all positions on the organization chart identified in red, will be eliminated.



Permanent funding will ensure that the EDI center can support the systems change necessary internally so that MDE staff can appropriately support LEA's who are working to transform their approaches and ensure equitable student outcomes statewide.

Proposal:

This proposal will provide \$30 million in one-time grants to school districts and charter schools to implement culturally relevant practices. Grants may be for up to \$500,000 and will be prioritized for schools with the greatest inequities as demonstrated by achievement data and are available until June 30, 2027. Up to 5 percent may be used for grant administration. Grant recipients may use funds to:

- Hire staff who will coordinate and train their peers on culturally relevant practices.
- Fund essential training and coaching for all school staff.
- Increase the schools' capacity to partner with community experts.
- Support data collection and monitoring practices.

The proposal also provides \$5,000 to purchase critical equity texts for shared learning across the agency.

Finally, the remaining funds will support continuity of service and simultaneously increase capacity and impact of the EDI center as outlined in the mission and vision of the EDI Center, MDE's Strategic Plan, and the Governor's Due North Plan.

Currently 17 out of 27 positions in the department are supported by temporary funds set to expire in September 2023 or September 2024. This proposal seeks to sustain these positions and continue offering critical support in the areas of Social and Emotional Learning, Restorative Practices, Non-exclusionary Discipline, Comprehensive School Mental Health, LGBTQ student services, anti-bias and trauma informed practices, culturally responsive art education, and School Health. The positions will serve on three distinct but interconnected teams 1) the Safe & Supportive Schools Team, 2) the Healthy Schools Team, 3) and the Cultural Responsiveness Team.

Impact on Children and Families:

The EDI Center provides training and support for districts, schools and their staff on anti-bias practices, non-exclusionary discipline and trauma-informed practices, support to address systemic racism. The development of highly effective training and coaching that embeds anti-bias and an equity focus into multiple areas including social emotional learning, non-exclusionary discipline, mental health, and more requires that consistent staffing is ensured in the EDI Center, both external and internal facing. The community has consistently called for a sustainable and effective EDI Center at MDE.

Equity and Inclusion:

Fully funding the EDI center produce positive outcomes within MDE and schools by increasing the capacity, skill and will of educators to properly address inequities. At MDE this will result in an improved work culture, lower turnover rates, and improved approaches to supporting schools and students. At a school-level, results will include increases in student connectedness and achievement, and decreased academic and behavioral disparities. Positive relationships and collaboration across the agency and within the community have already been demonstrated with temporary funding.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

Part of this funding will support grants to schools. The table below outlines data points that will be reported annually by participating districts in a format determined by MDE.

Quantity	Quality	Results
<ul style="list-style-type: none"> • # of staff hired • # of trainings and technical assistance sessions from MDE • % of building staff receiving training, coaching and TA # of anti-bias and culturally responsive teaching and practices 	<ul style="list-style-type: none"> • Staff report of increased knowledge and skills to culturally responsive practices • Student and family quality feedback on culturally responsive practices • Aggregate level observation data 	<ul style="list-style-type: none"> • MCA scores for all students • Graduation rates for all students • Decreased academic and behavior disparities

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Current Service Levels

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	4,604	4,992	4,992	4,992
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	4,604	4,992	4,992	4,992
FTEs	9.0	9.0	9.0	9.0

Recommendation:

The Governor recommends additional funding of \$4.604 million in fiscal year (FY) 2024 and \$4.992 million in each subsequent year from the general fund to maintain the current level of service delivery at the Minnesota Department of Education (MDE).

Rationale/Background:

Each year, the cost of doing business rises—employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related cost increases. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. Most recently, MDE entered into a new lease and began moving into a new location during FY 2022. MDE was able to reduce their footprint by about 30 percent thanks to the flexibilities of a hybrid work environment and the per square foot rate decrease due to the successful negotiation of the lease agreement. To support this reduction in footprint, MDE will need to reduce their reliance on paper files and is implementing a robust electronic document management system.

However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

For MDE, operating cost pressures exist in multiple categories—increases in compensation and insurance costs at the agency, increasing costs to maintain our current staff compliment in a challenging labor market, and increasing IT costs. If an operational increase is not provided, the services MDE delivers to Minnesotans will be impacted. For MDE, this means that these budget pressures would be managed through attrition and other position management impacting the leadership, program and technical support to students, families, schools and educators. MDE serves pre-kindergarten students through Adult Basic Education and provides statewide library services. There are 2,239 public schools, with 56,873 teachers in Minnesota, serving 850,575 students in pre - kindergarten through 12th grade and 37,898 adult learners. Public library services are available in all 87 Minnesota counties.

MDE support and services include:

- Provide support and leadership for, and partnership with, local education agencies and organizations
- Develop and provide tools and resources for students, educators, and families
- Provide professional development and technical assistance to teachers and school leaders
- Provide support and assistance to families
- Distribute state and federal school aid and grants
- Collect and analyze data
- Oversee state and federal accountability
- Provide state and federal compliance and regulatory responsibility
- Implement laws, programs and guidance to educators

Proposal:

The Governor recommends increasing agency operating budgets to support maintaining the delivery of current services. For MDE, this funding will cover expected and anticipated employee compensation growth, known cost increases for IT and other state agency services.

Results:

This proposal is intended to allow MDE to continue to provide current levels of service and information to the public.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Board of School Administrators Staffing and Outreach

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	64	64	64	64
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	64	64	64	64
FTEs	0.5	0.5	0.5	0.5

Recommendation:

The Governor recommends \$64,000 annually beginning in fiscal year (FY) 2024 for the Board of School Administrators (BOSA) to expand office support staff, improve communication processes with administrators, implement technological upgrades, provide support for licensed administrators in Minnesota public schools, and ensure robust implementation and monitoring of all aspects of licensure requirements for administrators. This represents an 18.8 percent increase over BOSA's base budget. BOSA's funding is provided in a rider within a Minnesota Department of Education (MDE) appropriation.

Rationale/Background:

This proposal is a targeted investment to support the Board of School Administrators' ability to ensure the highest standards and support are available to licensed school administrators. This includes accurate licensure of administrators (MN Statute 122A.14); review and approving preparation programs for school administrators (MN Rule 3512.1200), including alternative programs (MN Statute 122A.27); and timely response to variance requests (MN Rule 3512.0510); processing requests for continuing education units for administrative professional development (MN Rule 3512.0510); enforcing and advising school administrators in the Code of Ethics covering standards of professional practice (MN Rule 3512.5200); assessing annual fees to support the board (MN Statute 122A.14 Subd. 9); and providing a bi-annual accountability report (MN Statute 122A.091 Subd. 1).

Base funding of 2.35 full-time equivalent (FTE) positions does not allow the volume of required work to be performed in a timely fashion. It is increasingly difficult to meet legislative mandates at current staffing levels. Technology systems and programs are outdated and cannot be used effectively.

Proposal:

Funds requested will be used to increase current services to meet the needs of administrators.

Adding a 0.5 FTE in office support (\$46,000):

- To provide support to process requests for authorization of approval of professional development activities. These activities are provided by educational organizations that support administrative licensure. These activities need to be a priority and should be processed within one week. Currently, it can take up to three weeks to process an application.
- The organization is mandated by statute to assess and collect fees from administrators. The outdated system and lack of staff support do not allow for this to happen in a timely manner.
- Administrators do not have a clear understanding of the purpose of the board and the fee requirement. Fees received do not directly support the work of the Board; rather, they accrue to the General Fund at

large, and a legislative appropriation from the General Fund provides funding to the Board. Currently, over 43% of the administrators in MN are not complying with the fee statute. With new processes in place and additional staff, an improved compliance rate is expected.

- This position will also need a phone, laptop, monitor, etc.

Improve communication and support to licensed administrators (\$18,000):

- An updated website including pertinent information to support administrator work.
- Developing newsletters to constituents.
- Improving all communication tools, including sharing information on legal requirements.
- Developing an information packet to be shared at conferences.
- Outreach at association conferences/exhibits for Superintendents, Principals, Special Education and Community Education, and association memberships.
- Funding will be used to survey members every two years and gather feedback on changes needed to support the administrators in accordance with state statutes.

The increased funding to implement the above changes is expected to increase revenue from the current level of approximately \$371,000 per year to \$525,000 per year within the next three years. BOSA's base budget for FY 2024 is \$341,000.

Impact on Children and Families:

The main impact on families will be to ensure that Minnesota has highly qualified school administrators who can direct and oversee quality education programs.

Equity and Inclusion:

Highly qualified school administrators support equity and inclusion in Minnesota schools.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

This proposal will support the Board of School Administrators to add capacity to be more efficient and effective while providing services and information to administrators and the public in a timely manner.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity /Quality	Survey administrators bi-annually	None	6,000+	FY 23-24
Quantity	Collect BOSA fee in an effective manner	Approx. 65% collection rate	30+% increase in fee collection	FY 23-24
Quantity	Continuing education certificates process	3-4 weeks to process	One week or less to process	FY 23-24
Results	New BOSA newsletter	None	6,000+ more informed administrators	FY 23-24

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Legal Costs

Fiscal Impact (\$000s)	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
General Fund					
Expenditures	(1,500)	7,500	0	0	0
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	(1,500)	7,500	0	0	0
FTEs	0	1.0	0	0	0

Recommendation:

The Governor recommends cancelling \$1.5 million of the current general fund appropriation for legal costs and costs related to litigation in fiscal year (FY) 2023 and adding \$7.5 million in FY 2024 to cover legal support costs associated with the Minnesota Department of Education's (MDE) Office of the General Counsel, use of the Attorney General's Office, discovery, mediation, and other litigation costs. Resources for legal costs will need to continue into FY 2025 due to several complex lawsuits.

Rationale/Background:

During the 2021 legislative special session, \$4.5 million of one-time funds were appropriated for FY 2022 for anticipated lawsuits. While this funding ends June 30, 2023, the major lawsuits remain in progress. MDE is a defendant in three cases that have the potential to establish landmark rulings in the state of Minnesota. These lawsuits will bring additional costs for attorneys, discovery and experts, court fees, mediation services, and potential trial costs or settlement costs. The total amount of these costs is uncertain and difficult to estimate.

Proposal:

This proposal provides \$7.5 million of one-time general fund resources in FY 2024 for legal support costs associated with the Attorney General's Office and other costs related to defending and mediating lawsuits. If this proposal is not funded, all legal costs would be paid from general fund operating funds, significantly impacting the agency's ability to support schools, teachers, and students. This request also cancels funds from FY 2021 for legal costs and costs related to litigation that are projected to go unused but are needed in the FY 2024-25 biennium.

This proposal would enable MDE to maintain programming and impacts the Attorney General's Office ability to budget and plan to provide adequate legal services.

Impact on Children and Families:

This proposal is intended to allow MDE to continue to provide current levels of leadership and support to students, educators, schools, and families. MDE serves over 890,000 students from prekindergarten to grade 12, including over 300,000 students of color and American Indian students; 148,000 students receiving special education services; 72,000 English language learners; and over 320,000 students eligible for free and reduced-price lunch.

Equity and Inclusion:

MDE serves more than 2,000 schools across the state; over 58,000 full-time equivalent teachers; 65,000 non-licensed staff; and more than 890,000 prekindergarten to grade 12 students. MDE provides support, technical assistance, funding and much more to the thousands of educators and students in the state.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Results:

With the reallocation of legal funds for the FY 2024-2025 biennium, MDE will be able to maintain for services provided throughout the agency. The continuation of these services will be reflected in a number of MDE’s key performance measures.

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading - Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math - Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science - Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation - Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate - Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Online Learning Application Fee Spending Authority

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Special Revenue				
Expenditures	29	7	7	7
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	29	7	7	7
FTEs	0	0	0	0

Recommendation:

The Governor recommends granting the Minnesota Department of Education (MDE) authority to spend the revenue that is generated by the online program fees in Minnesota Statutes, section 124D.095. Currently, the agency has the authority to collect this fee but not to spend it. MDE estimates that there will be revenue of \$7,000 per year.

Rationale/Background:

Minnesota Statutes, section 124D.095, subdivision 7(d), allows MDE to collect a fee of up to \$250 per application and \$50 per course challenge. However, legal authority is needed to spend the funds collected to support the online programs.

Online Learning programs (OLL) provide a unique way for students to continue, expand, or enhance their education. MDE must review and approve or disapprove online learning providers within 90 calendar days of receiving an online learning provider's completed application. Annually, OLL providers must submit program data, confirm statements of assurances, and provide program updates (including a current course list) to the commissioner. Using research-based standards of quality for online learning programs, MDE must review all approved online learning providers every three years.

Proposal:

This proposal provides MDE with the authority to spend the revenue that is generated by the online program fees in Minnesota Statutes, section 124D.095. Currently the agency has the authority to collect this fee but not to spend it. MDE estimates that there will be revenue of \$7,000 per year. The revenue will be used for:

- Partnerships with organizations such as AIR to support research and professional development on quality standards for online instruction.
- Stipends to outside experts to validate and support program applications and reviews.
- Additional targeted professional development and coaching for online instruction providers from the Online Learning Specialist.

Continuous improvement initiatives will become the focus for improving online instruction. MDE will improve the capacity of online programs to set goals and use data to evaluate their progress toward those goals. MDE will focus on field development and the result will be more students completing online courses and progressing toward graduation.

Impact on Children and Families:

This proposal will provide avenues for strengthening online learning programs. Upgrading the quality of any education program helps MDE pursue its priorities for children and families by ensuring all children have access to a variety of quality education programs.

Equity and Inclusion:

The goal of this program is to reduce or eliminate inequities for people of color, American Indians, people with disabilities, people in the LGBTQ community, other protected classes, and veterans. By strengthening and improving the quality of our online programs, we will be able to support students in protected classes by offering them additional education options.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

Online comprehensive programs are included in MDE’s Northstar accountability measures which are part of our state ESSA plan.

- **Quantity:** Number of programs and students impacted by this expenditure.
- **Quality:** MDE currently does not have the capacity for creating a statewide system of support for online learning quality standards. These funds would cover the expenses for training and ongoing support for implementing a system.
- **Result:** Student course completion rate will increase.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Current Value</i>	<i>Date</i>	<i>Projected Value (without)</i>	<i>Projected Value (with)</i>	<i>Date</i>
Quantity	Number of students enrolling; number of courses.	19,363; 10,141	FY21	19,500; 10,200	21,500; 12,500	FY27
Quality	Quality Matters Rubric for National Standards for Quality Online Learning Average Score	N/A	N/A	N/A	100+	FY27
Results	Course completion rate	0.80	FY21	0.80	0.85	FY27

Statutory Change(s):

Minnesota Statutes, section 124D.095

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Legalizing Adult-Use Cannabis: Educational Program Resources

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Cannabis Management Office Expenditures	\$15,430	\$14,841	\$13,980	\$13,711
DEED Expenditures	\$10,400	\$6,700	\$0	\$0
Health Expenditures	\$8,115	\$8,115	\$8,115	\$8,115
Public Safety Expenditures	\$4,175	\$2,662	\$2,662	\$2,662
Revenue Expenditures	\$3,673	\$3,118	\$3,138	\$3,153
Human Services Expenditures	\$2,260	\$6,476	\$6,476	\$6,476
Cannabis Expungement Board Expenditures	\$921	\$844	\$844	\$844
Pollution Control Expenditures	\$607	\$496	\$70	\$70
Supreme Court Expenditures	\$545	\$545	\$0	\$0
Higher Education Expenditures	\$500	\$500	\$500	\$500
Agriculture Expenditures	\$411	\$411	\$338	\$338
Natural Resources Expenditures	\$338	\$0	\$0	\$0
Education Expenditures	\$180	\$120	\$120	\$120
Labor and Industry Expenditures	\$132	\$132	\$132	\$132
Commerce Expenditures	\$75	\$283	\$569	\$799
Corrections Expenditures	(\$177)	(\$345)	(\$407)	(\$458)
Tax Aids, Credits, and Refunds Revenues	\$5,800	\$31,000	\$79,300	\$130,800
Cannabis Management Office Revenues	\$1,996	\$3,330	\$4,000	\$6,000
State Government Special Revenue Fund				
Health Expenditures	(\$3,424)	(\$3,424)	(\$3,424)	(\$3,424)
Health Revenues	(\$7,411)	(\$10,879)	(\$12,973)	(\$19,223)
Trunk Highway Fund				
Public Safety Expenditures	\$5,608	\$1,668	\$1,668	\$1,668
Outdoor Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	(\$3)	\$96	\$330	\$594
Arts and Cultural Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	(\$2)	\$57	\$198	\$356
Clean Water Fund				
Tax Aids, Credits, and Refunds Revenues	(\$3)	\$96	\$330	\$594
Parks and Trails Fund				
Tax Aids, Credits, and Refunds Revenues	(\$1)	\$41	\$142	\$257
Net Fiscal Impact = (Expenditures – Revenues)	\$49,393	\$19,401	(\$36,546)	(\$84,672)
FTEs	92	98	104	104

Recommendation:

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. A new Cannabis Management Office will be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

Rationale/Background:

Prohibiting the use of cannabis in Minnesota has not worked. Despite the current prohibition, marijuana is widely consumed across Minnesota. The most recent Minnesota Survey on Adult Substance Use conducted in 2014-2015 found that nearly half (44%) of Minnesota adults reported using marijuana at some point during their lives. The maturation of the market for hemp-derived cannabinoid products following the 2018 Farm Bill culminating in the 2022 legislation authorizing hemp-derived THC edible cannabinoids have created urgency for comprehensive regulation and reform at the state level.

Regulating cannabis for use by adults will replace the abundant illicit market with a tightly regulated system with controls similar to those currently accepted for the sale of alcohol. This proposal will allow for the monitoring and regulation of its cultivation, processing, transportation and sale, activities currently occurring to the profit of drug cartels and criminals and without consumer protection guardrails.

Importantly, this proposal will begin to address racial inequities our current system has created. Despite survey data suggesting that Black and white Minnesotans use cannabis at similar rates, in 2021 Black Minnesotans were over four times more likely than their white counterparts to be arrested for marijuana according to data from the Bureau of Criminal Apprehension.

Marijuana prohibition additionally leaves potential tax revenue uncollected and furthers an opportunity for economic growth in the underground market. This proposal will bolster amounts available the General Fund for policymakers to prioritize while grant programs administered by DEED and the Office of Cannabis Management will further ensure Minnesotan entrepreneurs have the best opportunity to become the new adult-use market.

Finally, this approach is now well-tested across the country. Nineteen states and the District of Columbia have passed laws to legalize and regulate cannabis for adults. In Colorado, the first state to adopt this approach, legal sales began in January 2014 so there is now nearly a decade of implementation experience in other states to help craft this proposal for Minnesota.

Proposal:

This proposal creates a new agency, the Cannabis Management Office, which would be responsible for the implementation of a new regulatory framework for adult-use cannabis. The Office of Medical Cannabis will also move from the Department of Health to join this new agency. The office will be headed by a director appointed by the Governor and receive advice from a Cannabis Advisory Council with representatives from experts, local governments, the cannabis industry and relevant state agencies. The core duties of the office will include:

- to develop, maintain, and enforce an organized system of regulation for the lawful cannabis industry
- to establish programming, services, and notification to protect, maintain, and improve the health of citizens.
- to prevent unauthorized access to cannabis by individuals under 21 years of age.
- to establish and regularly update standards for product testing, packaging, and labeling.
- to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition.
- to issue and renew licenses.
- to impose and collect civil and administrative penalties.
- to authorize research and studies on cannabis, cannabis products, and the cannabis industry.

Adult-use cannabis will be subject to a new 15% gross receipts tax and state sales tax with retail sales beginning January 1, 2025. A new 15% gross receipts tax would also be imposed on the retail sale of edible cannabinoid products with retail sales beginning October 1, 2023.

The proposal authorizes three grant programs to support the establishment of cannabis businesses in Minnesota. Cannabis grower grants administered by the Office of Cannabis Management will provide farmers with assistance navigating the new industry and regulations along with subsidized loans for expanding into legal cannabis.

Administered by the Department of Employment and Economic Development industry navigation grants and industry training grants will assist individuals in setting up a legal cannabis business through technical assistance and navigation services while providing grants to organizations and individuals for training on cannabis jobs.

The proposal provides for automatic sealing of dismissals, exonerations, convictions, or stayed sentences of petty misdemeanor and misdemeanor marijuana offenses by the Bureau of Criminal Apprehension, which will provide notice of the expungement to local law enforcement agencies as well as the Judicial Branch for compliance purposes. It also provides for the establishment of a Cannabis Expungement Board to review other cannabis convictions to consider eligibility for expungement or resentencing.

The proposal authorizes the Governor to enter into compacts with Minnesota Tribal governments on issues related to medical cannabis and adult-use cannabis.

The proposal finally provides significant resources to address substance use disorders. The proposal includes initial funding for grants directed by the advice of a Substance Use Disorder Advisory Council convened by the Department of Human Services. Five percent of the revenue from the cannabis gross receipts tax would flow into this fund to support these grants into the future.

Appropriations necessary for its implementation include:

- \$30,271,000 in FY2024/2025 and \$27,691,000 in FY2026/2027 to establish and begin operations of a new Cannabis Management Office responsible for the implementation of the new regulatory framework.
- \$822,000 in FY2024/2025 and \$ 676,000 in FY2026/2027 to the Department of Agriculture for food safety and pesticide enforcement lab testing and rulemaking related to changes in cannabis laws.
- \$1,765,000 in FY2024/2025 and \$1,688,000 in FY2026/2027 for a newly created Cannabis Expungement Board for staffing and other expenses related to reviewing criminal convictions and issuing decisions related to expungement and resentencing.
- \$358,000 in FY2024/2025 and \$1,368,000 in FY2026/2027 for the Department of Commerce for staffing and other expenses to complete scale, and packaging inspections.
- A reduction of \$522,000 in FY2024/2025 and \$865,000 in FY2026/2027 to the Department of Corrections' base budget to account for an expected reduction in marijuana-related incarcerations.
- \$300,000 in FY2024/2025 and \$240,000 in FY2026/2027 for the Department of Education to support schools and districts in accessing resources on cannabis use and substance use.
- \$17,100,000 in FY2024/2025 for the Department of Employment and Economic Development for cannabis industry navigator and startup grants.
- \$16,230,000 in FY2024/2025 and \$16,230,000 in FY2026/2027 for the Department of Health for education of women who are pregnant, breastfeeding, or who may become pregnant; data collection and reports; and youth education.
- \$8,736,000 in FY2024/2025 and \$12,952,000 in FY2026/2027 for the Department of Human Services to implement the substance use disorder treatment and prevention grant program and process background studies relevant to the work of the Cannabis Expungement Board.
- \$264,000 in FY2024/2025 and \$264,000 in FY2026/2027 for the Department of Labor and Industry to identify occupational competency standards and provide technical assistance for developing dual-training programs.
- \$338,000 in FY2024/2025 for the Department of Natural Resources for training of DNR Conservation Officers relating to the new cannabis regulatory system and requirements, recognition of impairment, and for the enforcement of the purposed environmental standards adopted by the Cannabis Management Office.
- \$1,000,000 in FY2024/2025 and \$1,000,000 in FY2026/2027 for the Office of Higher Education for Dual Training Competency Grants to employers in the legal cannabis industry.

- \$1,103,000 in FY2024/2025 and \$140,000 in FY2026/2027 for the Pollution Control Agency for rulemaking to establish of water, energy, odor, and solid waste environmental standards for cannabis businesses and provide technical assistance for small businesses.
- \$6,837,000 in FY2024/2025 and \$5,324,000 in FY2026/2027 for the Department of Public Safety Bureau of Criminal Apprehension for identifying and sealing records, forensic science services, and investigations.
- \$7,276,000 in FY2024/2025 and \$3,336,000 in FY2026/2027 for the Department of Public Safety Minnesota State Patrol from the Trunk Highway Fund for additional Drug Recognition Expert (DRE) troopers, crash reconstruction specialist troopers, and replacement drug detection canines.
- \$6,791,000 in FY2024/2025 and \$6,291,000 in FY2026/2027 for the Department of Revenue to collect and administer the tax requirements.

Impact on Children and Families:

The current widespread underground market for marijuana provides no controls against the sale and access to children. This proposal provides age restrictions to prevent the sale of cannabis to those under 21. Additionally, the biannual Healthy Kids Colorado Survey found no increase in the use of marijuana from 2011 to 2015 in the period where legal sales initiated in the state, a finding that has been consistent in Washington, Oregon, Alaska, California, Massachusetts, Maine, and Nevada. The proposal additionally provides funding for MDH to conduct a long-term, coordinated education program to raise public awareness about and address adverse health effects associated with the use of cannabis or cannabis products by persons under age 21.

Equity and Inclusion:

This proposal seeks to begin to address the inequities the current system of marijuana prohibition has created, beginning with the expungement of nonviolent marijuana offenses. A Division of Social Equity at the Office of Cannabis Management will work to further promote the consideration of equity and inclusion in the development and implementation of cannabis regulatory systems. The proposal additionally requires the prioritization of social equity applicants in cannabis license selection along with the cannabis grower and industry training and navigation grant programs.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Minnesota tribal governments, in particular the Red Lake Nation and the White Earth Nation, have raised significant concerns about the current interactions between their medical cannabis programs and current restrictions in statute. This proposal will provide broad authority for the Governor or designated representatives to negotiate compacts with an American Indian tribe regulating cannabis and cannabis products including medical cannabis.

Results:

The proposal requires Department of Health to engage in research and data collection activities to measure the prevalence of cannabis use and the use of cannabis products in the state by persons under age 21 and persons age 21 or older.

Statutory Change(s):

13.411, by adding a subdivision; 13.871, by adding a subdivision; 152.02, subdivisions 2, 4; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 256.01, subdivision 18c; 256D.024, subdivision 1; 256J.26, subdivision 1; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.67, subdivisions 2, 7; 297A.99, by adding a subdivision; 297D.01, subdivision 2; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 609.135, subdivision 1; 609.531, subdivision 1; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609.5317, subdivision 1; 609A.01; 609A.03, subdivisions 5, 9; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 28A; 34A; 116J; 116L; 120B; 144; 152; 289A; 295; 604; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, 1.38 subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; 297D.01, subdivision 1; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Interactions

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	1,848	2,063	12,070	17,372
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,848	2,063	12,070	17,372
FTEs	0	0	0	0

Recommendation:

The Governor’s budget includes certain proposals that contain interactions with other proposals. Unless otherwise noted, the cost shown on the change page for each proposal is the cost of enacting that proposal alone, relative to current law. This proposal represents the marginal increased cost if interacting Governor’s recommendations were enacted. The cost is \$1.8 million in fiscal year (FY) 2024, \$2.1 million in FY 2025, \$12.1 million in FY 2026, and \$17.4 million in FY 2027.

Rationale/Background:

Formula-based programs in education are dependent on multiple factors, often including the number of students served as well as an amount per student. Budget proposals are priced compared to the current law baseline; that is, any item that contains an increase per student assumes that the number of students is the number projected in the most recent Budget and Economic Forecast. Any proposal that broadens eligibility for a program – thereby increasing the number of students – assumes the amount per student is based in current law. However, if both the number of eligible students and the amount per student are increased at the same time, the cost is greater than the amount derived by adding the cost of the two proposals together.

This proposal reflects the costs associated with three interactions. All these interactions impact the General Education appropriation.

1. Targeted Mixed Delivery Early Learning Model / General Education Formula Increase and Indexation to Inflation

- a. The first proposal increases the number of eligible students, while the second increases the amount per student.

(\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
Interaction Cost	\$1,449	\$1,610	\$11,797	\$16,143

2. Early Childhood Technical Funding Correction: English Learner and Breakfast Aid for ECSE Students / English Learner Cross Subsidy Reduction

- a. The first proposal increases the number of students eligible for English Learner Aid, while the second increases the amount of aid per eligible student.

(\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
Interaction Cost	\$94	\$113	\$125	\$139

3. Targeted Mixed Delivery Early Learning Model / English Learner Cross Subsidy Reduction

- a. The first proposal increases the number of student eligible for English Learner Aid, while the second increases the amount of aid per eligible student.

(\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
Interaction Cost	\$305	\$340	\$148	\$1,090

Proposal:

This proposal reflects the increased costs that would be realized through simultaneous enactment of certain proposals.

Impact on Children and Families:

Please refer to the individual proposals.

Equity and Inclusion:

Please refer to the individual proposals.

Tribal Consultation:

Please refer to the individual proposals.

Results:

Please refer to the individual proposals.

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Compensatory Revenue Formula Change

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	3,453	13,321	7,337
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	3,453	13,321	7,337
FTEs	0	0	0	0

Recommendation:

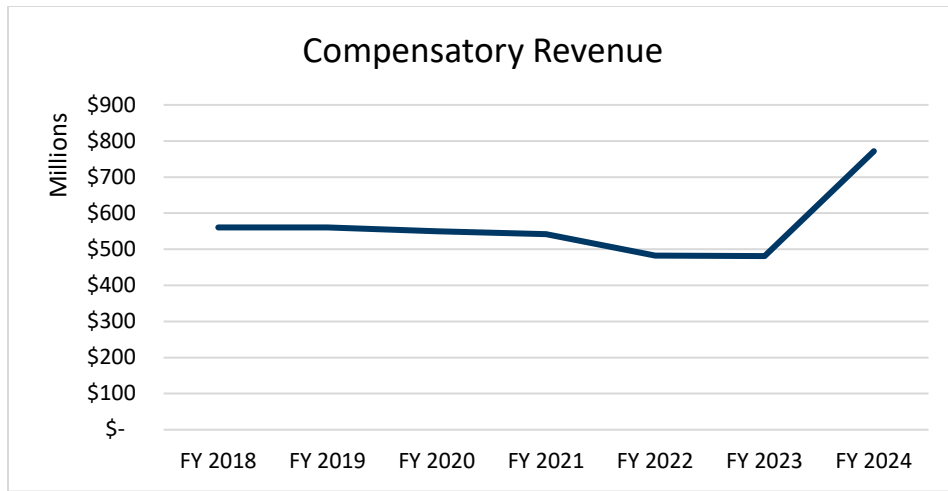
The Governor recommends \$3,453,000 in fiscal year (FY) 2025 to modify the compensatory revenue formula beginning in FY 2025. The formula will align revenue calculation to students who qualify for free or reduced-price meals through the direct certification process, while ensuring that statewide total compensatory spending in FYs 2025-27 does not fall below FY 2024 levels as adjusted for increases in the general education basic formula.

Rationale/Background:

Compensatory revenue is state funding that must be reserved and used to meet the educational needs of students, especially students in need of additional supports to learn at grade level. Funding is generated based upon the number of eligible pupils at school sites as well as the concentration of those pupils at the site. Eligible pupils are defined as those eligible for free or reduced-price meals. A student may become eligible for free or reduced-price meals by either completing an Application for Benefits form or by being identified through a direct certification process. The direct certification process automatically qualifies students for free or reduced-price meals if they qualify for other programs, such as the Supplemental Nutrition Assistance Program (SNAP), the Minnesota Family Investment Program (MFIP), and most recently, Medical Assistance, also known as Medicaid.

During the 2020-21 and 2021-22 school years, most schools provided meals at no cost to all students through increased pandemic-related federal support. During that time, districts experienced losses in compensation revenue pupil units that drive compensatory revenue due to a decline in the number Application for Benefits forms submitted by families. Despite district efforts to educate families on the importance of completing the form, compensatory revenue statewide decreased by about \$60 million in FY 2022 and FY 2023 (11 percent) compared to FY 2020.

In 2022, Medicaid was added to the list of programs that can be used to directly certify a student to be eligible for free or reduced-price meals. In addition to more students qualifying for free or reduced-price meals, this change also increased the number of students that generate compensatory revenue. Compensatory revenue is projected to increase by approximately \$291 million for FY 2024 to an all-time high of \$771.7 million.



While the addition of Medicaid to the direct certification process has increased compensatory revenue to a level higher than ever before, the potential enactment of free universal meals for all students is expected to result in some level of volatility or decrease in compensatory revenue generated as fewer families complete the Application for Benefits form. A long-term solution is needed to ensure that compensatory revenue levels adjust gradually.

Proposal:

This proposal provides \$3.5 million in FY 2025, \$13.3 million in FY 2026, and \$7.3 million in FY 2027 to address concerns with the current formula and hold overall revenue steady. Specifically, the proposal:

- Simplifies the funding formula by using pupils identified as eligible for free or reduced-price meals via direct certification as the new count to calculate the revenue per building.
- Creates a building concentration factor comparing pupils eligible for free or reduced-price meals via direct certification to total fall enrollment.
- Establishes a building compensatory allowance calculated by multiplying the building concentration factor by a statewide compensatory allowance.
- Establishes a statewide compensatory allowance in FY 2025 that creates stability in transitioning to the new formula compared to FY 2024 statewide compensatory revenue; this allowance increases annually by the same percentage as the general education basic formula allowance.
- Allows for the allocation of additional compensatory revenue in FY 2025 through FY 2027 if the statewide sum of the building formulas does not reach a minimum allocation.

Note on pricing and interaction

As under current law, any increase in the general education formula would also increase the compensatory revenue formula under this proposal. This compensatory proposal assumes that the proposal “General Education Formula Increase and Indexation” is simultaneously enacted, which includes a general education formula increase of 4 percent in FY 2024, 2 percent in FY 2025, 1.98 percent in FY 2026, and 2.17 percent in FY 2027. Because compensatory revenue is linked under current law to the formula allowance, a portion of the cost of the “General Education Formula Increase and Indexation” item is associated with compensatory revenue. The pricing of this item represents only the incremental compensatory revenue increase due to this proposal and does not reflect the cost associated with compensatory revenue already reflected in the “General Education Formula Increase and Indexation” change item. If a general education formula change is enacted at a level other than 4% | 2% | 1.98% | 2.17%, the pricing of this item will change, and updates will be needed to the bill language associated with this proposal (specifically, the statewide compensatory allowance and the minimum allocation amounts).

Impact on Children and Families:

Creating a new, simplified compensatory revenue formula will maintain a statewide commitment to providing revenue for learners who need extra supports.

Equity and Inclusion:

The distribution and uses of compensatory revenue align with those buildings and districts that serve students with opportunity gaps that often correlate directly with students and families that need more services and supports due to socio-economic challenges.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

Compensatory revenue, as defined in statute, is to support students underprepared to learn. From the classroom, to the building, to the educational organization, and then to the state, the infusion of compensatory funding should align with both district and state level achievement goals as well as student support needs. Through the use of expenditure coding submissions by each educational organization, uses of funds can be determined to test the value of investment to the outcomes realized.

Statutory Change(s):

M.S. 126C.05, M.S. 126C.10

Education

FY 2024-25 Biennial Budget Change Item

Change Item Title: Grant Administration

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	0	0	0	0

Recommendation:

The Governor recommends two modifications to Minnesota Department of Education (MDE) grant funding authority. The first would allow MDE to transfer funding for grant administration and monitoring within the department as necessary, with the advance approval of Minnesota Management and Budget (MMB). The second would allow MDE to retain up to five percent of grant funds for administration and monitoring. This budget-neutral proposal would enable MDE to improve administrative efficiency and ensure proper oversight of grant funds.

Rationale/Background:

Transfer Authority

Typically, certain grant programs in the budget bill for MDE contain an amount set aside for grant administration and monitoring. For each of these programs funds must be established in the state's accounting system in a unique "appropriation ID." State employees working on these programs must fill out their timecards in a manner that allows their pay to be charged against the specific program. Some employees, particularly those who work with grants, track their time on each grant and code to those funding sources, if one exists. These employees can work on 8-10 grants at any given time, and coding to all those funding sources in each pay period creates inefficiencies in the work they do. In addition, when setting up annual budgets, employee time must be budgeted across multiple funding strings and then tracked across multiple funding strings. Reporting can become difficult due to the complexity of information.

Funding for Grant Administration and Monitoring

Grant programs assigned to MDE without funding for grant management costs have increased from \$13 million in FY 2012 to over \$58 million in FY 2022. Particularly, in recent years the number of name-specific grantees in law has increased. While these types of grants do not have the same level of administrative responsibilities as competitive grants that require creating a request for proposal and evaluating applications, the fiduciary and other grant management responsibilities remain, including ensuring adherence to all state grant management policies.

Many costs associated with managing a grant are the same whether the grantee is named in law or not. These annual activities include:

- Developing grant requirements,
- Conducting pre-award assessments,
- Working with grantees to collect and finalize work plans,
- Preparing and negotiating grant agreements,

- Setting up grants in Statewide Integrated Financial Tools (SWIFT),
- Reviewing budget revisions as appropriate,
- Reviewing payment requests, processing and paying invoices,
- Working with program staff to make sure all necessary reporting is done at completion of the grant, including making final payment and closing the grant,
- Monitoring the grant, including site visits and/or desk reviews, and
- Conducting reviews and report on grantees as part of cognizant agent responsibilities.

If the grant is for multiple years, the following activities are added to the process:

- Working with program staff on continuation application,
- Reviewing budget applications submitted by grantee, and
- Amending contracts for the new fiscal year and setting up budgets

If the grant is over \$50,000, state grant management policy requires annual monitoring (either site visits or desk reviews).

Competitive grants or grant programs require more effort up front including:

- Developing grant requirements,
- Preparing grant applications,
- Preparing and advertising the Request for Proposal (RFP) according to the Minnesota Department of Administration requirements, and
- Reviewing grant applications according to the Minnesota Department of Administration requirements on what the review should entail including scoring, negotiating, and awarding.

Proposal:

Transfer Authority

This budget neutral proposal would allow the commissioner of education to transfer funds that have been designated for grant administration and monitoring within the department as the commissioner deems necessary, with the advance approval of the commissioner of management and budget. All transfers would be intrafund, i.e., General Fund to General Fund or Special Revenue Fund to Special Revenue Fund; no interfund transfers would be permitted. This would allow the commissioner of education to establish a central appropriation in each fund into which dollars for grant administration and monitoring, originating from various programs, would be transferred. This would reduce accounting complexity and would allow certain employees within MDE to increase their efficiency by permitting them to code their timecards to fewer funding streams. MDE would be able to report as necessary on the transfers, including the originating program, the amount of the transfer, and total amounts spent out of the centralized grant administration and monitoring appropriation.

Funding for Grant Administration and Monitoring

This proposal provides the authority for MDE to reserve up to five percent of every grant to enable MDE to cover costs of grant management activities, unless amounts are otherwise specifically appropriated for administrative costs.

Impact on Children and Families:

This proposal would allow MDE to more efficiently administer and monitor its grant programs, to help ensure that education funding for public schools, libraries, students, families, staff, and communities statewide will be fully utilized for its intended purpose thus ensuring all children have: a healthy start; access to affordable and quality child care and early education; and access to mental health supports.

Equity and Inclusion:

This proposal would allow MDE to more efficiently administer and monitor its grant programs, to help ensure that education funding for public schools, libraries, students, families, staff, and communities statewide will be fully utilized for its intended purpose thus serving people of color, Native Americans, people with disabilities, people in the LGBTQ community, and other protected classes.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Results:

This proposal would allow MDE to more efficiently administer and monitor its grant programs. Please refer to MDE’s Biennial Budget Book and individual proposals for the anticipated outcomes of the specific grant programs.

Statutory Change(s):

This proposal does not require a statutory change, but would require session law language as follows:

“Sec. X. The commissioner of education may transfer funding for grant administration and monitoring within the department as the commissioner considers necessary, with the advance approval of the commissioner of management and budget. All transfers under this section must be intrafund.”

“Sec. X. Unless a different amount is specified by law, the commissioner of education may retain up to five percent of amounts appropriated for grants for the purpose of administration and monitoring.

Program: Education Leadership and Support

Activity: Education Leadership and Support

<https://education.mn.gov/mde/>

AT A GLANCE

The Education Leadership and Support program sets policy and directs annual spending. In fiscal year (FY) 2021 this program directed the spending of approximately \$12 billion, including COVID-19 federal funding supporting school districts and other educational entities in their response to the impacts of the pandemic.

Also, in FY 2021, this program provided guidance and assistance to:

- 850,575 students in prekindergarten through grade 12.
- Over 135,000 children participating in early learning programs.
- 330 school districts, 173 charter schools, and four tribal schools.
- 37,898 adult learners in FY 2021 and 41,280 in FY 2022.

PURPOSE AND CONTEXT

The goal for education is: “Ensuring every child receives a quality education, no matter their race or zip code.” The Minnesota Department of Education (MDE) is striving to make Minnesota the Education State, where the public education system is intentionally designed to help each individual student thrive.

In this work, MDE key objectives include:

- Meeting the needs of students during and after the COVID-19 pandemic.
- Every student deserves a world-class education.
- Every student deserves to learn in a safe, nurturing environment.
- Every student deserves to learn in a classroom with caring, qualified teachers.

SERVICES PROVIDED

Services provided by MDE’s Education Leadership and Support program support three overarching strategies:

1. **Direct support:** MDE directly supports the continuous improvement of teaching and learning to schools, teachers, children, students, and parents. In this work the Education Leadership and Support program:
 - Provides training and resources to assist schools, families, and the department in maintaining compliance with state and federal laws and policies.
 - Assists schools and childcare providers in providing nutritious meals and creating safe and healthy learning environments.
 - Develops and extends statewide library services.
 - Established and administers a School Safety Technical Assistance Center to assist districts and schools to provide a safe and supportive learning environment.
2. **Prekindergarten through 12th-grade systems:** MDE provides systems support through program and policy development and assessment. The Education Leadership and Support program:
 - Administers the Carl Perkins federal grant program.
 - Administers and collects data for the state’s assessment and accountability system.
 - Develops and implements assessment systems to measure student knowledge and skills on Minnesota K-12 Academic Standards and Minnesota English Language Proficiency Standards.
 - Develops academic standards.

- Monitors school district and MDE compliance with state and federal education laws.
 - Administers the Minnesota Braille and Talking Book Library.
 - Implements the student maltreatment, charter schools, and early education policies and programs.
3. **Guidance, technical assistance, and funding:** MDE provides supportive leadership to all educational entities by providing guidance and technical assistance to meet state and federally legislated requirements and administers school funding programs. Education Leadership and Support also:
- Provides leadership, policy direction, and information technology services for the agency.
 - Develops tools and provides guidance to assist schools in the implementation of programs and academic standards.
 - Provides policy guidance for school choice programs, including online learning.
 - Distributes formula and competitive grants, as well as aid programs.
 - Calculates state aid and distributes payments to school districts and charter schools.
 - Calculates school district local property tax levies.

The fiscal pages of this Budget Activity display MDE’s primary general fund operating appropriations as well as numerous appropriations across other funds. These appropriations are for items such as agency operations, agreements with other agencies or grant providers, gift funds, and federal funds not included in other Budget Activities. Additionally, federal COVID relief funds from the statewide Coronavirus Relief Fund (CRF) and State Fiscal Recovery Fund (SFRF) are reflected in this Budget Activity.

RESULTS

Goal: Early Learning – Minnesota will increase the proportion of students who make greater than expected developmental gains in language, literacy, and communication by 5 percent overall, and by 10 percent for students of color, American Indian students, students from low-income families, English learners, students receiving Special Education services, and homeless students (measured from Voluntary Prekindergarten, School Readiness Plus, and Early Childhood Special Education programs).

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
71% overall	5% increase (75%)	4 percentage points

Goal: Reading – Minnesota will increase the proportion of students demonstrating proficiency in third-grade reading to at least 79 percent, with no student group below 64 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
48% overall	79% overall	31 percentage points

Goal: Math – Minnesota will increase the proportion of students demonstrating proficiency in eighth-grade math to at least 78 percent, with no student group below 63 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
40% overall	78% overall	38 percentage points

Goal: Science – Minnesota will increase the proportion of students demonstrating proficiency in fifth-grade science to at least 78 percent, with no student group below 65 percent, which reflects progress towards existing 2025 goals.

<i>2022 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
50% overall	78% overall	28 percentage points

Goal: Graduation – Minnesota will increase the four-year graduation rate to 95 percent or greater.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
83% overall	95% overall	12 percentage points

Goal: Dropout Rate – Minnesota will decrease the four-year high school dropout rate to less than 2.5 percent.

<i>2021 Result</i>	<i>2025 Goal</i>	<i>Distance from Current Result to 2025 Goal</i>
4% overall	Less than 2.5% overall	1.5 percentage points

M.S. 119A; M.S. 120-129B; M.S. 134-135.

Education Leadership and Support

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	22,628	23,617	24,563	29,166	24,815	24,833	43,708	40,208
2000 - Restrict Misc Special Revenue	6,560	5,967	6,793	8,729	8,650	10,701	8,679	10,708
2001 - Other Misc Special Revenue	1,054	1,632	1,190	1,648	1,272	1,283	2,455	2,466
2403 - Gift	101	102	124	234	164	133	164	133
3000 - Federal	74,470	72,730	102,002	164,030	205,048	140,639	205,048	140,639
3010 - Coronavirus Relief	302	244,782						
3015 - ARP-State Fiscal Recovery		9,947	49,599	58,800				
6000 - Miscellaneous Agency	2	3	1	1	1	1	1	1
Total	105,117	358,779	184,271	262,608	239,950	177,590	260,055	194,155
Biennial Change				(17,018)		(29,339)		7,331
Biennial % Change				(4)		(7)		2
Governor's Change from Base								36,670
Governor's % Change from Base								9

Expenditures by Category

Compensation	32,842	32,913	34,556	41,919	41,498	40,259	46,721	46,641
Operating Expenses	25,608	22,917	36,327	46,151	39,542	37,617	54,381	47,800
Grants, Aids and Subsidies	46,655	302,940	113,341	173,617	157,989	98,793	158,032	98,793
Other Financial Transaction	13	10	47	921	921	921	921	921
Total	105,117	358,779	184,271	262,608	239,950	177,590	260,055	194,155

Total Agency Expenditures	105,117	358,779	184,271	262,608	239,950	177,590	260,055	194,155
Internal Billing Expenditures	3,540	3,447	3,506	5,224	5,018	4,306	5,018	4,306
Expenditures Less Internal Billing	101,578	355,332	180,765	257,384	234,932	173,284	255,037	189,849

<u>Full-Time Equivalent</u>	294.12	284.77	290.01	356.13	345.96	330.62	381.41	370.07
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Education Leadership and Support

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Direct Appropriation	27,941	23,656	29,543	25,393	24,671	24,671	43,564	40,046
Balance Forward In	12	5,671		5,122				
Transfers In	622	1,887	303	331	324	342	324	342
Transfers Out	417	2,686	162	180	180	180	180	180
Cancellations		4,911		1,500				
Balance Forward Out	5,530		5,122					
Expenditures	22,628	23,617	24,563	29,166	24,815	24,833	43,708	40,208
Biennial Change in Expenditures				7,484		(4,081)		30,187
Biennial % Change in Expenditures				16		(8)		56
Governor's Change from Base								34,268
Governor's % Change from Base								69
Full-Time Equivalents	133.61	134.83	134.93	144.24	132.04	133.14	163.29	168.39

2000 - Restrict Misc Special Revenue

Balance Forward In	2,997	3,631	4,864	5,618	7,701	8,794	7,701	8,765
Receipts	7,273	7,138	7,548	10,812	9,743	8,242	9,743	8,242
Internal Billing Receipts	6,215	6,306	6,366	9,624	8,581	7,413	8,581	7,413
Transfers Out	118							
Balance Forward Out	3,592	4,802	5,619	7,701	8,794	6,335	8,765	6,299
Expenditures	6,560	5,967	6,793	8,729	8,650	10,701	8,679	10,708
Biennial Change in Expenditures				2,995		3,829		3,865
Biennial % Change in Expenditures				24		25		25
Governor's Change from Base								36
Governor's % Change from Base								0
Full-Time Equivalents	29.22	28.45	27.79	41.02	41.00	41.00	41.00	41.00

2001 - Other Misc Special Revenue

Balance Forward In	0	236	160	337	175	164	175	164
Receipts	248	904	300	401	176	176	176	176
Transfers In	915	950	1,085	1,085	1,085	1,085	2,268	2,268
Transfers Out		300	18					
Balance Forward Out	109	158	337	175	164	142	164	142
Expenditures	1,054	1,632	1,190	1,648	1,272	1,283	2,455	2,466

Education Leadership and Support

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Biennial Change in Expenditures				152		(283)		2,083
Biennial % Change in Expenditures				6		(10)		73
Governor's Change from Base								2,366
Governor's % Change from Base								93
Full-Time Equivalents	5.49	4.83	6.38	8.15	6.65	6.65	10.85	10.85

2403 - Gift

Balance Forward In	173	169	151	164	31		31	
Receipts	98	83	137	101	133	133	133	133
Balance Forward Out	169	150	164	31				
Expenditures	101	102	124	234	164	133	164	133
Biennial Change in Expenditures				155		(61)		(61)
Biennial % Change in Expenditures				76		(17)		(17)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.03						

2820 - Maximum Effort School Loan

Balance Forward In	287	959	42	28	27	27	27	27
Receipts	854							
Transfers Out	287	959	42	28	27	27	27	27
Net Loan Activity	105	42	28	27	27	30	27	30
Balance Forward Out	959	42	28	27	27	30	27	30

3000 - Federal

Balance Forward In	7	30	0					
Receipts	74,490	72,702	102,002	164,030	205,048	140,639	205,048	140,639
Transfers Out			0					
Balance Forward Out	27	2						
Expenditures	74,470	72,730	102,002	164,030	205,048	140,639	205,048	140,639
Biennial Change in Expenditures				118,832		79,655		79,655
Biennial % Change in Expenditures				81		30		30
Governor's Change from Base								0

Education Leadership and Support

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Governor's % Change from Base								0
Full-Time Equivalents	125.80	116.20	119.34	161.37	166.27	149.83	166.27	149.83

3010 - Coronavirus Relief

Direct Appropriation	323	244,800						
Cancellations	21	18						
Expenditures	302	244,782						
Biennial Change in Expenditures				(245,084)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.43						

3015 - ARP-State Fiscal Recovery

Balance Forward In			57,917	57,300				
Direct Appropriation		67,864	48,981	1,500	0	0	0	0
Balance Forward Out		57,917	57,300					
Expenditures		9,947	49,599	58,800				
Biennial Change in Expenditures				98,452		(108,399)		(108,399)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			1.57	1.35				

6000 - Miscellaneous Agency

Receipts	2	3	1	1	1	1	1	1
Expenditures	2	3	1	1	1	1	1	1
Biennial Change in Expenditures				(4)		0		0
Biennial % Change in Expenditures				(69)		15		15
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Educational Leadership and Support

Activity: Regional Centers of Excellence

<https://education.mn.gov/MDE/dse/rc/>

AT A GLANCE

- In fiscal year (FY) 2022, the Regional Centers of Excellence provided support to:
 - 119 schools identified for targeted support and improvement (TSI) in 60 districts
 - 159 schools identified for comprehensive support and improvement (CSI) in 92 districts
 - 83 Continuous Improvement schools
- From July 2021 to June 2022, Center staff provided over 14,000 hours of direct support to schools identified for support and improvement and school leaders.

PURPOSE AND CONTEXT

The Regional Centers of Excellence (RCE) were established by the Minnesota Department of Education (MDE) in partnership with Minnesota Service Cooperatives to provide supports to districts and schools to meet goals in Minnesota's World's Best Workforce legislation and to support schools identified as needing support under Minnesota's plan for the federal Every Student Succeeds Act (ESSA). MDE's Collaborative Minnesota Partnerships to Advance Student Success, COMPASS, works in partnership with the RCEs to guide the state's system of support for schools and districts.

Comprehensive Support and Improvement (CSI) schools are the 5 percent most persistently low-performing Title I schools or any public high school with a graduation rate less than 67 percent. Targeted Support and Improvement (TSI) schools include any public school that has one or more student groups performing at a similar level as CSI schools or the school's overall performance is similar to CSI schools. The Centers support the Minnesota Department of Education's commitment to equity by developing leadership teams across levels of the system, making data visible and actionable, working on the conditions for learning, and supporting budget decisions that more equitably distribute resources.

The Centers use a stage-based framework with schools that incorporates three core support elements:

1. Building and using implementation teams to actively lead implementation efforts.
2. Using data and consistent, frequent feedback loops to drive decision-making and promote continuous improvement.
3. Developing an implementation infrastructure that uses evidence-based practices, fosters change, and enables continuous improvement.

SERVICES PROVIDED

Identified schools and districts receive intensive on-site coaching and technical assistance in alignment with Minnesota's support and improvement timeline in the following areas:

- School leadership teams that work on continuous improvement.
- Continuous improvement processes including comprehensive needs assessment, root-cause analysis, and improvement plan design/implementation.
- Selection and implementation of evidence-based practices.
- School, family, and community engagement.
- Engagement of tribal communities.
- Identification and implementation of short-term strategies for school improvement.

- District or charter level practices that support school improvement including resource equity studies and alignment of school improvement activities to local World’s Best Workforce initiatives.
- Participation in professional development activities for school and district staff.

The Centers also develop resources and tools for use by all schools and districts in Minnesota to support data use, planning, teaching and learning, and community engagement. In addition, the Centers provide support for individual school leaders and supports for schools working to improve school climate through social emotional learning and restorative practices, revisions to discipline policy, mental health supports for students, or community engagement.

The Minnesota Department of Education provides program evaluation, strategic leadership, coordination, and support for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2021</i>
Result	Students proficient in math in CSI and TSI Schools	29.1% (CSI Schools) 46.8% (TSI Schools)	23.4% (CSI Schools) 33.0% (TSI Schools)
Result	Students proficient in reading in CSI and TSI Schools	40.3% (CSI Schools) 46.9% (TSI Schools)	19.2% (CSI Schools) 38.3% (TSI Schools)
Result	4-year graduation rates in identified schools receiving support from the Regional Centers	50.5%	52.4%

Items from a 2019 school survey completed by school leaders (the survey was not administered in 2020 or 2021 but will be administered in 2022):

<i>Item</i>	<i>Positive responses (strongly agree or agree)</i>	<i>Percentage of positive responses</i>
Our Advocate has enhanced our continuous improvement process	72	96.0%
Our Advocate introduced new ideas to us to aid our Continuous Improvement process	68	91.9%
Our Advocate has advanced our thinking around equitable practices or policies	60	81.1%
The support we are receiving from our Advocate is aligned well with our needs	67	89.3%
Our Advocate has supported us in identifying and addressing resource inequities	56	75.6%

M.S. 120B.115

Regional Centers of Excellence

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

1000 - General	781	1,186	961	1,039	1,000	1,000	1,000	1,000
Total	781	1,186	961	1,039	1,000	1,000	1,000	1,000
Biennial Change				33		0		0
Biennial % Change				2		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	132	221	195	104	105	106	105	106
Operating Expenses	10	14	12	110	70	69	70	69
Grants, Aids and Subsidies	639	951	755	825	825	825	825	825
Total	781	1,186	961	1,039	1,000	1,000	1,000	1,000

Full-Time Equivalents

	0.87	1.36	1.27	1.27	1.27	1.27	1.27	1.27
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Regional Centers of Excellence

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Balance Forward In		355		39				
Cancellations		169						
Balance Forward Out	219		39					
Expenditures	781	1,186	961	1,039	1,000	1,000	1,000	1,000
Biennial Change in Expenditures				33		0		0
Biennial % Change in Expenditures				2		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.87	1.36	1.27	1.27	1.27	1.27	1.27	1.27

Program: Education Leadership and Support

Activity: Board of School Administrators

<https://bosa.mn.gov/BOSA/LicInfo/>

AT A GLANCE

- The Board of School Administrators (BOSA) is a ten-member board appointed by the Governor and confirmed by the Senate for their outstanding contributions in their respective fields and for their commitment to the highest ethical standards for Minnesota’s administrators.
- There are 6,997 Minnesota licensed school administrators (not including lifetime licenses). The Board processes over 475 new licenses every year.
- The Board reviews each of the 43 administrative preparation programs at Minnesota’s fourteen universities every five years to ensure quality and effectiveness.
- The Board has processed over 59 ethics inquiries in the past year. This number is lower than usual due to COVID-19.
- The Board awards over 800 certificates of continuing education every year.

PURPOSE AND CONTEXT

The Board of School Administrators (BOSA) was created by the state legislature in 2001 to ensure a system of accountability that leads to the highest performing superintendents, principals, directors of special education, and directors of community education for Minnesota’s schools. Standards are enforced through licensing, approving university preparation programs and alternative pathways for administrators, establishing rules on continuing education and professional development, and adopting and implementing a rigorous code of ethics.

SERVICES PROVIDED

BOSA is an autonomous body created with the support of the Minnesota educational administration organizations. Ten board members are appointed by the Governor and confirmed by the Senate to serve four-year terms. BOSA members represent secondary and elementary principals, superintendents, directors of special education, community education directors, higher education institutions, teachers, school board members, and the public. Two employees are hired by the Board: an executive director and an administrative assistant.

The duties of the board include:

- Licensing and re-licensing of superintendents, principals, directors of special education, and directors of community education who want to work in Minnesota
- Leadership on legislative issues involving school administrators
- Offering advice on best practices to administrators and school districts
- Reviewing variance requests from school boards to determine if they are in the public’s interest
- Reviewing, approving, and monitoring university administrative preparation programs
- Establishing and certifying continuing education activities that promote the highest standards of professional development
- Reviewing ethical complaints and determining appropriate discipline
- Collecting fees for administrative license renewal
- Data collection and analysis

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of first-time Minnesota administrative licenses issued	479	475
Quantity	Number of school boards served through the granting of variances	24	23
Quantity	Number of Board-approved continuing education certificates issued to administrators	15,697	810*
Quantity	Number of Code of Ethics inquiries reviewed	80**	59**
Quantity	Number of Conduct Reviews	N/A	86

* Reflects only the number of certificates approved. Number of professional development activities were down due to COVID.

**The impacts of COVID-19 and distance learning have significantly lowered the number of ethics complaints.

M.S. 122A.11-14; MN Rule 3512

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	264	260	271	367	341	341	405	405
Total	264	260	271	367	341	341	405	405
Biennial Change				114		44		172
Biennial % Change				22		7		27
Governor's Change from Base								128
Governor's % Change from Base								19

Expenditures by Category

Compensation	172	212	237	245	257	261	303	307
Operating Expenses	93	32	34	122	84	80	102	98
Other Financial Transaction		16						
Total	264	260	271	367	341	341	405	405

Full-Time Equivalents

	1.62	1.94	2.25	2.35	2.35	2.35	2.85	2.85
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(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	319	319	319	319	341	341	405	405
Balance Forward In		100		48				
Transfers Out		130						
Cancellations		29						
Balance Forward Out	55		48					
Expenditures	264	260	271	367	341	341	405	405
Biennial Change in Expenditures				114		44		172
Biennial % Change in Expenditures				22		7		27
Governor's Change from Base								128
Governor's % Change from Base								19
Full-Time Equivalents	1.62	1.94	2.25	2.35	2.35	2.35	2.85	2.85

Program: General Education

Activity: General Education

<https://education.state.mn.us/MDE/dse/schfin/GenEd/>

AT A GLANCE

In fiscal year (FY) 2021 general education revenue:

- Served 850,575 prekindergarten through grade 12 students.
- Served 330 school districts and 173 charter schools.
- Provided \$7.3 billion in state aid and \$1.4 billion in local property taxes.
- On average provided \$10,154 per student.
- Was the largest single item of state general fund spending.
- Was the largest resource available to school districts and charter schools.
- Provided funding for prekindergarten to 240 school sites.

PURPOSE AND CONTEXT

General education revenue provides core funding to promote a general and uniform, thorough and efficient system of public schools throughout the state. Funding is provided for:

- All public school students in kindergarten through grade 12, voluntary prekindergarten, school readiness plus, and prekindergarten children with disabilities.
- Students receiving dual college credit.
- Students enrolled in private, nonsectarian schools that have contracted with a public school district to provide educational services (contract alternative).
- Students attending public schools on a part-time basis while also attending nonpublic schools (shared time).

SERVICES PROVIDED

The following are components of general education revenue. Unless noted, dollars associated with each component reflect school district aid entitlements and are from FY 2021.

Core funding allowances for all districts and charter schools:

- Basic Revenue (\$6.1 billion) provides districts and charter schools with uniform funding per pupil unit. The basic education funding formula is \$6,438 and \$6,567 per weighted student in FY 2020 and FY 2021, respectively. Elementary students are weighted at 1.0; secondary students are weighted at 1.2.

Additional funding for students with unique needs:

- English Learner Revenue (\$55.0 million) is based on the number and concentration of English Learner students enrolled in a district or charter school. The English Learner program is a state aid program.
- Compensatory Revenue (\$541.9 million) is additional funding based on the concentration of students who are income-eligible for the federal free and reduced-price lunch programs. This revenue is calculated on a site level instead of a district level. In 2018, Compensatory Pilot Grants, a program that grants additional money to several districts for compensatory purposes outside of the normal compensatory calculation, were permanently added to this funding; these amounts are the same from year to year. The Compensatory program is a state aid program.
- Extended-Time Revenue (\$19.0 million) provides districts with state approved alternative programs additional revenue to fund educational programs for at-risk students outside the traditional school year schedule. The Extended-Time program is a state aid program.

- Gifted and Talented Revenue (\$12.1 million) provides districts and charter schools with funding for gifted and talented educational programs. The gifted and talented funding formula is \$13 per weighted student. The Gifted and Talented program is a state aid program.

Additional funding for cost differences among school districts:

- Sparsity Revenue (\$28.7 million) funds the added costs of operating small schools that are too isolated to reduce costs by cooperating or consolidating. The Sparsity program is a state aid program.
- Transportation Sparsity Revenue (\$72.5 million) funds the added cost of pupil transportation in areas with low population density and includes a pupil transportation adjustment for schools with transportation expenses that exceed allocations. The Transportation Sparsity is a state aid program.
- Small Schools Revenue (\$16.6 million) provides additional funding to small districts with less than 960 weighted students. The Small Schools program is a state aid program.
- Declining Enrollment Revenue (\$48.9 million) provides districts and charter schools with funding to limit the impact of declining enrollment. The Declining Enrollment program is a state aid program.
- Pension Adjustment Revenue (\$43.7 million) provides state aid for districts with a below state average revenue increase from the elimination of an aid reduction for changes in pension contribution rates beginning in 2015. Beginning in 2019 additional pension adjustment revenue was made available for all districts based on a percentage of teacher salaries in the district. The Pension Adjustment program is a state aid program.

Additional funding for Voluntary Prekindergarten (2017) and School Readiness Plus Programs (2018):

- In FY 2019, the participant cap for voluntary prekindergarten (VPK) and school readiness plus (SRP) was increased to 7,160 seats. This expansion was extended to FY 2022 and FY 2023. After FY 2023 the funding for School Readiness Plus programs sunsets and the cap for Voluntary Prekindergarten is set to 3,160 participants.
- Aid entitlements for FY 2021 voluntary prekindergarten are estimated to be \$40 million. In addition, there was an estimated \$8 million in property tax levies associated with the program.
- School districts and charter schools with sites approved for funding receive funding on a per pupil basis, with pupil units limited to 0.6 per participant. All pupil-driven formulas apply (e.g., basic revenue, compensatory revenue, referendum revenue, long-term facilities maintenance revenue, safe schools levy, achievement and integration revenue).
- Requirements outlined in law include providing at least 350 hours of instruction for the school year, staff-to-child ratios not to exceed one-to-ten with class size not to exceed 20; instructional salaries comparable to local K-12 staff and for school readiness plus, classrooms must have a licensed teacher, and several more program requirements.

Additional funding with property tax components (school districts must tax local property to receive state aid for these revenues):

- Operating Referendum Revenue (\$716.3 million) is optional revenue raised by either public vote or school board resolution to provide funding for their district. The Operating Referendum program is made up of a mixture of state aids and levies. The program is comprised of \$29.9 million in state aid and \$686.4 million in levies. The revenue and aid amounts are inclusive of charter school aid based on the average per pupil Operating Referendum Revenue and first tier Local Optional Revenue.
- Operating Capital Revenue (\$211.2 million) is reserved for facilities and equipment purposes. The Operating Capital program is made up of a mixture of state aids and levies. The program is comprised of \$134.7 million in state aid and \$76.5 million in levies. The revenue and aid amounts are inclusive of Operating Capital aid to charter schools.
- Equity Revenue (\$108.2 million) provides additional funding targeted primarily to districts with low referendum revenue per weighted student. The Equity program is made up of a mixture of state aids and levies. The program is comprised of \$18.9 million in state aid and \$89.3 million in levies.

- Transition Revenue (\$29 million) is funding to protect districts from loss of revenue due to previous law changes. The Transition program is made up of a mixture of state aids and levies. The program is comprised of \$4.3 million in state aid and \$24.7 million in levies.
- Local Optional Revenue (LOR) (\$620.7 million) provides up to \$424 per weighted student and is deducted from referendum revenue approved by voters in 2013 or earlier. In FY 2021, LOR increased to \$724 per weighted student, with an additional \$300 deducted from board approved or voter approved referendum authority. The Local Optional Revenue program is made up of a mixture of state aids and levies. The program is comprised of \$122.5 million in state aid and \$498.2 million in levies.

Miscellaneous Adjustments to General Education Revenue:

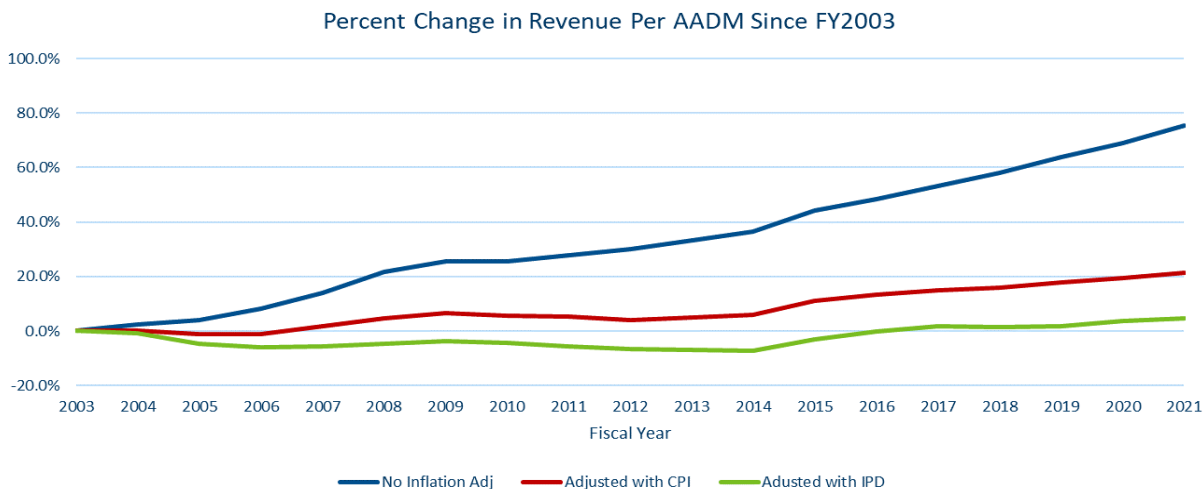
- Postsecondary Enrollment Options (PSEO) Aid is paid to Minnesota colleges and universities for courses taken by eligible 11th- through 12th-grade students, and 10th-grade students on a more limited basis, for high school credit.
- Contract Alternative Aid is paid to districts for students eligible to participate in the graduation incentives program who enroll in nonpublic, nonsectarian schools that have contracted with the serving school district to provide education services.
- Shared Time Aid is paid to districts for students who attend public schools on a part-time basis while also attending nonpublic schools.
- Online Learning (OLL) Aid is paid to state-approved OLL programs on behalf of students who have completed supplemental OLL courses while enrolled in another public school district or charter school.

The fiscal activity associated with the Endowment/Permanent School Fund (\$36.7 million in FY 2021) is also displayed in this Budget Activity. This is a revenue that the State Board of Investment calculates based on earnings in the Permanent School Fund, which is created by the Minnesota Constitution and designated as a long-term source of revenue for public schools. The earnings are then transferred into the School Endowment Fund and distributed to school districts and charter schools. The funds are used for general operations of the district and are not tied to a specific activity.

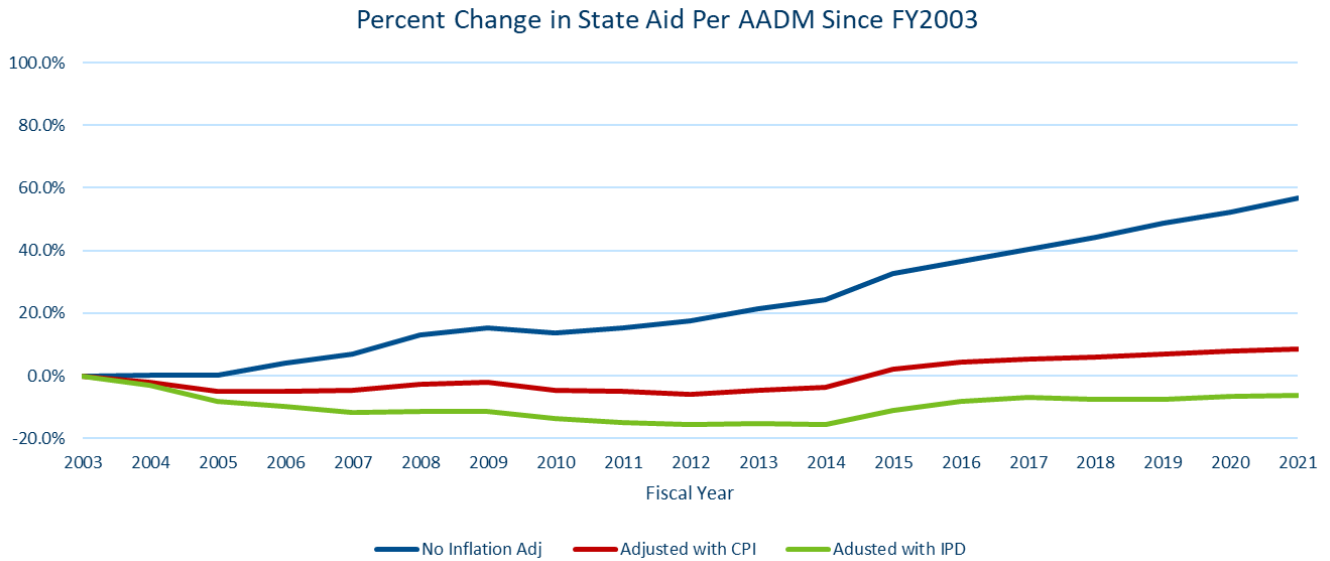
MDE calculates and processes aid payments and provides technical support for these programs.

RESULTS

Quality Result: This chart shows the percentage change in general education revenue per student (adjusted average daily membership, or AADM) between FY 2003 and FY 2021, based on unadjusted current dollars and adjusted for inflation using the consumer price index and the implicit price deflator. Revenue per student in unadjusted current dollars increased by 75 percent during this period. However, when adjusted for inflation, revenue per student remained essentially constant.



Quality Result: This chart shows the percentage change in general education state aid per student (AADM) between FY 2003 and FY 2021, based on unadjusted current dollars and adjusted for inflation using the consumer price index and the implicit price deflator. Revenue per student in unadjusted current dollars increased by 57 percent during this period. However, when adjusted for inflation, revenue per student remained essentially constant.



M.S. 126C.10

General Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	7,338,212	7,329,381	7,354,159	7,471,616	7,755,435	7,704,140	8,059,984	8,183,666
3801 - Endowment School	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
Total	7,377,302	7,366,059	7,389,486	7,510,739	7,795,192	7,744,311	8,099,741	8,223,837
Biennial Change				156,865		639,278		1,423,353
Biennial % Change				1		4		10
Governor's Change from Base								784,075
Governor's % Change from Base								5
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	7,377,302	7,365,991	7,389,486	7,510,739	7,795,192	7,744,311	8,099,741	8,223,837
Other Financial Transaction		68						
Total	7,377,302	7,366,059	7,389,486	7,510,739	7,795,192	7,744,311	8,099,741	8,223,837

General Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	7,348,691	7,326,044	7,388,686	7,511,717	7,782,352	7,695,312	8,120,529	8,190,397
Levies	1,317,674	1,404,354	1,417,221	1,479,857	1,619,673	1,657,978	1,619,673	1,664,715
District Revenue	8,666,365	8,730,398	8,805,907	8,991,574	9,402,025	9,353,290	9,740,202	9,855,112
Direct Appropriation	7,347,424	7,408,985	7,569,266	7,471,616	7,755,435	7,704,140	8,059,984	8,183,666
Current Year	6,637,829	6,617,496	6,684,854	6,804,463	7,048,181	6,969,969	7,352,730	7,415,869
Prior Year	700,188	711,885	669,305	667,153	707,254	734,171	707,254	767,797
Transfers Out	380		386					
Cancellations	8,832	79,604	214,721					
Expenditures	7,338,212	7,329,381	7,354,159	7,471,616	7,755,435	7,704,140	8,059,984	8,183,666
Biennial Change in Expenditures				158,182		633,800		1,417,875
Biennial % Change in Expenditures				1		4		10
Governor's Change from Base								784,075
Governor's % Change from Base								5

3801 - Endowment School

Balance Forward In	0							
Transfers In	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
Expenditures	39,090	36,678	35,327	39,123	39,757	40,171	39,757	40,171
Biennial Change in Expenditures				(1,318)		5,478		5,478
Biennial % Change in Expenditures				(2)		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Enrollment Options Transportation

AT A GLANCE

- 70 students served in fiscal year (FY) 2020.
- Of the 70 students, five were from the postsecondary enrollment options program, five were in the open enrollment program, and 60 were in charter schools.
- Three districts took part in the Pregnant and Parenting Pupil Transportation program in FY 2020 and one district in FY 2021

PURPOSE AND CONTEXT

This state aid program helps students from low-income families participate in Postsecondary Enrollment Options (PSEO), school district enrollment options, and charter school programs by reimbursing transportation costs.

This aid program supports the goal of reducing the racial and economic opportunity gaps for low-income students by reimbursing their transportation costs.

In addition, the pregnant and parenting pupil transportation reimbursement program was enacted in FY 2020 to reimburse districts for the transportation of pregnant and parenting pupils to and from programs that provide academic instruction, are at least four hours per week of parenting instruction, and provide high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils. The base revenue for FY 2021 was \$56,000.

SERVICES PROVIDED

School districts and charter schools get state aid to reimburse transportation costs for qualifying students who participate in PSEO or open enrollment. PSEO is a program that allows students in grades 10-12 to earn secondary and college credit (dual-credit) while still in high school, through enrollment in and successful completion of college-level courses at higher education institutions. Open enrollment programs allow voluntary prekindergarten through grade 12 students and prekindergarten children with disabilities to apply to attend a public school outside of their resident district.

PSEO students apply for reimbursement through their resident district or charter school (or the postsecondary institution, if nonpublic). Open enrollment students apply through the enrolling district. Charter school students apply through the enrolling school. Students and families provide their own transportation in these programs.

School districts and charter schools providing out-of-district transportation for a fee are reimbursed for the transportation costs of qualifying low-income students. The reimbursement rate is set at \$0.15 per mile and no more than 250 miles per week.

This aid program also provides reimbursement of transportation expenses for districts that provide academic instruction and child care for pregnant and parenting enrolled students.

The Minnesota Department of Education (MDE) processes reimbursement requests and provides technical support.

RESULTS

The table below provides the average amount of a claim for mileage reimbursement per student per year in postsecondary enrollment options, school district enrollment options, and charter school programs over the last four years. It also provides the number of students served by the program for the last four years.

<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020*</i>	<i>FY 2021**</i>	<i>FY 2022</i>
Average Claim per Student per Year	\$295	\$147	\$162	\$198
Number of Students Served	57	70	4	74
Number of Districts reimbursed for Pregnant and Parenting Transportation Program	N/A	3	1	***
Number of Students participating in Pregnant and Parenting Transportation Reimbursement Program	N/A	12	5	***

* Although the number of students requesting reimbursement remained high in FY 2020, the statewide move to distance learning beginning March 18, 2020, as a response to the COVID-19 pandemic, resulted in no requests for reimbursement in the last three months of the 2019-2020 school year.

** The number of students served and requests for reimbursement continued to be impacted in FY 2021 by statewide distance learning due to the COVID-19 pandemic.

*** Pregnant and Parenting Pupil Transportation Reimbursement information for FY 2022 was not available at the time of publication.

M.S. 124D.03; M.S. 124D.09; M.S. 124E.15

Enrollment Options Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	11	113	71	71	73	74	73	74
Total	11	113	71	71	73	74	73	74
Biennial Change				18		5		5
Biennial % Change				15		4		4
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	11	113	71	71	73	74	73	74
Total	11	113	71	71	73	74	73	74

Enrollment Options Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Entitlement	11	1	15	16	18	19	18	19
District Revenue	11	1	15	16	18	19	18	19
Direct Appropriation	75	67	68	71	73	74	73	74
Current Year	11	1	15	16	18	19	18	19
Balance Forward In		56						
Transfers In			3					
Cancellations	8	10						
Balance Forward Out	56							
Expenditures	11	113	71	71	73	74	73	74
Biennial Change in Expenditures				18		5		5
Biennial % Change in Expenditures				15		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Abatement Revenue

AT A GLANCE

- The Abatement Aid entitlement totaled \$1.97 million in fiscal year (FY) 2022 based on 2020 revenue losses.
- The Abatement Levy totaled \$6.077 million in FY 2023 based on 2020 revenue losses.

PURPOSE AND CONTEXT

This state aid and local property tax levy program maintains equity for students and taxpayers by replacing revenue the district was entitled to but did not receive due to abatements. An “abatement” occurs when property taxes on a real estate parcel are decreased after the district certifies levy revenue.

For FY 2022, 263 school districts in Minnesota participated in this program.

SERVICES PROVIDED

Abatement aid and levy is calculated annually based on abatements reported by counties to the Minnesota Department of Education (MDE).

The aid and levy are designed to replace the revenue in the same proportion of aid and levy as the original entitlement. The aid reimbursement is received one year after the revenue loss and the levy reimbursement is received two years after the revenue loss.

MDE calculates and processes aid payments and levy limitations for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Calendar Year 2021</i>	<i>Calendar Year 2022</i>
Quantity	Statewide District Revenue Loss Prevented	\$15.4 M	\$8.046 M

M.S. 126C.46; M.S. 127A.49, subdivision 2

Abatement Revenue

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	1,770	2,595	2,042	1,340	2,339	2,665	2,339	2,665
Total	1,770	2,595	2,042	1,340	2,339	2,665	2,339	2,665
Biennial Change				(983)		1,622		1,622
Biennial % Change				(23)		48		48
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1,770	2,595	2,042	1,340	2,339	2,665	2,339	2,665
Total	1,770	2,595	2,042	1,340	2,339	2,665	2,339	2,665

Abatement Revenue

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	1,662	2,698	1,970	1,269	2,458	2,688	2,458	2,688
Levies	11,571	10,176	9,083	7,870	10,652	16,399	10,652	16,399
District Revenue	13,233	12,874	11,053	9,139	13,110	19,087	13,110	19,087
Direct Appropriation	1,770	2,595	2,897	1,340	2,339	2,665	2,339	2,665
Current Year	1,496	2,429	1,773	1,143	2,213	2,420	2,213	2,420
Prior Year	274	166	269	197	126	245	126	245
Cancellations			855					
Expenditures	1,770	2,595	2,042	1,340	2,339	2,665	2,339	2,665
Biennial Change in Expenditures				(983)		1,622		1,622
Biennial % Change in Expenditures				(23)		48		48
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Consolidation Transition

AT A GLANCE

- There was one school district consolidation in fiscal year (FY) 2021 and one in FY 2022.
- There are no school district consolidations planned for FY 2023.

PURPOSE AND CONTEXT

School districts consolidate to expand programs and services and to become more financially stable. The consolidation transition revenue program provides funds for reorganization to districts that have recently consolidated. Students and communities in the consolidating districts are served by this program.

SERVICES PROVIDED

Consolidation Transition revenue must be used to cover district costs for early retirement incentives granted by the district, to reduce operating debt, to enhance learning opportunities, and to cover reorganization expenses.

Aid is \$200 per resident pupil unit in the new district in the first year of consolidation and \$100 per resident pupil unit the year after consolidation. The number of pupil units used to calculate aid for a district in either year is limited to 1,500.

This program is mainly funded with state aid. Optional local property taxes may be used to cover certain additional costs.

The Minnesota Department of Education (MDE) calculates state aid payments and property tax levy limits, and provides technical assistance to districts that choose to consolidate.

RESULTS

In FY 2021 the Eveleth-Gilbert (#2154) and Virginia (#706) districts consolidated to form Rock Ridge School District (#2909). In FY 2022 Norman County West (#2527) and Ada-Borup (#2854) consolidated to form Ada-Borup-West School District (#2910). While the number of consolidations is measurable, the true performance measure is in the satisfaction and achievement of the districts that consolidated, which is not evaluated.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	First Year of Consolidation	0	0	1	1

M.S. 123A.485; M.S. 123A.48

Consolidation Transition

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General		270	292	93	187	290	187	290
Total		270	292	93	187	290	187	290
Biennial Change				115		92		92
Biennial % Change						24		24
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies		270	292	93	187	290	187	290
Total		270	292	93	187	290	187	290

Consolidation Transition

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement		300	290	71	200	300	200	300
District Revenue		300	290	71	200	300	200	300
Direct Appropriation		270	309	93	187	290	187	290
Current Year		270	262	64	180	270	180	270
Prior Year			30	29	7	20	7	20
Cancellations			17					
Expenditures		270	292	93	187	290	187	290
Biennial Change in Expenditures				115		92		92
Biennial % Change in Expenditures						24		24
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education

Activity: Nonpublic Pupil

<https://education.mn.gov/MDE/fam/nphs/>
<https://education.mn.gov/MDE/dse/schfin/Non/>

AT A GLANCE

- Number of nonpublic students participating in Fiscal Year (FY) 2021:
 - Textbook/materials: 67,864
 - Health services: 61,852
 - Guidance and counseling: 24,261
- Rates per nonpublic student in FY 2021:
 - Textbook/materials: \$85.59
 - Health services: \$83.63
 - Guidance and counseling: \$279.36
- All nonpublic students requesting materials and/or services by the statutory deadline have been and are being accommodated.

PURPOSE AND CONTEXT

This state aid program exists to ensure fair access to nonreligious study materials and student support services for students who choose nonpublic education. This aid program supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Funding is allocated to public school districts for the benefit of nonpublic school students and not directly to the nonpublic schools. School districts are reimbursed for the costs of the educational materials loaned to nonpublic school students and for the costs of providing support services to nonpublic school students.

There are three basic categories of nonpublic pupil aid supporting the following services:

- Textbooks, individualized instructional materials, and standardized tests.
- Health services.
- Guidance and counseling services.

School districts receive additional funds to cover administrative costs. This amount is equal to 5 percent of their total aid reimbursement amount. MDE calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Percentage of nonpublic students applying for access to textbooks.	75%	71%
Quantity	Percentage of nonpublic students applying for access to health services.	69%	64%
Quantity	Percentage of secondary nonpublic students applying for access to guidance and counseling services.	87%	91%

M.S. 123B.40-48

Nonpublic Pupil

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	17,456	18,436	16,757	18,839	22,090	23,443	22,354	23,902
Total	17,456	18,436	16,757	18,839	22,090	23,443	22,354	23,902
Biennial Change				(295)		9,937		10,660
Biennial % Change				(1)		28		30
Governor's Change from Base								723
Governor's % Change from Base								2
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	17,456	18,436	16,757	18,839	22,090	23,443	22,354	23,902
Total	17,456	18,436	16,757	18,839	22,090	23,443	22,354	23,902

Nonpublic Pupil

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	17,909	19,031	17,022	19,252	22,405	23,558	22,698	24,036
District Revenue	17,909	19,031	17,022	19,252	22,405	23,558	22,698	24,036
Direct Appropriation	17,925	18,918	16,991	18,839	22,090	23,443	22,354	23,902
Current Year	16,119	17,128	15,320	17,327	20,165	21,203	20,429	21,633
Prior Year	1,337	1,308	1,437	1,512	1,925	2,240	1,925	2,269
Transfers In			232					
Cancellations	469	482	466					
Expenditures	17,456	18,436	16,757	18,839	22,090	23,443	22,354	23,902
Biennial Change in Expenditures				(295)		9,937		10,660
Biennial % Change in Expenditures				(1)		28		30
Governor's Change from Base								723
Governor's % Change from Base								2

Program: Other General Education

Activity: Nonpublic Transportation

<https://education.mn.gov/MDE/dse/schfin/Trans/Type/>

AT A GLANCE

- 37,222 nonpublic students were transported to and from school in fiscal year (FY) 2021.
- 187 of 330 districts transported nonpublic students in FY 2021.

PURPOSE AND CONTEXT

This program ensures that nonpublic school students receive the same level of transportation services as public school students, and that the school districts are able to provide this transportation without significant costs being paid from their general fund.

SERVICES PROVIDED

School districts must provide equal transportation services within the district for public and nonpublic school students living within the district. If the district transports nonpublic school students to a school in another district, the nonpublic school or the parents pay the cost of transportation outside of the district boundaries.

Public school districts must provide nonpublic school student transportation within the district boundaries for health and secondary guidance/counseling services that the school district provides to the nonpublic school students.

The public school district must transport nonpublic school students on late activity bus routes if it provides that service for public school students.

The Minnesota Department of Education (MDE) calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

Participation is measured by the percentage of nonpublic students transported to and from school.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Percentage of nonpublic students transported	60.9%	56.0%

M.S. 123B.92, subdivision 9; M.S. 123B.84-87

Nonpublic Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	18,809	18,715	19,771	20,982	21,552	21,428	22,248	23,624
Total	18,809	18,715	19,771	20,982	21,552	21,428	22,248	23,624
Biennial Change				3,229		2,227		5,119
Biennial % Change				9		5		13
Governor's Change from Base								2,892
Governor's % Change from Base								7
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	18,809	18,715	19,771	20,982	21,552	21,428	22,248	23,624
Total	18,809	18,715	19,771	20,982	21,552	21,428	22,248	23,624

Nonpublic Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	18,720	18,671	19,845	21,158	21,596	21,409	22,370	23,763
District Revenue	18,720	18,671	19,845	21,158	21,596	21,409	22,370	23,763
Direct Appropriation	19,168	19,106	19,770	20,982	21,552	21,428	22,248	23,624
Current Year	16,848	16,804	17,861	19,043	19,437	19,269	20,133	21,388
Prior Year	1,961	1,911	1,910	1,939	2,115	2,159	2,115	2,236
Transfers In			1					
Transfers Out		145						
Cancellations	359	246						
Expenditures	18,809	18,715	19,771	20,982	21,552	21,428	22,248	23,624
Biennial Change in Expenditures				3,229		2,227		5,119
Biennial % Change in Expenditures				9		5		13
Governor's Change from Base								2,892
Governor's % Change from Base								7

Program: Other General Education

Activity: Career and Technical Aid

<https://education.mn.gov/MDE/dse/cte/>

AT A GLANCE

- 313 districts levied a total of \$32.5 million for Career and Technical Education programs for fiscal year (FY) 2021.
- 117 districts received Career and Technical Education aid in FY 2021 totaling \$3.0 million.

PURPOSE AND CONTEXT

Career and Technical Education (CTE) revenue is a state aid and local property tax levy program that allows districts to receive revenue for Career and Technical program expenses.

All school districts with approved CTE programs are eligible for this revenue. Federal Carl D. Perkins funds are also available to help provide career and technical education program and services.

CTE programs are a sequence of courses that integrate core academic knowledge with technical and occupational knowledge and skills to provide students a pathway to postsecondary education and careers. CTE teaches transferable workplace skills in applied learning contexts to provide opportunities to explore high-demand career options and gives students the technology and skills needed for success in adult life.

SERVICES PROVIDED

Districts must submit annual budgets for their CTE programs to qualify for this revenue. A district with a CTE program approved by the Minnesota Department of Education (MDE) may levy for costs associated with the program.

- A district is eligible for revenue equal to 35 percent of approved expenditures in the fiscal year in which the levy is certified.

CTE property tax levy equals:

- CTE revenue, times
- The lesser of:
 - one; or,
 - the ratio of the adjusted net tax capacity per student in the fiscal year in which the levy is certified, to \$7,612.

CTE aid equals:

- CTE revenue minus CTE levy.

MDE reviews district programs for approval, calculates aid and property tax levies, and makes federal and state aid payments for these programs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of districts participating in CTE programs	313	313
Quantity	Amount of property tax levy for CTE programs	\$29,965,983	\$32,503,334

M.S. 124D.4531

Career and Technical Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	3,857	3,433	2,582	1,885	1,512	761	1,512	761
3000 - Federal	6,335	7,462	7,157	8,723	8,723	8,723	8,723	8,723
Total	10,192	10,895	9,739	10,608	10,235	9,484	10,235	9,484
Biennial Change				(740)		(628)		(628)
Biennial % Change				(4)		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation		6						
Operating Expenses	67	41	1					
Grants, Aids and Subsidies	10,125	10,848	9,738	10,608	10,235	9,484	10,235	9,484
Total	10,192	10,895	9,739	10,608	10,235	9,484	10,235	9,484

Total Agency Expenditures	10,192	10,895	9,739	10,608	10,235	9,484	10,235	9,484
Internal Billing Expenditures	4	7	1					
Expenditures Less Internal Billing	10,188	10,888	9,738	10,608	10,235	9,484	10,235	9,484

Full-Time Equivalent

		0.05						
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Career and Technical Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	3,813	3,394	2,509	1,837	1,476	682	1,476	682
Levies	28,272	30,348	30,743	35,540	38,725	37,594	38,725	37,594
District Revenue	32,085	33,742	33,252	37,377	40,201	38,276	40,201	38,276
Direct Appropriation	3,857	3,288	2,668	1,885	1,512	761	1,512	761
Current Year	3,435	3,055	2,259	1,654	1,329	614	1,329	614
Prior Year	422	378	323	231	183	147	183	147
Transfers In		145						
Cancellations			86					
Expenditures	3,857	3,433	2,582	1,885	1,512	761	1,512	761
Biennial Change in Expenditures				(2,823)		(2,194)		(2,194)
Biennial % Change in Expenditures				(39)		(49)		(49)
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts	6,335	7,462	7,157	8,723	8,723	8,723	8,723	8,723
Expenditures	6,335	7,462	7,157	8,723	8,723	8,723	8,723	8,723
Biennial Change in Expenditures				2,083		1,566		1,566
Biennial % Change in Expenditures				15		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent		0.05						

Program: Other General Education

Activity: Reserves and Credits

AT A GLANCE

- 12 state-paid property tax credit programs in fiscal year (FY) 2021 (three programs are for prior year adjustments).
- The General Fund Reserve transferred \$2,451,327 between one excess and two deficient programs for FY 2021.
- Community Education funds had no deficiencies for FY 2021 and the Community Education Reserve was not utilized.

PURPOSE AND CONTEXT

Property tax credits and aids calculated by the Minnesota Department of Revenue provide a vehicle for property tax reform or relief for targeted real property classes. The effect of these state paid property tax credits and aids is to shift a portion of property tax burden for education from property owners to the state.

- All school districts in the state receive some form of state paid property tax credits.
- The number and the amount of state paid tax credits that districts and property tax owners in the district receive is dependent upon the local conditions, such as natural disasters, existence of agricultural property, economic depression, and others noted below.

The two “Education Reserves” allow the commissioner to transfer the excess from a direct general fund appropriation for any education aid or grant authorized in specified chapters that exceeds the amount required to be used to any education aid or grant appropriation that is insufficient.

- The general fund reserve pertains to chapters 127A, 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.
- The community education fund reserve pertains to sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.

SERVICES PROVIDED

There are several property tax credit and aid programs paid to school districts by the Minnesota Department of Education (MDE) that reduce property taxes paid by property owners:

Programs reducing the property tax rate applied to the property value to calculate property tax:

- *Disparity Reduction Aid* provides relief to high tax rate areas. The Department of Revenue calculates a reduction to the initial tax rate to reduce the rate as much as 10 percent.

Programs providing a reduction to the calculated property tax:

- *Local Option Disaster Abatement Credit* provides relief related to the damage or destruction of homestead and non-homestead property. The property need not be located within a disaster or emergency area.
- *Homestead and Disaster Credit* provides relief related to the damage or destruction that occurred for each reassessed homestead property within the county that is located within a disaster or emergency area.

Local Option Disaster Credit provides relief related to the damage or destruction that occurred for: (1) homestead property that meets all the requirements under M.S. 273.1233 (Local Option Disaster Abatement), subdivision 1, paragraph (a), but that does not qualify for a credit under the Homestead and Disaster Credit; and (2) non-homestead and utility property that meets all the requirements under M.S. 273.1233 (Local Option Disaster Abatement), subdivision 1, paragraph (b).

Agricultural Preserves Credit provides relief to owners of agricultural property in the seven-county metropolitan area.

Disparity Reduction Credit provides relief to apartments, commercial, industrial, and public utilities in economically depressed areas located at Minnesota borders designated as enterprise zones.

Residential Homestead Market Value Credit provides relief to residential homestead property, including the house, garage, one acre of land for farm homesteads, and certain resort homesteads. The credit is computed as 0.4 percent of the first \$76,000 market value of each homestead property. The maximum credit is \$304 and is phased out at a rate of .09 percent of the value over \$76,000.

Agricultural Land Market Value Credit provides relief to agricultural homestead property, excluding the house, garage, and one acre. The credit is computed as 0.3 percent of the first \$115,000 market value of each homestead property, plus 0.1 percent of the market value of each homestead property in excess of \$115,000. The maximum credit is \$490 and is phased out at a rate of .05 percent of the value over \$115,000 with a maximum reduction of \$115.

School Building Bond Agricultural Credit, enacted in 2017, provides relief to agricultural homestead property, excluding the house, garage, and one acre. For taxes payable FY 2023 and on, the credit is computed as 70 percent of the property's eligible net tax capacity, multiplied by the school debt tax rate.

Note that the fiscal activity associated with the payment of these credits is displayed in the budget book for Tax Aids, Credits, and Refunds.

In addition to the property tax relief aids and credits listed above, school districts may receive other credits paid by the county, including power line credit, county conservation credit, taconite homestead credit, and supplementary homestead credit. Taconite homestead credit and supplementary homestead credit targets Iron Range homeowners with a credit of either 66 percent or 57 percent, depending on characteristics of the mining industry within the school district. The 66 percent credit has a maximum of \$315.10 per property. The 57 percent credit has a maximum of \$289.80 per property.

The Education Reserves allow full funding or closer to full funding for programs that may be underfunded due to the difference between forecast estimates and the actual costs of specified programs.

RESULTS

Type of Measure	Program Name	FY 2020 2018 Pay 2019	FY 2021 2019 Pay 2020	FY 2022 2020 Pay 2021
Quantity	<i>Disparity Reduction Aid</i>	\$7,966,830	\$8,086,085	\$8,023,442
Quantity	<i>Local Option Disaster Abatement Credit</i>	\$0	\$374,313	\$1,146
Quantity	<i>Homestead and Disaster Credit</i>	\$31,037	\$1,274	\$2,545
Quantity	<i>Local Option Disaster Credit</i>	\$30	\$0	\$407,707
Quantity	<i>Agricultural Preserves Credit</i>	\$140,929	\$127,466	\$89,760
Quantity	<i>Disparity Reduction Credit</i>	\$2,534,911	\$2,959,676	\$3,266,650
Quantity	<i>Residential Homestead Market Value Credit</i>	\$20,704	\$21,098	-\$521,600
Quantity	<i>Prior Year Real Property Credit</i>	\$21,739	\$10,641	\$10,578
Quantity	<i>Agricultural Land Market Value Credit</i>	\$8,639,885	\$8,410,302	\$7,726,211
Quantity	<i>School Bonding Credit</i>	\$38,054,515	\$57,035,540	\$62,666,854
Quantity	<i>Prior Year School Bonding Credit</i>	n/a	\$778,977	-\$51

M.S. 273.119; M.S. 273.1233; M.S. 273.1234; M.S. 273.1235; M.S. 273.1384; M.S. 273.1387; M.S. 273.1398;
M.S. 127A.41, subdivision 8; M.S. 127A.41, subdivision 9

Reserves and Credits

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Transfers In	380	145	386					
Transfers Out	380	145	386					

Program: Other General Education

Activity: Other Aid Allocations

AT A GLANCE

- The One-Room Schoolhouse revenue program was implemented in fiscal year (FY) 1995.
- The FY 2021 English Learner (EL) cross-subsidy statewide total was \$146 million.

PURPOSE AND CONTEXT

These programs provide additional general education revenue to school districts to fund specific obligations of the district’s general fund.

SERVICES PROVIDED

- One-room Schoolhouse
 - The One-Room Schoolhouse program provides \$65,000 each year to the Warroad school district to assist with expenses related to the Angle Inlet Elementary School.
- English Learner (EL) Cross-Subsidy Reduction Aid
 - The English Learner Cross-Subsidy Reduction Aid was established during the 2021 special session to supplement regular EL and concentration revenue and is meant to help districts fund English Learner programs. For FY 2022 through FY 2025, the aid will be \$2,000,000 each year allocated among school districts and charter schools based on the total amount of EL revenue the entity received during the prior fiscal year.

The Minnesota Department of Education (MDE) processes the aid payments for these programs.

RESULTS

MDE does not collect data regarding utilization of One-Room Schoolhouse aid.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of Minnesota resident students attending Angle Inlet School	9	12

Total aid distribution for EL Cross-Subsidy Reduction Aid.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	EL Cross-Subsidy Aid	N/A	\$2,000,000

MN Laws 2021, 1st Special Session, Chapter 13, Article 1, section 9 and section 10, subdivisions 8 and 11

Other Aid Allocations

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	65	65	2,065	2,065	2,065	2,065	65	135,264
Total	65	65	2,065	2,065	2,065	2,065	65	135,264
Biennial Change				4,000		0		131,199
Biennial % Change				3,077		0		3,177
Governor's Change from Base								131,199
Governor's % Change from Base								3,177
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	65	65	2,065	2,065	2,065	2,065	65	135,264
Total	65	65	2,065	2,065	2,065	2,065	65	135,264

Other Aid Allocations

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	65	65	2,065	2,065	2,065	2,065	65	135,264
Expenditures	65	65	2,065	2,065	2,065	2,065	65	135,264
Biennial Change in Expenditures				4,000		0		131,199
Biennial % Change in Expenditures				3,077		0		3,177
Governor's Change from Base								131,199
Governor's % Change from Base								3,177

Program: Other General Education

Activity: Miscellaneous Levies (information only)

<https://education.state.mn.us/MDE/dse/datasub/LevyCertSys/>

AT A GLANCE

- 12 levy programs had estimated levies for FY 2023.

PURPOSE AND CONTEXT

These programs provide additional local property tax levy revenue to school districts to fund specific obligations of the district's general fund. There is no state funding associated with these levies, so this Budget Activity's fiscal pages reflect only local levy amounts.

SERVICES PROVIDED

The following levies are currently in effect:

- Reemployment Insurance Levy
 - A school district may levy for unemployment insurance and for job-placement services offered to eligible employees.
- Judgment Levy
 - A school district may levy for judgments against the district, including interest costs or for its proportionate share of the costs of a judgment against an intermediate district.
- Health Benefit Levy
 - A school district may levy for health insurance and unreimbursed medical expenses of employees who retired before July 1, 1992.
- Additional Retirement Levy
 - The Minneapolis and St. Paul school districts may levy for certain pension obligations.
- St. Paul Severance Levy
 - The St. Paul school district may levy to pay for severance costs.
- Safe Schools Levy
 - A school district may levy up to \$36 per pupil unit: to provide a drug abuse prevention program in the elementary schools; to provide police liaison services in the schools; to provide a gang resistance education program in the schools; to pay the costs for security on school property and/or pay for other crime prevention, drug abuse, student and staff safety; to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems; to pay for facility security enhancements including laminated glass, announcement systems, communication devices, and other modifications related to violence prevention and facility security; to pay for the costs associated with improving school climate; or to pay costs associated with collaborating with mental health professionals who are not district employees or contractors. Intermediate districts may levy up to \$15 per pupil unit through their member districts to provide the same allowed services as school districts.
- Ice Arena Levy
 - A school district may levy for the net operational costs of the ice arena for the previous fiscal year. To qualify for the levy, a district must demonstrate to the Minnesota Department of Education (MDE) gender equity in usage of the ice arena during peak times throughout the year.

- Severance Levies
 - A school district that reorganizes under dissolution and attachment may levy the costs of severance pay or early retirement incentives for licensed and non-licensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses. Districts with an agreement to allow pupils to attend school in an adjoining state may levy for severance costs resulting from the agreement.
- Swimming Pool Levy
 - Certain school districts on the Canadian border may levy for the net operational costs of a swimming pool, not to exceed the net actual costs of operation of the swimming pool for the previous year.
- Economic Development Abatement Levy
 - The governing body of a political subdivision may grant an abatement of the taxes imposed by the political subdivision on a parcel of property, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply. The political subdivision must add to its levy amount for the current year the total estimated amount of all current year abatements granted. No abatement aid is generated for these abatements.
- Tree Growth Replacement Levy
 - Districts may levy an amount not to exceed its tree growth revenue for taxes payable in 2001.
- Reorganization Operating Debt Levy
 - A school district that reorganizes under consolidation or dissolution and attachment may levy to retire the net negative undesignated fund balance in the operating funds.

Other Miscellaneous Severance Pay/Early Retirement Incentive Levies

- Annual Other Postemployment Benefits Levy
 - A school district may levy for other postemployment benefit expenses if the district: 1) has created an actuarial liability to pay postemployment benefits; and 2) has a sunset clause in effect for the current collective bargaining agreement.
- Consolidation Transition Revenue
 - For a school district that consolidates under Minnesota Statutes, section 123A.485, subdivision 2, consolidation transition aid is equal to a maximum of \$200 per resident pupil unit for the first year of consolidation and \$100 per resident pupil unit for the second year of consolidation. If the cost of the early retirement incentives offered by the district under subdivision 2 exceeds the amount of consolidation transition aid, the district may levy for the difference for a period not to exceed three years.
- Consolidation/Transition Levies
 - The board(s) of districts combining or combined under Minnesota Statutes, section 123A.37, subdivision 2, may levy over three years or less for costs directly related to the transition from cooperation to combination.
- Administrative Services Levy
 - The school district may levy for costs of retirement incentives or severance pay or other costs related to the discontinuance of administrative positions, under certain circumstances.

MDE collects data from the districts, calculates the levy authority and in some cases, reviews and approves levy requests.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Pay 2021 In Thousands</i>	<i>Pay 2022 In Thousands</i>
Quantity	Reemployment Insurance Levy	\$14,822.6	\$6,775.0
Quantity	Judgment Levy	\$489.9	\$363.1
Quantity	Health Benefit Levy	\$1,234.8	\$1,251.3
Quantity	Additional Retirement Levy	\$26,046.1	\$26,812.0
Quantity	St. Paul Severance Levy	\$1,271.6	\$1,381.5
Quantity	Safe Schools Levy (includes both school district and intermediate levies)	\$35,324.0	\$34,771.8
Quantity	Ice Arena Levy	\$2,967.9	\$3,263.9
Quantity	Severance Levies	\$106.4	\$142.5
Quantity	Swimming Pool Levy	\$642	\$651.9
Quantity	Economic Development Abatement Levy	\$892.7	\$347.2
Quantity	Tree-Growth Replacement Levy	\$694.2	\$680.3
Quantity	Reorganization Operating Debt Levy	\$0	\$0

M.S. 126C.43, subd. 2; M.S. 126C.43, subd. 3; M.S. 126C.41, subd. 2; M.S. 126C.41, subd. 3; M.S. 126C.41, subd. 4; M.S. 126C.41, subd. 5; M.S. 126C.44; M.S. 126C.45; M.S. 123A.30, subd. 6; M.S. 123A.39, subd. 3; M.S. 123A.73, subd. 12; M.S. 123A.444; M.S. 124D.05, subd. 3; M.S. 126C.41, subd. 6; M.S. 126C.455; M.S. 469.1812-1815; M.S. 126C.445; M.S. 123A.73, subd. 9; M.S. 123B.82; M.S. 126C.445; M.S. 123A.485; M.S. 123A.41, subd. 4; M.S. 123A.76; M.S. 123A.12

Miscellaneous Levies

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Levies	469,213	451,438	469,415	484,282	492,571	507,931	492,571	508,068
District Revenue	469,213	451,438	469,415	484,282	492,571	507,931	492,571	508,068

Program: Choice Programs
Activity: Charter School Lease Aid

<https://education.state.mn.us/MDE/dse/chart>

AT A GLANCE

- In fiscal year (FY) 2021, 170 of the 173 charter schools in Minnesota received lease aid.
- Maximum lease aid per pupil unit is \$1,314.

PURPOSE AND CONTEXT

Unlike school districts, charter schools cannot generate property tax revenue to pay for school buildings. The Charter School Lease Aid program provides partial funding to charter schools to lease facilities and land. This program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

This program provides funding to charter schools to lease facilities for instructional purposes. Charter schools submit applications for lease aid that are approved or denied based on:

- Reasonableness of the price per square foot.
- Appropriateness of the proposed lease in the context of the space needs, code compliance, and financial circumstances of the charter school.
- Conformity of the leased space and lease agreement to the laws and rules of the state and federal governments.

State aid is the lesser of:

- Ninety percent of the actual net lease costs; or
- \$1,314 times the number: (pupil units served plus postsecondary enrollment options pupil units).

The Minnesota Department of Education (MDE) approves charter school lease aid applications. Beginning FY 2017, lease aid is available for approved pre-K school programs.

The fiscal pages for this Budget Activity also display federal funds that are available to support charter schools.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>Preliminary FY 2022*</i>
Quantity	Charter Schools receiving lease aid	165	170	169
Quantity	Pupil Units Served	66,944	70,181	64,716
Quantity	Average Lease Cost per Pupil Unit	\$1,620	\$1,588	\$1,640
Quantity	Average Aid per Pupil Unit	\$1,249	\$1,193	\$1,258

*Does not reflect FY 2022 UFARS adjustments to lease costs or final FY 2022 pupil units served.

M.S. 124E.22

Charter School Lease Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	83,171	83,296	83,643	90,135	94,114	97,939	94,320	98,166
3000 - Federal	6,180	7,828	3,032	12,693	9,000	9,000	9,000	9,000
Total	89,351	91,124	86,675	102,828	103,114	106,939	103,320	107,166
Biennial Change				9,028		20,550		20,983
Biennial % Change				5		11		11
Governor's Change from Base								433
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	89,351	91,124	86,675	102,828	103,114	106,939	103,320	107,166
Total	89,351	91,124	86,675	102,828	103,114	106,939	103,320	107,166

Charter School Lease Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	83,500	83,268	83,362	90,475	94,518	98,319	94,747	98,546
District Revenue	83,500	83,268	83,362	90,475	94,518	98,319	94,747	98,546
Direct Appropriation	83,214	85,916	93,547	90,135	94,114	97,939	94,320	98,166
Current Year	75,150	74,942	75,026	81,428	85,067	88,488	85,273	88,692
Prior Year	8,021	8,354	8,617	8,707	9,047	9,451	9,047	9,474
Cancellations	43	2,620	9,904					
Expenditures	83,171	83,296	83,643	90,135	94,114	97,939	94,320	98,166
Biennial Change in Expenditures				7,311		18,275		18,708
Biennial % Change in Expenditures				4		11		11
Governor's Change from Base								433
Governor's % Change from Base								0

3000 - Federal

Receipts	6,180	7,828	3,032	12,693	9,000	9,000	9,000	9,000
Expenditures	6,180	7,828	3,032	12,693	9,000	9,000	9,000	9,000
Biennial Change in Expenditures				1,717		2,275		2,275
Biennial % Change in Expenditures				12		14		14
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs

Activity: Achievement and Integration Aid

<https://education.state.mn.us/MDE/dse/acint/>

AT A GLANCE

- During the 2021-2022 school year 55 racially identifiable schools* (in 15 different districts) and 64 racially isolated districts** participated in this program. Some of these racially isolated districts also have racially identifiable schools.
- 105 additional districts were in the program and partnered with racially isolated districts to implement integration activities for students.
- Districts use this revenue to increase racial and economic integration, to reduce achievement disparities within their districts, and to partner with neighboring districts on integration activities for students.

**A school with an enrollment of students of color and American Indian students that is more than 20 percentage points above that of the district average for schools serving the same grade levels.*

***A district with districtwide enrollment of students of color and American Indian students that exceeds that of any adjoining district by more than 20 percentage points.*

PURPOSE AND CONTEXT

This program exists to increase racial and economic integration, reduce achievement disparities for specific student groups, and provide students equitable access to a qualified and racially diverse teaching staff.

Students served include prekindergarten through grade 12 students attending a public school district that is either *racially isolated*, has a *racially identifiable school*, or is in close proximity to a racially isolated school district as defined above.

Achievement and Integration revenue is made up of two different funding streams: *initial revenue* which may be used to fund the strategies in a district's approved achievement and integration plan and *incentive revenue* which must be used for strategies to reduce racial and economic enrollment disparities. All strategies funded with either revenue stream must have the effect of increasing student integration and help reduce academic disparities that are identifiable by students' race or economic status. Incentive revenue may be used only to fund strategies designed specifically to increase enrollment of students of color and American Indian students or students that qualify for free or reduce priced lunch into the following: schools, classes, programs, or districts where there are documented enrollment disparities for students from one or more of these groups. Both types of revenue are funded through local property tax levy (30 percent) and state aid (70 percent).

This program supports the goals of closing all racial and economic opportunity gaps.

Districts that have not met their plan goals at the end of three years must develop an improvement plan and use up to twenty percent of their achievement and integration revenue to fund that plan.

SERVICES PROVIDED

Achievement and Integration revenue is used to implement strategies in a district's achievement and integration plan. These strategies must increase integration and reduce achievement disparities within the district or racially identifiable school. Most plans include student integration activities between neighboring districts.

Achievement and Integration plans may include the following types of strategies:

- Family involvement programs.
- Integrated prekindergarten to grade 12 programs with school enrollment choices designed to decrease racial and economic enrollment disparities within or between districts.
- Training for teachers and administrators to improve the achievement of all students.
- Rigorous coursework and career and college readiness programs for underserved students.
- Recruitment and retention of a racially and ethnically diverse staff.

The Minnesota Department of Education (MDE) reviews and approves district plans and budgets, calculates and processes aid payments, and provides ongoing assistance to districts on developing effective plans, monitoring their progress, improvement processes, and reporting results.

RESULTS

The table below lists the number of racially identifiable schools and racially isolated districts participating in the program for the years listed.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2018-2019</i>	<i>2019-2020</i>	<i>2020-2021</i>	<i>2021-2022</i>
Quantity	Number of participating racially isolated districts	45	63	64	64
Quantity	Number of participating racially identifiable schools	50	50	55	55
Quantity	Number of participating districts with racially identifiable schools	16	13	15	15

Districts self-report on the extent to which they have realized the goals in their plans. Achievement and integration plans were in effect starting in FY 2018 and ending in FY 2020. Districts' progress toward the goals in their prior three-year plan are listed below.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>2019</i>	<i>2020*</i>	<i>Number of Districts</i>
Quality	Progress toward goal for reducing reading achievement gap			13
Quality	Progress toward goal for reducing math achievement gap			6
Quality	Progress toward new goals for reducing academic disparities	18% met goal	16% met goal	24 (2019) 27 (2020)
Quality	Progress toward integration goals to increase opportunities for students to learn from and work with students from racial and economic backgrounds that are different from their own	23% met goal	29% met goal	29 (2019) 50 (2020)

*In 2020, many districts were unable to implement plans as written because of the pandemic. Progress of 67% of goals was unable to be reported on due to COVID-19 disruptions.

M.S. 124D.861; M.S. 124D.862; MN Rules 3535.0100-3535.0180

Achievement and Integration Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	76,848	82,778	80,013	80,922	82,847	83,711	83,013	83,897
Total	76,848	82,778	80,013	80,922	82,847	83,711	83,013	83,897
Biennial Change				1,308		5,623		5,975
Biennial % Change				1		3		4
Governor's Change from Base								352
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	76,848	82,778	80,013	80,922	82,847	83,711	83,013	83,897
Total	76,848	82,778	80,013	80,922	82,847	83,711	83,013	83,897

Achievement and Integration Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	77,814	85,071	79,083	81,398	83,007	83,791	83,191	83,978
Levies	33,089	34,111	34,282	34,109	34,183	32,089	34,183	32,248
District Revenue	110,903	119,182	113,365	115,507	117,190	115,880	117,374	116,226
Direct Appropriation	77,247	87,574	84,057	81,246	83,164	84,046	83,330	84,232
Current Year	70,065	76,535	71,145	73,226	74,675	75,379	74,841	75,547
Prior Year	7,058	6,243	8,868	7,696	8,172	8,332	8,172	8,350
Transfers Out	275	288	296	324	317	335	317	335
Cancellations	124	4,508	3,748					
Expenditures	76,848	82,778	80,013	80,922	82,847	83,711	83,013	83,897
Biennial Change in Expenditures				1,308		5,623		5,975
Biennial % Change in Expenditures				1		3		4
Governor's Change from Base								352
Governor's % Change from Base								0

Program: Choice Programs

Activity: Inter-district Desegregation Transportation

<https://education.state.mn.us/MDE/dse/acint/>

AT A GLANCE

- In fiscal year (FY) 2021, over 5,300 open enrolled students were transported to and from schools participating in achievement and integration programs at a total district cost of \$16.7 million. Districts received state aid in the amount of \$14.9 million, as districts already receive a portion of general education revenue to cover the cost.
- Other students were transported to achievement and integration programs and events at a total district cost of \$399,569 in FY 2021. Districts received \$399,569 in state aid as there is no general education deduction for this type of transportation.

PURPOSE AND CONTEXT

This state aid program supports the achievement and integration program by funding unreimbursed transportation costs for students in an inter-district desegregation program. The majority of school districts participating in the state’s Achievement and Integration program are required to partner with each other on integration activities for their students. These ‘inter-district’ programs, classes, or events are designed and implemented to bring together racially and economically diverse groups of students from each partnering district. The objective is for students to learn from and work with each other. Demographics of these groups are supposed to reflect the demographics of each district and include students of color, white students, American Indian students accordingly.

This aid program supports the objective that every child receives a world-class education.

SERVICES PROVIDED

Transportation is provided between the student’s home or school and the achievement and integration program.

The aid paid to school districts is the difference between the cost of transportation and the portion of general education revenue attributable to transportation that the students generate.

The Minnesota Department of Education (MDE) calculates aid payments and provides technical support for this program.

RESULTS

Both the number of districts and the number of students participating has fluctuated over time.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of Districts	56	49	38
Quantity	Number of Students Transported	6,439	6,252	5,370

M.S. 124D.87

Inter-district Desegregation Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Total	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Biennial Change				(5,839)		7,916		7,916
Biennial % Change				(20)		33		33
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Total	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609

Inter-district Desegregation Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
District Revenue	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Direct Appropriation	14,231	15,670	12,310	13,785	14,992	16,609	14,992	16,609
Current Year	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Cancellations		377	2,410					
Expenditures	14,231	15,293	9,900	13,785	14,992	16,609	14,992	16,609
Biennial Change in Expenditures				(5,839)		7,916		7,916
Biennial % Change in Expenditures				(20)		33		33
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs
Activity: Recovery Program

AT A GLANCE

- \$750,000 per year is available for grants to cover a portion of the costs of licensed support staff and unreimbursed transportation expenses.
- Recovery programs are eligible for grants of up to \$125,000 per year.

PURPOSE AND CONTEXT

The Recovery Program Grant provides additional revenue to help with the cost of substance abuse recovery program support staff at approved recovery schools. Recovery programs must provide academic instruction designed to meet graduation requirements and assist students recovering from substance abuse or dependency.

This grant program supports the objective that every student should receive a world-class education in a safe and nurturing environment.

SERVICES PROVIDED

Grants pay for a portion of the costs of recovery program support staff. In fiscal year (FY) 2018, coverage for unreimbursed transportation expenses was added to the list of eligible expenses.

Recovery program support staff are defined as:

- Licensed alcohol and chemical dependency counselors;
- Licensed school counselors;
- Licensed school psychologists;
- Licensed school nurses; and
- Licensed school social workers.

The Minnesota Department of Education provides the following services for the program:

- Approving recovery programs;
- Developing application process and reporting forms for applicants/recipients;
- Providing technical assistance to applicants/recipients;
- Creating grant contracts including work plans and budget information;
- Calculating, auditing, and processing payments; and
- Providing guidance as it relates to Minnesota statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	Schools receiving grants	6	6
Quantity	Students served	152	146
Quantity	Licensed recovery program support staff paid using grant funds	10.43 FTE	10.49 FTE

M.S. 124D.695

Recovery Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	712	731	750	750	750	750	750	750
Total	712	731	750	750	750	750	750	750
Biennial Change				57		0		0
Biennial % Change				4		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	712	731	750	750	750	750	750	750
Total	712	731	750	750	750	750	750	750

Recovery Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	750	750	750	750	750	750	750	750
Balance Forward In		38						
Cancellations		57						
Balance Forward Out	38							
Expenditures	712	731	750	750	750	750	750	750
Biennial Change in Expenditures				57		0		0
Biennial % Change in Expenditures				4		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education

Activity: Minnesota Indian Teacher Training Program

<https://education.mn.gov/MDE/dse/indian/mnindtrain/>

AT A GLANCE

- Historically, grants were awarded to four project sites: Augsburg University, in collaboration with Minneapolis Public Schools and St. Paul Public Schools; Bemidji State University, in collaboration with Red Lake Public Schools; Minnesota State University Moorhead, in collaboration with Mahnommen Public Schools; and the University of Minnesota-Duluth, in collaboration with Duluth Public Schools.
- In fiscal year (FY) 2019, the Minnesota Indian Teacher Training Program (MITTP) expanded to award competitive joint grants. In FY 2019 through FY 2023 MITTP joint grants were awarded to St. Cloud State University in partnership with St. Cloud Area Schools and Fond du Lac Tribal and Community College in partnership with Fond du Lac Ojibwe School. In FY 2022, a joint grant was awarded to Minnesota State University Mankato in partnership with Mankato Public Schools.
- Program funding increased from \$460,000 to \$600,000 annually starting in FY 2022.
- In FY 2019, MITTP grantees awarded scholarships to 21 students. In FY 2020, MITTP support extended to 39 scholarship recipients with a total of \$375,657 provided in scholarships. Of the 39 scholarship recipients, four graduated, one was a current teacher who accessed support for certification, one was awaiting a required course, and 23 were continuing their education.

PURPOSE AND CONTEXT

The Minnesota Indian Teacher Training Program (MITTP) provides scholarships and program support to assist American Indian students to become teachers and to assist current American Indian teachers in gaining additional education, credentials, or certifications. The program seeks to increase the number of American Indian teachers and school staff in Minnesota. Access to American Indian teachers is important for all students to receive the highest quality education. This program is designed to ensure all students receive a world-class education from caring, qualified teachers.

SERVICES PROVIDED

This program provides scholarships and program support to American Indian students and teachers who have the potential to complete a teacher-training program or certification needed to work in a prekindergarten through grade 12 school setting. At least 80% of grant funds must be used for scholarships or stipends. The program receives \$600,000 per year. MDE calculates and processes payments and provides technical support for this program.

RESULTS

Students receive scholarship funds and are supported for multiple years during their teacher training or educational certification program. MITTP students also receive other state, federal, and tribal grant dollars to support their education.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY2020</i>
Quantity	Program Participants	21	39
Quantity	Graduates	3	4

M.S. 122A. 63; M.S. 124D.72.

Indian Teacher Training Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	460	848	600	600	600	600	0	0
2001 - Other Misc Special Revenue							2,210	600
Total	460	848	600	600	600	600	2,210	600
Biennial Change				(108)		0		1,610
Biennial % Change				(8)		0		134
Governor's Change from Base								1,610
Governor's % Change from Base								134
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	460	848	600	600	600	600	2,210	600
Total	460	848	600	600	600	600	2,210	600
<u>Full-Time Equivalents</u>								
							0.50	0.50

Indian Teacher Training Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	460	460	600	600	600	600	2,210	600
Balance Forward In		389						
Transfers Out							2,210	600
Cancellations		1						
Expenditures	460	848	600	600	600	600	0	0
Biennial Change in Expenditures				(108)		0		(1,200)
Biennial % Change in Expenditures				(8)		0		(100)
Governor's Change from Base								(1,200)
Governor's % Change from Base								(100)

2001 - Other Misc Special Revenue

Transfers In							2,210	600
Expenditures							2,210	600
Biennial Change in Expenditures				0		0		2,810
Biennial % Change in Expenditures								
Governor's Change from Base								2,810
Governor's % Change from Base								
Full-Time Equivalent							0.50	0.50

Program: American Indian Education

Activity: Tribal Contract Schools

<https://education.state.mn.us/MDE/fam/indian/>

AT A GLANCE

- In fiscal year (FY) 2021, 649 American Indian students attended the four federal Bureau of Indian Education (BIE) tribal contract schools in Minnesota.

PURPOSE AND CONTEXT

The program seeks to provide tribal schools with sufficient funding so they can provide an adequate and uniform education to their students, as required by the Minnesota Constitution. This funding provides aid to tribal contract schools to bring them closer to the amount public schools and districts in Minnesota receive per pupil. Tribal contract schools do not receive the standard per-pupil funding from the State of Minnesota. Participants include the four tribal contract schools in the state: Bug-O-Nay-Ge-Shig School, Leech Lake; Circle of Life Academy, White Earth; Nay ah Shing School, Mille Lacs; and Fond du Lac Ojibwe School, Fond du Lac.

This program supports the objective that all students should receive a world-class education.

SERVICES PROVIDED

This state aid program provides funding to promote equal education for American Indian students enrolled in BIE tribal contract schools. The funds provide general education services and are not specifically set aside to meet any legislated goals. State aid is calculated based on the difference between the state per pupil adjusted aid amount minus the amount provided by the federal government. State aid to BIE tribal contract schools increases alongside the state per-pupil general education aid.

The Minnesota Department of Education (MDE) calculates and processes aid payments to tribal contract schools for this program.

RESULTS

MDE does not track or report participant performance. Tribal contract schools are under federal jurisdiction and therefore are not state public schools under Minnesota statutes, so MDE cannot require tribal schools to submit assessment data related to this program.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	Number of BIE Tribal contract schools	4	4	4
Quantity	Number of BIE Tribal contract students served	644	649	676

M.S. 124D.83

Tribal Contract Schools

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	2,766	2,435	2,808	2,428	2,386	2,472	2,585	2,804
Total	2,766	2,435	2,808	2,428	2,386	2,472	2,585	2,804
Biennial Change				35		(378)		153
Biennial % Change				1		(7)		3
Governor's Change from Base								531
Governor's % Change from Base								11
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	2,766	2,435	2,808	2,428	2,386	2,472	2,585	2,804
Total	2,766	2,435	2,808	2,428	2,386	2,472	2,585	2,804

Tribal Contract Schools

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	2,741	2,401	2,853	2,558	2,367	2,484	2,588	2,828
District Revenue	2,741	2,401	2,853	2,558	2,367	2,484	2,588	2,828
Direct Appropriation	2,766	2,435	2,743	2,428	2,386	2,472	2,585	2,804
Current Year	2,467	2,161	2,568	2,303	2,131	2,236	2,330	2,546
Prior Year	299	274	240	125	255	236	255	258
Transfers In			65					
Expenditures	2,766	2,435	2,808	2,428	2,386	2,472	2,585	2,804
Biennial Change in Expenditures				35		(378)		153
Biennial % Change in Expenditures				1		(7)		3
Governor's Change from Base								531
Governor's % Change from Base								11

Program: American Indian Education

Activity: Tribal Early Childhood Program

<https://education.state.mn.us/MDE/fam/indian/>

AT A GLANCE

- Provides support to four tribal early childhood family education (ECFE) programs.
- Serves 800 to 1,100 children, birth to age 5, every year.
- Program sites: Bug-O-Nay-Ge-Shig school in Leech Lake; Circle of Life Academy in White Earth; Fond du Lac Ojibwe School in Cloquet; and, Wewinabi Early Education Center in Mille Lacs.

PURPOSE AND CONTEXT

This program ensures Early Childhood and Family Education (ECFE) services are available for parents who live in tribal communities and who will send their children to tribal schools.

This program supports the objective that all children deserve a world class education in a safe and nurturing school.

SERVICES PROVIDED

The program uses culturally appropriate materials and strategies to deliver the basic ECFE program, with an added emphasis on preserving American Indian history, language, and culture.

The programs require the direct presence and substantial involvement of the children's parents, especially fathers, and may include any or all of the following education services:

- Programs to educate parents about the physical and mental development of the children.
- Programs to enhance parents' skills in providing for their children's learning and development.
- Participation in "Positive Indian Parenting" programs.
- Learning experiences for children and parents.
- Activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems.
- Activities and materials designed to encourage self-esteem, skills, and behaviors that prevent sexual and other interpersonal violence.
- Educational materials that may be borrowed for home use.
- Home visits or center-based activities.
- Other programs or activities to improve the health, development, and school-readiness of children.

The Minnesota Department of Education (MDE), through the Office of Indian Education, works with each of the four project sites annually to determine how allocations will be utilized and verifies how many children and families are served. MDE also calculates and processes aid payments for this program.

RESULTS

Tribally controlled schools are under federal jurisdiction and, therefore, are not state public schools under Minnesota statutes. They are not required to submit assessment data for this program. MDE does not track or report participant performance.

M.S. 124D.83, subdivision 4

Tribal Early Childhood Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	68	68	68	68	68	68	68	68
Total	68	68	68	68	68	68	68	68
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	68	68	68	68	68	68	68	68
Total	68	68	68	68	68	68	68	68

Tribal Early Childhood Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
1000 - General								
Direct Appropriation	68	68	68	68	68	68	68	68
Expenditures	68	68	68	68	68	68	68	68
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education

Activity: American Indian Education Aid

<https://education.mn.gov/MDE/dse/indian/tribnatmn/>

AT A GLANCE

- Provides formula funding to 136 eligible school districts, charter schools, and tribal contract schools.
- Funding is intended to reach 100 percent of state identified American Indian students.
- 26,734 American Indian students served annually.

PURPOSE AND CONTEXT

This program seeks to increase the academic achievement, decrease the dropout rate, and improve the school climate for American Indian students in culturally appropriate ways. The program serves American Indian students in school districts, federal Bureau of Indian Education tribal contract schools, and charter schools.

The Minnesota Department of Education's Office of Indian Education convened a stakeholder group to recommend how to improve educational outcomes for American Indian students. The working group decided that the Success for the Future program, a \$4.2 million competitive grant program, needed to be replaced to reach more American Indian students. The recommendation, and eventual statutory funding formula that was enacted in 2015, expands funding to eligible districts and schools from 32 to 143, serving nearly 97 percent of American Indian students in Minnesota. Under the current formula, school districts, charter schools, and tribal schools that have 20 or more American Indian students enrolled are eligible to receive \$20,000 for the first 20 students, and an additional \$358 per student beyond the initial count of 20.

This program is designed to aid American Indian students with reaching their full potential within their school communities through meaningful, equitable, and targeted educational experiences that affirms and values their unique cultural identities.

SERVICES PROVIDED

American Indian education programs are designed to meet the unique educational and cultural needs of American Indian students.

The following services are funded by the American Indian formula aid program with the goals of increasing student achievement, increasing graduation rates, reducing the achievement gap, and lowering dropout rates:

- Support postsecondary preparation for pupils;
- Support the academic achievement of American Indian students;
- Make the curriculum relevant to the needs, interests, and cultural heritage of American Indian pupils;
- Provide positive reinforcement of the self-image of American Indian pupils;
- Develop intercultural awareness among pupils, parents, and staff; and
- Supplement, not supplant, state and federal educational and co-curricular programs.

The Minnesota Department of Education administers the aid program and calculates payments to school districts, charter schools, and tribal contract schools.

RESULTS

The program is designated for 100 percent of Minnesota’s state-identified American Indian students enrolled in public schools and Tribal schools, and enables participating students to take part in a variety of culturally relevant programs. *Note: this information is from the federal count of American Indian students and does not represent the more accurate count of state-identified students. The federal count does not include American Indian students who mark any other race in combination with American Indian heritage, therefore the federal count does not accurately reflect tribal members nor descendants with mixed ancestry. The state count uses self-identification; either American Indian or not.*

Type of Measure	Name of Measure	FY 2020	FY 2021
Results	Statewide American Indian Graduation Rate	55.7%	58.6%

M.S. 124D.81

American Indian Education Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	9,685	10,827	11,399	11,379	11,901	12,340	17,949	19,266
Total	9,685	10,827	11,399	11,379	11,901	12,340	17,949	19,266
Biennial Change				2,266		1,463		14,437
Biennial % Change				11		6		63
Governor's Change from Base								12,974
Governor's % Change from Base								54
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	9,685	10,827	11,399	11,379	11,901	12,340	17,949	19,266
Total	9,685	10,827	11,399	11,379	11,901	12,340	17,949	19,266

American Indian Education Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	9,996	10,901	11,482	11,596	11,935	12,385	18,655	19,334
District Revenue	9,996	10,901	11,482	11,596	11,935	12,385	18,655	19,334
Direct Appropriation	10,113	10,939	11,351	11,379	11,901	12,340	17,949	19,266
Current Year	8,997	9,811	10,334	10,437	10,742	11,147	16,790	17,401
Prior Year	688	1,016	1,065	942	1,159	1,193	1,159	1,865
Transfers In			85					
Cancellations	428	112	37					
Expenditures	9,685	10,827	11,399	11,379	11,901	12,340	17,949	19,266
Biennial Change in Expenditures				2,266		1,463		14,437
Biennial % Change in Expenditures				11		6		63
Governor's Change from Base								12,974
Governor's % Change from Base								54

Program: Innovation and Accountability
Activity: Alternative Compensation (Q Comp)

<https://education.mn.gov/MDE/dse/edev/qc/>

AT A GLANCE

- In fiscal year (FY) 2021, 183 districts and charter schools participated (36 percent):
 - 109 school districts participated (33 percent).
 - 72 charter schools participated (45 percent).
 - One intermediate district participated (25 percent).
 - One education district participated (8 percent).
- 507,053 students in the state were served by schools participating in the program (57 percent).
- 45,739 (approximate) licensed staff in the state were served (55 percent).
- 27 districts and charter schools are on the waiting list with pending applications awaiting funding.

PURPOSE AND CONTEXT

The alternative teacher professional pay system (commonly known as Q Comp) provides school districts and charter schools with up to \$260 per student and education districts and intermediate districts with \$3,000 per teacher in additional revenue for designing and implementing a program.

Q Comp programs approved by the Minnesota Department of Education (MDE) use various methods to improve classroom instruction and student learning while also recruiting and retaining highly qualified teachers.

Program revenue is available to all districts and sites that apply and have an approved plan. However, basic aid has been limited by statute to \$88,118,000 for FY 2017 and later. Program expenditures reached this cap as of the start of FY 2017. Due to enrollment increases, all participating programs had funding statutorily prorated to 97.6 percent in FY 2021 to ensure the basic aid cap is not exceeded. Applications are still accepted for the waiting list, but no plans will be approved until revenue is available.

This program supports the objective that every student should receive a world-class education from caring, qualified teachers.

SERVICES PROVIDED

Interested education sites are required to submit an application that includes:

- A plan of how licensed staff members can provide leadership to help others improve their instructional skills.
- Student achievement goals and the professional development plan that will help meet the goals.
- A description of the teacher observation/evaluation process and training plans.
- An explanation of salary schedule reform linking movement to performance measures and an overview of the performance pay system.

Approved districts or schools use the program funding to provide:

- Compensation to teacher leaders and licensed staff members.
- Professional development, training, and resources related to the program.

MDE performs several functions in support of this program, including:

- Review and approve applications and subsequent program changes.
- Provide technical assistance on program development and implementation.
- Provide professional development, networking and coaching to support educators to effectively implement the program including but not limited to observation and feedback, professional learning communities, and teacher leadership development.
- Calculate and process Q Comp payments.

Basic alternative compensation aid was capped at \$88.1 million for FY 2017 and was available to districts on a first-come, first-served basis. State total basic aid is currently at the cap. The funding cap was reached in FY 2017. Minnesota Statute 122A.415, subdivision 4(b) states that the funding cap cannot be exceeded, and the aid must be prorated among the participating districts. The cap would need to be increased in order to provide full funding for all current districts and to provide funding to all interested districts. However, districts have the authority to levy for an amount equal to the shortfall due to proration. Districts also have the opportunity to access equalization aid for the levy portion of the program revenue.

School districts receive 65 percent of the \$260 per pupil amount (\$169) in the form of state aid and the balance (\$91 per pupil) in the form of equalized levy revenue.

Charter schools (which do not have levy authority) receive a prorated aid amount based on the percentage of \$260 per pupil that all school districts receive (\$253.75 for FY 2021).

Education districts and intermediate districts (which do not have levy authority) receive \$3,000 per teacher.

RESULTS

Since Q Comp was enacted, two outside studies have been done to investigate its effectiveness:

- A 2014 study published in The Journal of Human Resources found a 0.03 standard deviation increase in student achievement on two different reading assessments and on one math assessment at districts receiving Q comp revenue (<http://jhr.uwpress.org/content/49/4/945.abstract>).
- A 2009 study identified a positive correlation between the implementation of Q Comp over a number of years and improved student achievement (Hezel Associates Q Comp for Teachers Summative Evaluation - <https://www.leg.state.mn.us/docs/2009/other/090321.pdf>).

M.S. 122A.414; M.S. 122A.415

Alternative Compensation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	89,125	88,788	88,547	88,259	88,135	88,087	88,444	88,430
Total	89,125	88,788	88,547	88,259	88,135	88,087	88,444	88,430
Biennial Change				(1,107)		(584)		68
Biennial % Change				(1)		(0)		0
Governor's Change from Base								652
Governor's % Change from Base								0

Expenditures by Category

Grants, Aids and Subsidies	89,125	88,788	88,547	88,259	88,135	88,087	88,444	88,430
Total	89,125	88,788	88,547	88,259	88,135	88,087	88,444	88,430

Alternative Compensation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	89,033	88,778	88,529	88,241	88,123	88,083	88,466	88,426
Levies	39,952	40,826	42,396	37,025	37,100	36,597	37,100	36,888
District Revenue	128,985	129,604	130,925	125,266	125,223	124,680	125,566	125,314
Direct Appropriation	89,166	88,788	88,896	88,259	88,135	88,087	88,444	88,430
Current Year	80,151	79,901	79,676	79,417	79,311	79,275	79,620	79,584
Prior Year	8,974	8,887	8,871	8,842	8,824	8,812	8,824	8,846
Cancellations	41		349					
Expenditures	89,125	88,788	88,547	88,259	88,135	88,087	88,444	88,430
Biennial Change in Expenditures				(1,107)		(584)		68
Biennial % Change in Expenditures				(1)		(0)		0
Governor's Change from Base								652
Governor's % Change from Base								0

Program: Innovation and Accountability

Activity: Assessments

AT A GLANCE

- Serves approximately 65,000 students per grade, grades 3-8 Mathematics and Reading, grade 10 Reading, grade 11 Mathematics, and grades 5, 8, and high school Science. This totals approximately a million assessments across the grades for Minnesota Comprehensive Assessments (MCAs).
- Serves approximately 73,000 English learners (ELs), grades K-12.
- Serves approximately 6,000 students with severe cognitive disabilities.
- Supports all charter schools, districts, Minnesota Department of Education (MDE) divisions, and stakeholders with data requests and data analysis.
- The cost of college entrance exams is reimbursed for over 14,000 students annually.

PURPOSE AND CONTEXT

Statewide testing’s mission is to design, develop, and implement a system of assessment so Minnesota students, parents, teachers, administrators, legislators, and taxpayers will have access to valid and reliable data to support and improve education in Minnesota. Our purpose is to build a comprehensive assessment system and provide analytics that adds value to Minnesota’s education system.

This program supports the objective of ensuring every student receives a world-class education. To further that goal, college entrance exam costs are reimbursed. Those reimbursements are prioritized for students eligible for free or reduced-price meals.

SERVICES PROVIDED

This program provides data and analysis to inform parents, teachers, and the public on the achievement of students against the Minnesota K-12 Academic Standards and Minnesota English Language Proficiency Standards. This includes special populations such as English learners, students receiving special education services, and student receiving free or reduced-price meals. These services are possible due to state funds as well as federal assessment grants.

MDE awards contracts to vendors, manages the contracts, supports districts’ administration of the tests, and reports test results. Part of the district and agency support provided from the Data Analytics Team, which conducts complex analysis of program-specific data, which often includes test results.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quality	District satisfaction with support/training materials. (Baseline of 75-85% in FY16)	~80-90%	Not available	Not available	90%

M.S. 120B.30; M.S. 120B.31; M.S. 124D.59
 ESEA 1965, Title VI, Part A, Subpart I, Section 1111(b) (2)

Assessments

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	12,223	13,685	10,647	10,759	11,903	11,903	11,903	11,903
3000 - Federal	457	719	1,049	1,269	1,269	1,269	1,269	1,269
Total	12,680	14,404	11,696	12,028	13,172	13,172	13,172	13,172
Biennial Change				(3,360)		2,620		2,620
Biennial % Change				(12)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses	11,169	11,611	10,685	11,017	12,161	12,161	12,161	12,161
Grants, Aids and Subsidies	1,511	2,793	1,011	1,011	1,011	1,011	1,011	1,011
Total	12,680	14,404	11,696	12,028	13,172	13,172	13,172	13,172
Total Agency Expenditures	12,680	14,404	11,696	12,028	13,172	13,172	13,172	13,172
Internal Billing Expenditures	5	4	4	4	4	4	4	4
Expenditures Less Internal Billing	12,675	14,400	11,691	12,024	13,168	13,168	13,168	13,168

Assessments

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	12,223	12,403	10,703	10,703	11,903	11,903	11,903	11,903
Balance Forward In		1,282		56				
Balance Forward Out			56					
Expenditures	12,223	13,685	10,647	10,759	11,903	11,903	11,903	11,903
Biennial Change in Expenditures				(4,502)		2,400		2,400
Biennial % Change in Expenditures				(17)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	457	719	1,049	1,269	1,269	1,269	1,269	1,269
Expenditures	457	719	1,049	1,269	1,269	1,269	1,269	1,269
Biennial Change in Expenditures				1,142		220		220
Biennial % Change in Expenditures				97		10		10
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Advanced Placement-International Baccalaureate

<https://education.state.mn.us/MDE/dse/ccs/ap/>

<https://education.state.mn.us/MDE/dse/ccs/ib/>

AT A GLANCE

In fiscal year (FY) 2020:

- 74 International Baccalaureate (IB) programs were in place in 55 authorized IB schools.
- 40,261 Advanced Placement (AP) students took 64,872 exams.
- 3,845 IB students took 8,194 exams.
- Efforts focused on increasing the number of low-income students taking AP or IB exams.
- 251 AP teachers attended in-depth training.
- 601 IB teachers attended in-depth training.

PURPOSE AND CONTEXT

This state aid program gives high school students the opportunity to take college-level courses and earn college credit while in high school. The funding is used to pay all Advanced Placement (AP) and International Baccalaureate (IB) exam costs for students from low-income families and a portion of exam costs for all students. The program also provides funding for AP/IB teachers to attend training programs.

SERVICES PROVIDED

Most of Minnesota's public and private colleges and universities have credit-awarding policies for AP and IB course credits for exams taken by students.

- Colleges and universities in Minnesota State must award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.
- The University of Minnesota and private postsecondary institutions are encouraged, but not required, to award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.

The AP and IB programs provide financial incentives to support:

- Teacher training and support.
- Student examination fees.

The Minnesota Department of Education (MDE) reviews and approves applications and calculates and processes aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
Quality	Percent of AP exams proficient or above (national average is 57-58%). These are scores of 3 out of 5 and above.	66%	66%	66%
Quality	Number of IB exams proficient or above (national average is 74%). These are scores of 4 out of 7 and above.	51%	61%	60%
Quantity	Number of low-income students/percentages of low-income students taking AP exams. These exam fees are fully funded.	5,251 (11%)	5,325 (12%)	4,596 (11%)
Quantity	Number of low-income students/percentages of low-income students taking IB exams. These exam fees are fully funded.	1,125 (28%)	1,117 (28%)	1,041 (27%)

M.S. 120B.13

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	4,498	5,208	3,000	6,000	4,500	4,500	4,500	4,500
Total	4,498	5,208	3,000	6,000	4,500	4,500	4,500	4,500
Biennial Change				(707)		0		0
Biennial % Change				(7)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Operating Expenses	3		3,000	3,000	3,000	3,000	3,000	3,000
Grants, Aids and Subsidies	4,495	5,208		3,000	1,500	1,500	1,500	1,500
Total	4,498	5,208	3,000	6,000	4,500	4,500	4,500	4,500

Advanced Placement-International Baccalaureate

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Balance Forward In		708		1,500				
Balance Forward Out	2		1,500					
Expenditures	4,498	5,208	3,000	6,000	4,500	4,500	4,500	4,500
Biennial Change in Expenditures				(707)		0		0
Biennial % Change in Expenditures				(7)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Concurrent Enrollment

<https://education.mn.gov/MDE/dse/ccs/pseo/>

AT A GLANCE

- Of the 32,905 students that participated in concurrent enrollment in fiscal year (FY) 2020, 6,067 were low-income students and 360 were English learners.
- For FY 2020, the state aid amount was prorated to \$52.43 per student, per course.

PURPOSE AND CONTEXT

The Concurrent Enrollment program provides funding to districts to defray the cost of delivering concurrent enrollment courses in high schools. This program is available to all students in grades 11 and 12; students participating in career and technical education classes in grade 10 and students in grades 9 and 10 on a limited basis. This program provides dual high school and college credit.

This aid program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

This program provides funding to districts that offer an agreed-upon concurrent enrollment course for students who take the course at the high school.

- Concurrent enrollment courses are taught during the regular school day at the high school.
- These courses are offered in partnership with a college or university.
- State aid is set at \$150 per student per course. However, because funding is capped and enrollment is increasing, full course reimbursement exceeds the appropriation, and the program is prorated. For FY 2020, districts received \$52.43 per student in state aid, with local funding making up an increasing portion of the cost.

Participating students are provided:

- Credit for both high school and college credits at no cost to the student;
- Qualified high school instructors or college faculty teaching the course;
- Exposure to college-level courses and coursework;
- Similar coursework and testing as is used in classes taught on a college campus; and
- Continued participation in the high school culture while earning college credits.

The Minnesota Department of Education:

- Helps districts interpret the laws regarding concurrent enrollment;
- Reviews and approves annual partnership agreements between school districts and colleges or universities;
- Verifies student, course, and program eligibility; and
- Calculates and processes aid payments to districts.

RESULTS

In 2019-20, 328 districts and charter schools had 76,295 student enrollments in concurrent enrollment courses through 38 Minnesota colleges and universities.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>
Quantity	Number of student enrollments	76,223	76,296	76,295
Quantity	College credits earned that generated Concurrent Enrollment aid	261,829 credits	261,019 credits	261,170 credits
Quantity	Number of unique students	32,608	32,272	32,905
Quantity	Number of districts and charters with Concurrent Enrollment courses	324	323	328

M.S. 124D.091

Concurrent Enrollment

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000

Concurrent Enrollment

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Expenditures	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Literacy Incentive Aid

AT A GLANCE

- In fiscal year (FY) 2019, 54.5 percent of third-grade students were proficient in reading statewide.
- In FY 2019, 75 percent of fourth-grade students met their growth target statewide.

PURPOSE AND CONTEXT

This program provides schools with additional aid based on student reading performance. Literacy incentive aid is available to all public school districts and charter schools with students in grades 3 and 4. This program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

Part of literacy incentive aid is based on the portion of students in a school that meet or exceed proficiency on the MCA grade three reading test (called “proficiency aid”). Part of literacy incentive aid is based on the portion of students that show medium or high growth in reading proficiency between grades three and four (called “growth aid”).

The COVID-19 pandemic disrupted the statewide assessments during the 2019-2020 school year that would have been included in the FY 2021 Literacy Incentive Aid calculations. Literacy Incentive Aid is calculated by school site using third and fourth grade test results averaged from the previous three test administrations. Normally the tests administered in 2018, 2019, and 2020 would have been used to calculate the average third grade proficiency and fourth grade growth percentages for FY 2021 aid. There were no testing results for 2020, and Minnesota Session Laws 2020, chapter 116, article 3, section 6, subdivision 8 excluded 2020 from the Literacy Incentive Aid calculations.

The FY 2021 third grade aid calculation was based on three-year average proficiency percentages for tests administered in the 2017, 2018, and 2019 school years with updated October 1, 2019 enrollment counts.

The FY 2021 fourth grade calculation was based on three-year average growth percentages for 2017, 2018, and 2019 with updated October 1, 2019 enrollment counts.

Minnesota Session Laws 2020, chapter 116, article 3, section 6, subdivision 8 allowed the commissioner to change the per pupil aid amount from \$530 to an amount that ensured that Literacy Incentive Aid did not fall below the February 2020 forecast amount, which was \$44.6 million for FY 2021. Per pupil aid increased from \$530 to \$539.55 to meet this requirement for FY 2021.

Literacy Incentive Aid is contingent on districts and charter schools submitting a Read Well By Grade Three local literacy plan by July 1 under Minnesota Statutes section 120B.12, subdivision 4a. Historically, there have been some districts and charter schools that do not submit a plan and, therefore, forfeit their calculated Literacy Incentive Aid. The final FY 2021 payments reflect any material amounts that were redistributed due to the lack of plan submissions.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

Type of Measure	Name of Measure	FY 2017	FY 2018	FY 2019
Quality	Portion of grade three students generating proficiency aid	56.6%	55.7%	54.5%
Quality	Portion of grade four students generating growth aid	74.0%	74.0%	75.0%

**There were no MCA tests administered during the 2019-2020 school year due to the COVID-19 pandemic.*

M.S. 124D.98

Literacy Incentive Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	44,498	44,658	45,075	45,968	42,234	42,502	42,234	42,502
Total	44,498	44,658	45,075	45,968	42,234	42,502	42,234	42,502
Biennial Change				1,887		(6,307)		(6,307)
Biennial % Change				2		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	44,498	44,658	45,075	45,968	42,234	42,502	42,234	42,502
Total	44,498	44,658	45,075	45,968	42,234	42,502	42,234	42,502

Literacy Incentive Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	44,351	44,632	45,124	46,062	41,808	42,580	41,808	42,580
District Revenue	44,351	44,632	45,124	46,062	41,808	42,580	41,808	42,580
Direct Appropriation	44,985	44,658	45,075	45,968	42,234	42,502	42,234	42,502
Current Year	39,916	40,169	40,612	41,456	37,628	38,322	37,628	38,322
Prior Year	4,582	4,489	4,463	4,512	4,606	4,180	4,606	4,180
Cancellations	487							
Expenditures	44,498	44,658	45,075	45,968	42,234	42,502	42,234	42,502
Biennial Change in Expenditures				1,887		(6,307)		(6,307)
Biennial % Change in Expenditures				2		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Student Organizations

AT A GLANCE

- There are six career and technical education student organizations supported by the Minnesota Foundation for Student Organizations (MSFO).
- MFSO is governed by a 23-member board of directors, half of which are appointed by the governor and half which serve as representatives to the student organizations.

PURPOSE AND CONTEXT

The Minnesota Foundation for Student Organizations (MFSO) supports secondary and postsecondary career and technical student organizations that are operated as co-curricular activities and/or integrated into Career and Technical Education (CTE) coursework.

SERVICES PROVIDED

The MFSO supports career and technical student organizations as they provide opportunities for students in Career and Technical Education pathways to further their knowledge and skills by participating in leadership activities, events, community service, and competitions.

The student organizations provide those opportunities in the following areas:

- Health Occupations (HOSA)
- Trade and Industry Technology (SKILLSUSA)
- Business (BPA)
- Agriculture, Food and Natural Resources (FFA)
- Family and Consumer Science (FCCLA)
- Marketing (DECA)

The MFSO coordinates joint activities and outreach among its member student organizations. The MFSO requires member organizations to provide desired support and opportunities for students.

The Minnesota Department of Education (MDE) processes payments and provides technical support for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2021</i>
Quantity	Membership in career and technical education student organizations	24,510	24,764

M.S. 124D.34; M.S. 124D.355

Student Organizations

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<i>Expenditures by Fund</i>								
1000 - General	768	768	768	768	768	768	768	768
Total	768	768	768	768	768	768	768	768
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	768	768	768	768	768	768	768	768
Total	768	768	768	768	768	768	768	768

Student Organizations

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	768	768	768	768	768	768	768	768
Expenditures	768	768	768	768	768	768	768	768
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Early Childhood Literacy

<https://minnesotareadingcorps.org/>

AT A GLANCE

- This program is implemented by Reading Corps, an initiative of ServeMinnesota.
- In fiscal year (FY) 2021, there was a 51.1 percent pass rate on the statewide third-grade MCA test of reading proficiency for participants who completed their Minnesota Reading Corps tutoring.
- In the 2021-22 school year, Reading Corps served 19,368 students.¹
- In the 2021-22 school year, children from 76 Minnesota counties were served.
- In the 2021-22 school year, Reading Corps worked with 436 elementary schools and 111 pre-K sites.

PURPOSE AND CONTEXT

This program's purpose is to reduce Minnesota's opportunity gap, better prepare preschoolers for kindergarten, and increase the number of students meeting literacy standards by the end of third grade, which support the objective of ensuring every student receives a world-class education.

The program is funded with a combination of state aid, federal funds, and private donations. Only the state aid is reflected on the fiscal pages of this Budget Activity.

SERVICES PROVIDED

The Minnesota Reading Corps places AmeriCorps members in early childhood and elementary school settings. AmeriCorps members:

- Are trained in research-based tutoring techniques and work with children age 3 to grade three.
- Monitor each student's progress.

The Minnesota Reading Corps provides master literacy coaches to all sites. They:

- Train internal literacy coaches on early literacy curriculum and coaching techniques.
- Administer the early learning classroom observation tool in pre-K settings.
- Provide feedback/coaching to AmeriCorps members.

The Minnesota Department of Education awards and makes payments for the program grant, approves work plans and invoices, and reviews annual reports.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of prekindergarten children receiving individualized instruction.	6,816	6,074	4,730	4,346	4,165	3,583
Quality	Percentage of prekindergarten children who meet their growth goals.	86%	85%	92%	83%	76% ²	89%
Quantity	Number of K-3 children receiving individualized instruction.	17,296	17,272	15,490	13,953	13,289 ³	13,174
Quality	Percentage of K-3 children who meet their growth goals.	84%	78%	75%	79%	81%	76%

¹This number includes students that received educational support during the pandemic that was at the request of schools and in addition to the program's normal individual tutoring support. The Results chart indicates just the students receiving individualized tutoring.

² Prekindergarten data in 2020 is fall to winter growth instead of the usual fall to spring, since programming was suspended in March 2020 due to the COVID-19 pandemic.

³ The COVID-19 pandemic caused a disruption to the regular tutoring services provided by Minnesota Reading Corps, and ultimately impacted the number of students served in the final months of the school year.

M.S. 119A.50; M.S. 124D.42

Early Childhood Literacy

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	7,950	12,438	7,950	7,950	7,950	7,950	7,950	7,950
Total	7,950	12,438	7,950	7,950	7,950	7,950	7,950	7,950
Biennial Change				(4,488)		0		0
Biennial % Change				(22)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	7,950	12,438	7,950	7,950	7,950	7,950	7,950	7,950
Total	7,950	12,438	7,950	7,950	7,950	7,950	7,950	7,950

Early Childhood Literacy

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	7,950	7,950	7,950	7,950	7,950	7,950	7,950	7,950
Balance Forward In		4,488						
Expenditures	7,950	12,438	7,950	7,950	7,950	7,950	7,950	7,950
Biennial Change in Expenditures				(4,488)		0		0
Biennial % Change in Expenditures				(22)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities

Activity: Elementary and Secondary Education Act (ESEA) Programs

<https://education.mn.gov/MDE/dse/esea/>

AT A GLANCE

- The Elementary and Secondary Education Act (ESEA) provides supplementary educational funds for underserved learner programs, professional development of teachers and principals, and English language development.
- ESEA was reauthorized December 2015 and is now more commonly referred to as the Every Student Succeeds Act (ESSA).
- COVID-19 federal funding for Elementary and Secondary School Emergency Relief (ESSER) and Governor’s Emergency Education Relief (GEER) are reflected in this Budget Activity in addition to certain other federal funds. School district activities in response to and recovery from the impacts of COVID-19 are addressed with ESSER and GEER funds.

PURPOSE AND CONTEXT

The Elementary and Secondary Education Act (ESEA) is federal legislation that promotes student achievement through school and district improvement.

The law requires each state to develop and implement a system for holding all districts and schools accountable for the education of students.

Annual federal education grants are allocated to eligible districts using census and student enrollment information.

SERVICES PROVIDED

Funds are authorized for instructional programs and materials, professional development, and for promoting family engagement under:

- Improving Academic Achievement, Title I, Part A of ESEA, which provides technical and financial assistance to local education agencies (LEAs) and schools with high numbers or percentages of children from low-income families, in order to help schools make sure that all children meet challenging state academic standards.
- Migrant Education, Title I, Part C, which ensures that migratory children receive appropriate educational services that address their special needs.
- Neglected and Delinquent Education, Title I, Part D, which provides prevention and intervention programs for children who are neglected, delinquent, or at-risk.
- Supporting Effective Instruction, Title II, Part A, which improves the preparation of prospective teachers and enhances professional development activities for teachers and other school leaders.
- English Acquisition and Language Enhancement and Academic Achievement, Title III Part A, which helps LEAs ensure that English learners and immigrant students attain English proficiency and meet the same standards required of all students.
- Student Support and Academic Enrichment, Title IV, Part A, which provides access to holistic education in three main areas: well-rounded education, safe and healthy schools, and effective use of technology.
- The Rural and Low-Income Schools Grant, Title VI, Part B, which helps small rural districts with high concentrations of poverty meet challenging state academic standards.

- Educating Homeless Children and Youth (ECHY), McKinney-Vento Act which provides subgrants for districts and charter schools with large populations of children and youth experiencing homelessness.

The Minnesota Department of Education administers federal education programs for learners under ESEA and provides school districts:

- Leadership to ensure that programs funded under ESEA are implemented according to legislation and demonstrate reasonable promise of success.
- Support for the design, development, implementation, administration, and evaluation of ESEA programs.
- Programmatic accountability with ESEA programs.

RESULTS

With the reauthorization of ESEA, all states were required to submit a state plan to the federal government in 2017 to meet the new requirements in ESSA. Implementation of ESSA began in the 2018-2019 school year. Minnesota’s plan establishes accountability indicators that will be used to prioritize support for schools identified as low-performing in areas such as academic achievement, English language proficiency, graduation rates, and attendance rates.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Schools identified for comprehensive support and improvement	198	198	198
Quantity	Schools identified for targeted support and improvement	159	159	159
Quantity	Schools identified for support	133	133	133

P.L. 114-95 Every Student Succeeds Act (ESSA), enacted December 2015.
 CFDA 84.010; CFDA 84.011; CFDA 84.358B; CFDA 84.365A; CFDA 84.367.

Elementary and Secondary Education Act Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
3000 - Federal	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043
Total	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043
Biennial Change				1,168,871		(165,555)		(165,555)
Biennial % Change				220		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	2	308	919	2,658	1,619	420	1,619	420
Operating Expenses	0	2,364	20,243	33,045	40,474	6,347	40,474	6,347
Grants, Aids and Subsidies	214,063	313,417	673,431	968,729	914,335	570,276	914,335	570,276
Total	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043

Total Agency Expenditures	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043
Internal Billing Expenditures	0	66	208	712	441	112	441	112
Expenditures Less Internal Billing	214,065	316,023	694,385	1,003,720	955,987	576,931	955,987	576,931

Full-Time Equivalent

	2.03	6.99	23.56	14.11	3.27	14.11	3.27
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Elementary and Secondary Education Act Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
3000 - Federal								
Receipts	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043
Expenditures	214,065	316,089	694,594	1,004,432	956,428	577,043	956,428	577,043
Biennial Change in Expenditures				1,168,871		(165,555)		(165,555)
Biennial % Change in Expenditures				220		(10)		(10)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		2.03	6.99	23.56	14.11	3.27	14.11	3.27

Program: Student and Teacher Opportunities

Activity: Student Opportunities

AT A GLANCE

- The Race 2 Reduce program funded four project sites in fiscal year (FY) 2020 – FY 2021.
- P-TECH schools establishes a public-private partnership structure to teach students skills for jobs in the Science, Technology, Engineering, and Math (STEM) field.
- STEM is for Minnesota school districts and charter schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate STEM programs consistent with Minnesota Statute 120B.132.
- Suicide prevention training for teachers establishes an online training curriculum accessible statewide.
- The Javits Gifted and Talented program encourages interest in computer science for underrepresented groups.
- Construction Skilled Trade Counseling Report – one-time funding in collaboration with Minnesota Commissioner of Labor and Industry (DLI) and the Minnesota Department of Education (MDE) on construction and skilled trades counseling.
- Water Safety funding is provided for Minnesota nonprofit organizations and city and county parks and recreation programs to provide low-income and at-risk children with scholarships and water safety instructors and lifeguards for swimming lessons based on nationally recognized water safety curricula.
- Starbase-Multisensory learning program provides hands on experiences for students in grades 4-6.
- The Rural Career and Technical Education program is intended to provide career and technical education opportunities to middle school and high school students within the service cooperative's multicounty service area and to increase the number of students equipped with the work-readiness skills needed by regional employers.
- Grants to Museums and Educational Centers are awarded to support entity operations.
- The ServeMinnesota Innovation program provides state funding to leverage federal and private funding to fulfill the purposes of Minnesota Statutes sections 124D.37 to 124D.45.
- Minnesota Independence College and Community (MICC) is a three-year postsecondary, life-skills training program for young adults with Autism Spectrum Disorder or other learning differences.
- The agricultural educator program funds summer agricultural, food, and natural resources (AFNR) programs in schools.
- The MN Math Corps program trains AmeriCorps members in research-based curriculum to help students in Grades K-8 achieve math proficiency.
- Expanded Concurrent Enrollment grants develop or expand programs that encourage secondary school students to pursue teaching.

PURPOSE & CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services as described below. The programs support the goals of the objective of ensuring every student receives a world-class education. The majority of these programs are state funded.

SERVICES PROVIDED

The *Race 2 Reduce* program educates students about water resources and engages youth to be leaders of change and environmental stewards of the future. \$10,000 of the funding was awarded competitively in FY 2020. Two project sites were funded competitively.

- \$50,000 for FY 2020.
 - \$10,000 is for H2O for Life.
 - \$30,000 is for ISD 624 (White Bear Lake).
 - \$10,000 is for competitive grantees.

P-TECH schools are established as a public-private partnership that will prepare students for high-skill jobs of the future in identified growth industries. ISD 535 (Rochester) was the named recipient of these fund in FY 2020 through FY 2023.

- \$500,000 each year in FY 2020 and FY 2021.
- \$791,000 each year in FY 2022 and FY 2023.

The P-TECH school model must deliver five core benefits to students:

1. a rigorous, relevant, and cost-free education in grades 9 to 14, inclusive, focused on knowledge and skills that students need for science, technology, engineering, and mathematics (STEM) careers;
2. workplace learning that includes mentoring by industry professionals, worksite visits, speakers, and internships;
3. intensive, individualized academic support by both secondary and postsecondary faculty within an academic year or school day that enables students to progress through the program at their own pace;
4. an opportunity to earn an associate's degree; and
5. a commitment to students who complete the program to be first in line for a job with participating business partners following completion of the program.

The *STEM Program* – MDE provides grants to school districts and charter schools to encourage low-income and other underserved students to participate in advanced placement and international baccalaureate Science, Technology, Engineering, and Math (STEM) programs consistent with Minnesota Statutes, section 120B.132.

- \$250,000 each year in FY 2020 through FY 2023.

The *Suicide Prevention Training for Teachers* program funds a grant to a nationally-recognized provider of evidence-based online training on suicide prevention and engagement of students experiencing mental distress. Training funded by the grant must be accessible to teachers in every school district, charter school, intermediate school district, service cooperative, and tribal school in Minnesota.

- \$265,000 in FY 2020.
- \$265,000 in FY 2022 appropriated to MDE for transfer to the Minnesota Department of Health (MDH) which administers the funds.

The *Javits Gifted & Talented* program is federally funded. Six named school districts received grants for the following activities:

1. increasing student interest in and positive attitude towards their learning in general and computer science in particular;
2. identifying greater numbers of students as gifted, particularly in computer science;
3. increasing the number of students who are limited English proficient, twice-exceptional (2e), or are from a traditionally underrepresented racial/ethnic group or gender identified as gifted, particularly in computer science;
4. for educators from participating districts to demonstrate a greater awareness of gifted student characteristics and effective instructional best practices. Grants awarded include:
 - \$240,000 in FY 2020.

- \$590,482 in FY 2021.
- \$593,981 in FY 2022.
- \$407,017 in FY 2023.

Construction Skilled Trade Counseling Report - For a transfer to the commissioner of labor and industry for staff collaboration with the Minnesota Department of Education (MDE) on construction and skilled trades counseling under Minnesota Statutes, section 120B.126.

- \$125,000 in FY 2020.
- \$25,000 in FY 2021.

Water Safety Grants (Arts and Cultural Heritage Fund) - The Minnesota Youth Water Safety Grant is a state funded grant from the Arts and Culture Heritage Fund. The funds are available to:

- Provide low-income and at-risk children with scholarships for swimming lessons based on nationally recognized water safety curriculum.
- To hire water safety instructors or lifeguards.
- To train water safety instructors or lifeguards in nationally recognized water safety practices and instruction.

This competitive grant was allocated each year in FY 2020 through 2023.

- \$100,000 each year in FY 2020 and FY 2021.
- \$220,000 each year in FY 2022 and FY 2023.

Starbase-Multisensory is a grant program that provides rigorous STEM education to students in grades 4-6 with a multisensory learning experience and hands-on curriculum in an aerospace environment using state-of-the-art-technology. In FY 2020, over 2,400 students participated in STARBASE across the northland region of Minnesota. Additionally, over 3,500 students in the Twin Cities were able to participate at the 133rd Airlift Wing, a STARBASE facility in St. Paul, Minnesota.

- \$500,000 each year in FY2020 through FY2023

Rural and Tech Ed program- The Rural Career and Technical Education Consortium provides grants to educational service cooperatives in greater Minnesota, in partnership with other regional public and private entities. These grants are intended to provide career and technical education opportunities to middle school and high school students within the service cooperative's multicounty service area and to increase the number of students equipped with the work-readiness skills needed by regional employers.

- \$3,000,000 each year in FY 2020 through FY 2023.

Grants to Museums and Educational Centers. For FY 2022 and FY 2023, these grants must be used to encourage and increase access for historically underserved communities.

- \$460,000 each year in FY 2020 and FY 2021
- \$610,000 each year in FY 2022 and FY 2023, \$150,000 of which is reflected in the One-Time Grants Budget Activity.

ServeMinnesota works closely with 11 regional non-profits to empower youth to improve their life opportunities through literacy, job placement, and other essential skills as authorized by Minnesota Statutes, section 124D.37 to 124D.45. This funding leverages federal and private funding.

- \$900,000 each in FY 2020 through FY 2023

Minnesota Independence College and Community - For a transfer to the Office of Higher Education for grants to Minnesota Independence College and Community (MICC) for tuition reduction and institutional support. MICC is a three-year postsecondary, life-skills training program for young adults with Autism Spectrum Disorder or other learning differences.

- \$500,000 in FY 2020.
- \$625,000 in FY 2021 through FY 2023.

Agricultural Educator Grants pay for licensed agricultural, food, and natural resources (AFNR) education teachers who are working in the summer with high school students on extended projects, specifically: work-based learning/experiential learning, rural mental health/AFNR farm safety, career exploration and development, social-emotional learning/leadership development, and service learning. A total of 46 schools were awarded funding in FY 2022.

- \$250,000 each year in FY 2020 through FY2023

MN Math Corps trains ServeMinnesota AmeriCorps members in a research-based curriculum to help students in Grade K-8 achieve math proficiency. MN Math Corps members provide targeted tutoring to students in pairs or groups of three using the evidence-based intervention curriculum supplied to the member. Students will receive tutoring for a minimum of 12 weeks. The goal of MN Math Corps is that students served by trained members will meet or exceed their targeted national normed growth rates.

- \$500,000 each year in FY 2020 and FY 2021
- \$1,000,000 in FY 2022 and FY 2023.

Expanded Concurrent Enrollment Grants - Funds encourage secondary school students, especially American Indian students and students of color, to pursue teaching by developing and offering dual-credit postsecondary course options in schools for “Introduction to Teaching” or “Introduction to Education” courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

- \$375,000 each year in FY 2020 and FY 2021.
- \$500,000 each year in FY 2022 and FY 2023.

MDE administers all aspects of the grant program. Services include:

- Providing technical assistance to applicants/recipients.
- Creating grant contract including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

Many of these programs are relatively new; therefore, data is limited for certain programs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Number of schools utilizing the Race 2 Reduce curriculum	N/A	4	FY20
Quantity	Number of P-Tech Schools	1	1	FY21
Quantity	Number of Students attending Starbase programming in Twin Cities and Duluth	N/A	5,900	FY20 / FY22
Quantity	Number of Starbase STEM kits distributed	9,200	30,000	FY21 / FY22
Quantity	Teacher surveys collected on Starbase STEM kits	N/A	531	FY22
Quantity	Number of teachers who completed the Kognito At-Risk one-hour suicide prevention training	N/A	11,380	FY20 / FY22

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	The Javits Gifted and Talented Program- percent of enrolled 2 nd and 3 rd graders identified as gifted	N/A	13.42%	FY22
Quantity	The Javits Gifted and Talented Program- percent of enrolled 2 nd and 3 rd grade students identified as gifted in computer science	No students identified prior to grant	17.87%	FY22
Quantity	The Javits Gifted and Talented Program- student interest and attitude toward computer science	2021 data showed fairly high interest	5 of 6 sites showed no significant growth	FY22
Quantity	Schools awarded agricultural educator program funds*	48	46	FY21 / FY22
Quantity	MN Math Corps- number of students who received tutoring services	3,681 (FY21)	N/A	N/A
Quality	MN Math Corps-number of students who improved academic performance	1,671 (FY21)	N/A	N/A
Quantity	Programs that encourage secondary school students, especially American Indian and students of color, to pursue teaching, by developing and offering dual-credit postsecondary course options in schools for “Introduction to Teaching” or “Introduction to Education”	12	13	FY20 / FY22

* Results for Agricultural Education. FY20 grantees’ plans were adapted to meet needs in COVID-19, including virtual instruction and flexible learning. Many districts reported this program as being one of the few student opportunities available during the pandemic, as teachers were able to work with students in smaller groups on work-based learning/internships and social-emotional learning/leadership. No grantees returned funds outside of normal unused balances. FY21 operated in a much more normal fashion, with schools focusing more on work-based learning due to limited state-wide and regional programs for social-emotional learning and student comfort with overnight events and travel.

Minnesota Session Laws 2019, 1st Special Session, Chapter 11, Article 2, Section 33, Subdivision 25 (Race 2 Reduce) and 26 (Construction Report)

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 2, Section 4, Subdivision 5 (Civic Education), 11 (STEM), 14 (MN Independence College), 15 (MN Math Corps), 19 (P-Tech), 23 (Serve MN Youthworks)

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 3, Section 7, Subdivision 6 (Expanded Concurrent Enrollment)

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 6, Section 3, Subdivision 2 (Suicide Prevention Training)

Student Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	10,898	11,555	4,071	11,181	7,126	7,126	271,469	110,032
2301 - Arts & Cultural Heritage		23	2	220				
3000 - Federal	58	802	518	544	544	544	544	544
Total	10,956	12,380	4,592	11,945	7,670	7,670	272,013	110,576
Biennial Change				(6,799)		(1,197)		366,052
Biennial % Change				(29)		(7)		2,213
Governor's Change from Base								367,249
Governor's % Change from Base								2,394

Expenditures by Category

Compensation	1	7	8	5	5	6	8,128	5,469
Operating Expenses	247	206	125	179	179	178	17,369	14,892
Grants, Aids and Subsidies	10,708	12,166	4,459	11,761	7,486	7,486	246,516	90,215
Total	10,956	12,380	4,592	11,945	7,670	7,670	272,013	110,576

Total Agency Expenditures	10,956	12,380	4,592	11,945	7,670	7,670	272,013	110,576
Internal Billing Expenditures	9	13	12	9	9	9	9	9
Expenditures Less Internal Billing	10,947	12,367	4,580	11,936	7,661	7,661	272,004	110,567

Full-Time Equivalent

	0.01	0.07	0.08	0.05	0.05	0.05	39.45	43.05
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Student Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement							24,782	26,614
District Revenue							24,782	26,614
Direct Appropriation	9,431	7,791	8,516	8,251	7,751	7,751	272,094	110,657
Current Year							22,304	23,953
Prior Year								2,478
Balance Forward In	2,185	4,423		3,555				
Transfers Out	625	650	890	625	625	625	625	625
Cancellations		9						
Balance Forward Out	93		3,555					
Expenditures	10,898	11,555	4,071	11,181	7,126	7,126	271,469	110,032
Biennial Change in Expenditures				(7,201)		(1,000)		366,249
Biennial % Change in Expenditures				(32)		(7)		2,401
Governor's Change from Base								367,249
Governor's % Change from Base								2,577
Full-Time Equivalents							39.40	43.00

2301 - Arts & Cultural Heritage

Balance Forward In		50	38	110				
Direct Appropriation	50	50	110	110	0	0	0	0
Cancellations		40	35					
Balance Forward Out	50	38	110					
Expenditures		23	2	220				
Biennial Change in Expenditures				200		(222)		(222)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

3000 - Federal

Receipts	58	802	518	544	544	544	544	544
Expenditures	58	802	518	544	544	544	544	544
Biennial Change in Expenditures				202		26		26
Biennial % Change in Expenditures				23		2		2
Governor's Change from Base								0

Student Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Governor's % Change from Base								0
Full-Time Equivalents	0.01	0.07	0.08	0.05	0.05	0.05	0.05	0.05

Program: Student and Teacher Opportunities

Activity: Teacher Opportunities

AT A GLANCE

- Grow Your Own (GYO): 11 grantees in fiscal year (FY) 2022 and 11 grantees in FY 2023 totaling \$12,817,600. Grants provide scholarships/stipends for adults of color or American Indians to pursue teacher licensure and for student education career opportunities.
- Statewide Concurrent Enrollment Teacher Training Grants are for the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76.
- Minnesota Principals Academy: Two cohorts of school leaders participate annually (~25 participants/cohort).
- Come Teach in Minnesota: New program enacted in 2021 to recruit and offer hiring bonuses for licensed teachers who are American Indian or a person of color from another state or country.

PURPOSE AND CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services as described below. The programs support the goal of the objective of ensuring every student receives a world- class education. The majority of these programs are state funded.

SERVICES PROVIDED

Grow Your Own (GYO) – The Minnesota Department of Education (MDE) administers a state GYO grant under 122A.73. Grant funding provides supports to local districts/charters to increase the racial and ethnic diversity of the teacher workforce. GYO Pathway for Adults provides scholarships and stipends for paraprofessionals or other adults affiliated with the school to obtain teacher licensure. At least 80% of funds must be spent on scholarships/stipends for people of color and American Indian people to pursue teacher licensure, and remaining funds may be used for recruitment and support programming. GYO Pathway for Students provides funding to develop innovative programming for secondary students to explore teaching careers. Grant winners may use funds to develop future teacher clubs or service-learning opportunities, may provide wrap-around services for students in postsecondary enrollment options (PSEO), or may offer scholarships for graduating students to pursue teaching careers. Both pathways are particularly focused on improving the racial and ethnic diversity of the teacher workforce.

- \$1,500,000 each year in FY 2020 and FY 2021.
- \$6,500,000 each year in FY 2022 and FY 2023; General Fund amounts are transferred to a special revenue fund.

The GYO program changed significantly as a result of the 2021 legislative session, including the expansion of allowable programs as well as a significant increase in funding (from \$1.5 million annually to \$6.5 million annually). Consequently, comparisons to previous fiscal years will not be reported in this template.

Grantees will report annually about program outcomes. MDE will publish a consolidated report annually, which is not available as of this writing. Examples of measures that will be available are listed below.

Quantity -- # of adults participating in Adult pathways, + demographics

Quantity -- # of students participating in student pathways programming, + demographics

Quality -- #/% of adults continuing to pursue licensure (and/or achieving licensure), + demographics

Quality -- #/% of students expressing interest in future education careers, + demographics

- Quality -- Participant reporting on strengths/weaknesses of programs, unmet needs, etc.
- Results -- # of BIPOC teachers supported through GYO programming
- Results -- # of BIPOC teachers supported through GYO programming retained after 4 years

Statewide Concurrent Enrollment Teacher Training Grants are for the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76

- \$375,000 each year in FY 2020 through FY 2023.

Minnesota Principals Academy - The Minnesota Principals Academy (MPA) is an executive development program that provides ongoing professional development to Minnesota’s school leaders by connecting theory to practice. The program is housed in the University of Minnesota’s (U of M) Department of Organizational Leadership, Policy, and Development in the College of Education and Human Development, with financial support provided by the state and participants’ school districts. The curriculum for the MPA is based on the National Institute for School Leadership’s (NISL) Executive Development Program. State funding is designed to reduce the cost of attendance for principals and school leaders from schools identified for intervention under the state’s accountability system under the Every Student Succeeds Act (ESSA). The U of M is named in law as the recipient of these funds, so this is a flow through program.

- \$200,000 each year in FY 2020 through FY 2023.

Come Teach in Minnesota - Come Teach in Minnesota is a pilot program passed in 2021 that seeks to recruit and retain teachers of color and American Indian teachers from out-of-state. Eligible teachers may earn a hiring bonus for moving to Minnesota to teach and a retention bonus for staying in that district for four years. This is one of several policy strategies Minnesota is pursuing to recruit and retain a diverse and effective educator workforce.

- \$200,000 each year in FY 2022 and FY 2023.

RESULTS

Part A: Performance Date

MDE staff administer the *Grow Your Own (GYO)* grant. Grant staff managed over 100 competitive applications for FY 2022 and FY 2023 funding. Program staff provide informational webinars and ongoing support for grantees. MDE is required to publish a report that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant recipients.

The *Minnesota Principals Academy* receives \$200,000 annually, and the U of M is directly named in law as the recipient. Consequently, MDE does not provide additional services.

The *Come Teach in Minnesota* program provides funding for participating districts/charters to offer hiring and retention bonuses. An initial assumption is that each participating district will fill a licensure shortage position, so \$8,000 is reserved per teacher (\$4,000 for hiring bonus, \$4,000 for retention bonus). Administration funds are used for staff salary and to contract with a vendor to author the mandated report to the legislature.

Come Teach in MN - 11 districts and charters have \$328,000 in funding reserved to hire and retain up to 41 teachers. Districts are still hiring, so there are no results to report as of this writing.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous Value</i>	<i>Date</i>	<i>Current Value</i>	<i>Date</i>
Quantity	# of participating districts/charters	n/a	New Program	11	August 2022
Quantity	# of teachers that funding is reserved for	n/a	New Program	41	August 2022
Results	# of BIPOC teachers recruited to MN;	n/a	New Program	TBD	n/a
	# of BIPOC teachers recruited and then retained after four years.	n/a	New Program	TBD	n/a

Minnesota Principals Academy (MPA) - A full report on MPA is authored every biennium and is available upon request. Some data is available from a survey was conducted with 53 participants (29 of whom completed the survey for a 55% response rate) for the 2017-2019 cohorts. Respondents were asked to indicate the extent to which their participation in MPA improved their ability to perform a set of 8 instructional leadership practices to guide the school. Overall, over two-thirds of respondents indicated that their practices had changed *to a great extent* in 7 of the 8 areas.

Type of Measure	Name of Measure	Previous Value	Date	Current Value	Date
Quantity	# of principals/school leaders enrolled	53	2017-2019 Cohorts	Not available	Aug 2022
Quality	Several measures named in grant reports. <ul style="list-style-type: none"> • Participant experience/perception survey • Supervisor survey 	See full report	2017-2019	Full report not yet published	Aug 2022

Part B: Evidence of Effectiveness

Evidence-based Practice	Source of Evidence	FY 22-23 Expenditures
MPA = Professional Development sessions: In-person or online	Washington State Institute for Public Policy (WSIPP)	\$400,000 per biennium
GYO (grants focused on diverse teacher candidates)	Minnesota Inventory	\$6.5 million annually

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 2, Section 4, Subdivision 5 (Grow Your Own), 10 (Come Teach in Minnesota), 16 (MN Principals Academy), 3 (Statewide Concurrent Enrollment teacher training program)

Teacher Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	2,430	2,995	575	575	575	575	34,070	15,730
2001 - Other Misc Special Revenue			6,418	6,730	6,565	6,565	24,065	24,065
Total	2,430	2,995	6,993	7,305	7,140	7,140	58,135	39,795
Biennial Change				8,872		(18)		83,632
Biennial % Change				164		(0)		585
Governor's Change from Base								83,650
Governor's % Change from Base								586
<u>Expenditures by Category</u>								
Compensation							951	57
Operating Expenses							3,434	5
Grants, Aids and Subsidies	2,430	2,995	6,993	7,305	7,140	7,140	53,750	39,733
Total	2,430	2,995	6,993	7,305	7,140	7,140	58,135	39,795
<u>Full-Time Equivalents</u>								
							7.05	3.70

Teacher Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	2,430	2,030	7,275	7,275	7,275	7,275	58,270	39,930
Balance Forward In		1,064						
Transfers Out			6,700	6,700	6,700	6,700	24,200	24,200
Cancellations		98						
Expenditures	2,430	2,995	575	575	575	575	34,070	15,730
Biennial Change in Expenditures				(4,275)		0		48,650
Biennial % Change in Expenditures				(79)		0		4,230
Governor's Change from Base								48,650
Governor's % Change from Base								4,230
Full-Time Equivalent							3.75	0.40

2001 - Other Misc Special Revenue

Balance Forward In				165				
Transfers In			6,583	6,615	6,565	6,565	24,065	24,065
Transfers Out				50				
Balance Forward Out			165					
Expenditures			6,418	6,730	6,565	6,565	24,065	24,065
Biennial Change in Expenditures				13,148		(18)		34,982
Biennial % Change in Expenditures						(0)		266
Governor's Change from Base								35,000
Governor's % Change from Base								267
Full-Time Equivalent							3.30	3.30

Program: Student and Teacher Opportunities

Activity: One-Time Grants

AT A GLANCE

One-Time grant programs are grants or grant programs where the funds have already been granted out and grantees are spending down the funds. By law, these grants or grant programs are not included in the Department of Education's base budget for FY 2024 and beyond.

PURPOSE AND CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services, as described below. These grants or grant programs support the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

The *Support our Students Grant* program was designed to address shortages of student support services personnel within Minnesota schools. Student support services personnel included individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselors. Grant funds were used to fund new positions for student support services personnel.

- \$12 million spent/encumbered. Funds were available from FY 2017 through FY 2022.
- 45 school sites received awards in FY 2020.
- 35 grants were awarded to non-metro sites in FY 2020.
- 10 grants to metro sites in FY 2021.

The *Minnesota Council on Economic Education (MCEE)* seeks to address the gap in teacher knowledge regarding economic education. Through teacher staff development, MCEE provides opportunities for educators to improve their understanding of economics content and instructional strategies to help all students achieve the state economics standards.

- \$117,000 in FY 2020.
- \$118,000 in FY 2021.
- \$150,000 in each of FY 2022 and FY 2023. Funds were appropriated in Laws 2021, 1st Special Session, Chapter 4, the "Commerce, Climate, and Energy" budget bill.

Civic Education Grants. For the Minnesota Civic Education Coalition for grants to Youth in Government, the Learning Law and Democracy Foundation, and the YMCA Center for Youth Voice to support civic education programs for youth age 18 and under to provide teacher professional development, educational resources, and program support

- \$75,000 each year in FY 2020 through FY 2023.

The *Certificate Incentive Program* enabled the Minnesota Department of Education (MDE) to establish a list of qualifying career and technical education certificates that were posted on the agency website, and it incentivized students to achieve these certificates.

- In collaboration with the governor's Workforce Development Council and the P-20 education partnership, 109 industry-recognized certificates were identified for reimbursement, which spanned all six available career fields and included 11 career clusters.
- \$860,000 in FY2020 funding was expended over FY 2020 and FY 2021.

Minnesota Center for the Book program funding provided grants to the entity designated by the Library of Congress to provide statewide programming related to the Minnesota Book Awards and for additional programming throughout the state related to the Center for the Book designation.

- \$125,000 each year in FY 2020 and FY 2021.
- Additional funding for the Minnesota Center for the Book from the Arts and Cultural Heritage Fund is displayed in the Libraries Program's Basic Support and Federal Grants Budget Activity.

The *Singing Based Pilot Program* provided a grant to the Rock 'n' Read Project to implement a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5.

- \$230,000 in FY 2020.

The *MN Youth Council* appropriation was for grants to the Minnesota Alliance With Youth for the activities of the Minnesota Youth Council.

- \$187,000 in FY 2022 and \$188,000 in FY 2023.

A grant to the *Sanneh Foundation* is intended to decrease absenteeism, encourage school engagement, improve grades, and improve graduation rates. The foundation's Dreamline program supports marginalized students through direct relationships with in-school mentors.

- \$1,500,000 in each of FY2022 and FY2023.

The *Digital Well-being* appropriation was for a grant to LiveMore ScreenLess to promote digital well-being consistent with the provisions of Laws 2021, 1st Special Session, Article 2, Section 3.

- \$1,000,000 in FY 2022.

A grant to the *Girls in Action* program was to enable the organization to continue to provide and expand Twin Cities area school and community-based programs that encourage and support low-income girls of color.

- \$1,500,000 in FY 2022.

Three *museums* received grants for FY 2022 and FY 2023 to encourage and increase access for historically underserved communities: Children's Museum of Southern MN, Works Museum in Bloomington, and the Children's Discovery Museum of Grand Rapids.

- \$50,000 in each of FY2022 and FY2023 for each of the three museums.

A grant to the *Black Men Teach Twin Cities* organization is to establish partnerships with eight school district elementary schools or elementary charter schools with a goal of increasing the number of black male teachers to 20 percent of the employees at each school site.

- \$750,000 in FY 2022 was by law transferred to the Office of Higher Education and then granted.

Nonexclusionary discipline grants are to provide training for school staff on nonexclusionary disciplinary practices.

- \$1,750,000 in FY 2022.

The *Language Essential for Teachers of Reading and Spelling* (LETRS) appropriation provided funds for Minnesota licensed teachers to complete the LETRS program. The LETRS training program is a 2-year (approximately 144 hours) learning experience that includes reading eight units from the LETRS manual, attending 6 hours of live/virtual end-of-unit training including debriefs from national trainers, as well as participating in online modules with assessments for each unit. As of summer 2022, there were 2,320 Minnesota educators participating in this learning experience, with all participants scheduled to complete the training by June 30, 2023.

- \$3,000,000 in FY 2022.

MDE administers all aspects of these grant programs including:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

Many of these programs are relatively new; therefore, data is limited for certain programs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	Support Our Students number of student support positions funded	75	75	75	75	
Quantity	Minnesota Council on Economic Education teacher participants in economic education courses	438	527			
Quantity	Certificate Incentive program - number students who earned credentials	277	268	573	1,217	
Quantity	Number of Sanneh Foundation Dreamline enrolled students who received direct support from 24 mentors (16 who identify as people of color)					413
Quantity	Number of Dreamline school sites providing direct support from mentors in the Twin Cities and Greater Minnesota					11 schools across 4 districts

MN Laws 2016, Chapter 189, Article 25, Section 62 (Support our Students)

MN Laws 2019, 1st Special Session, Chapter 11, Article 3, Section 23, Subd 7 (NW Regional Partnership)

MN Laws 2019, 1st Special Session, Chapter 11, Article 2, Section 25 & Section 33 (Certificate Incentive Program)

MN Laws 2019, 1st Special Session, Chapter 11, Article 2, Section 33 (Certificate Incentive Program, MN Center Book Programming, Singing Based Pilot Program, Civic Education Grants)

MN Laws 2021, 1st Special Session, Chapter 4, Article 1, Section 7 (MN Council on Economic Education)

MN Laws 2021, 1st Special Session, Chapter 13, Article 2, Section 4 (Civic Education grant program, MN Youth Council, Sanneh Foundation, Digital Well-being, Girls in Action, Children’s Museum Southern MN, Works Museum Bloomington, Children’s Discovery Museum Grand Rapids)

MN Laws 2021, 1st Special Session, Chapter 13, Article 3, Section 7 (Black Men Teach, Non-exclusionary Discipline, LETRS Grant)

One-Time Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	8,083	5,256	9,652	4,846				
Total	8,083	5,256	9,652	4,846				
Biennial Change				1,159		(14,498)		(14,498)
Biennial % Change				9		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
<u>Expenditures by Category</u>								
Operating Expenses		440	1,997	1,003				
Grants, Aids and Subsidies	8,083	4,816	7,655	3,843				
Total	8,083	5,256	9,652	4,846				

One-Time Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	2,407	318	10,062	2,063	0	0	0	0
Balance Forward In	6,421	4,957	3,200	2,783				
Transfers Out			750					
Cancellations			77					
Balance Forward Out	745	19	2,783					
Expenditures	8,083	5,256	9,652	4,846				
Biennial Change in Expenditures				1,159		(14,498)		(14,498)
Biennial % Change in Expenditures				9		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Special Education

Activity: Special Education - Regular

<https://education.state.mn.us/MDE/dse/sped/>

<https://education.mn.gov/MDE/dse/schfin/sped/>

AT A GLANCE

- In fiscal year (FY) 2022, 151,532 children and youth, ages birth-21, received special education services.
- In FY 2022, 134,282 K-12 students (15.8 percent of total K-12 students) received special education services.
- In FY 2021, 25,522 full-time equivalent special education teachers and paraprofessional staff were employed.
- American Rescue Plan (ARP) funds received help support these initiatives.

PURPOSE AND CONTEXT

This state aid program funds specially designed instruction and related services for children and youth with disabilities ages birth-21.

Districts also receive federal funds through the Individuals with Disabilities Education Act (IDEA) for special education services. IDEA ensures that all children with disabilities receive a Free Appropriate Public Education (FAPE). FAPE emphasizes that special education and related services must meet students' unique needs and prepare them for postsecondary education, employment, and independent living.

This program supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Goals of special education:

- Provide FAPE in the least restrictive environment.
- Increase participation and improve performance on statewide assessments.
- Increase special education student graduation rates and decrease dropout rates.
- Coordinate services for students receiving support from more than one agency.

Students receiving special education services must have an Individualized Education Program (IEP). The IEP helps students with disabilities with schoolwork and helps them make progress toward graduation according to their individualized goals. Students are eligible for IDEA Part B services if they meet specific state eligibility requirements under one or more of 13 disability categories as defined in Minnesota Rules.

To be eligible for special education IDEA Part B services, students ages 3-21 must be:

- Found to have a disability.
- In need of specialized instruction and related services.

To be eligible for special education IDEA Part C infant and toddler intervention services, infants and toddlers aged birth-2 must meet at least one of the three components:

- They meet the criteria for any one of Minnesota's recognized special education disability categories.
- They have a demonstrated developmental delay.
- They are diagnosed with a physical or mental condition that has a high probability of resulting in developmental delay.

The combination of these laws and rules requires the provision of FAPE for all eligible children and youth with disabilities. FAPE is defined as instruction and services that are:

- Based on eligibility and need.

- Written into an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP).
- Provided in the least restrictive environment possible and at no cost to parents.

Local educational agencies (LEAs) receive state special education aid for the current fiscal year based on a portion of eligible special education expenditures from the previous fiscal year. State special education aid also includes a “tuition billing adjustment” for unreimbursed costs associated with serving non-resident students. Districts’ state aid is further compared to a hold harmless calculation which sets a minimum aid they will receive. Finally, districts receive additional aid based on a percentage of their prior year cross subsidy.

This Budget Activity also includes federal funding under IDEA that was made available through the American Rescue Plan (ARP) Act of 2021. ARP IDEA funds may be used for all allowable purposes under Part B of IDEA.

The Minnesota Department of Education (MDE) calculates and processes aid payments and provides technical support for this program.

RESULTS

Minnesota 4-year Graduation, 4-year Dropout, and Assessment Participation Rates for Students with IEPs

<i>Type of Measure</i>	<i>Name of Measure</i>	2018-19	2019-20	2020-21
Quantity	MN 4-Year Adjusted Cohort Graduation Rates for Students with IEPs	63.0%	65.0%	64.0%
Quantity	MN 4-Year Adjusted Cohort Dropout Rates for Students with IEPs	7.8%	6.5%	7.0%
Quantity	Participation Rates for Students with IEPs on the MN Statewide Math Assessments	94.4%	N/A ¹	71.6% ²
Quantity	Participation Rates for Students with IEPs on the MN Statewide Reading Assessments	94.8%	N/A ¹	73.1% ²

Proficiency Rates for Students with IEPs on the Minnesota Statewide Math and Reading Assessments

Only students with valid scores³ are included in the table below.

Grade	Math				Reading			
	2017-18	2018-19	2019-20 ¹	2020-21 ²	2017-18	2018-19	2019-20 ¹	2020-21 ²
Grade 3	42.9%	43.0%	N/A	35.4%	31.3%	32.1%	N/A	27.1%
Grade 4	39.9%	40.1%	N/A	32.1%	32.1%	29.9%	N/A	26.3%
Grade 5	28.1%	28.4%	N/A	20.5%	36.2%	35.7%	N/A	30.0%
Grade 6	25.0%	25.2%	N/A	18.5%	30.4%	30.5%	N/A	26.2%
Grade 7	21.5%	21.3%	N/A	13.7%	25.8%	25.5%	N/A	21.7%
Grade 8	22.6%	23.4%	N/A	15.8%	25.2%	25.7%	N/A	21.1%
High School ⁴	16.0%	14.4%	N/A	14.0%	27.4%	27.9%	N/A	26.5%

¹ Because of the COVID-19 pandemic, Minnesota received a waiver and suspended all assessments of academic knowledge and English language proficiency during the 2019-20 school year. Although a small number of assessments were completed, the number of completed tests was not sufficient for summarizing or generalizing to the entire state. In fact, fewer than 700 reading and 200 math assessments were completed as schools/districts were closed and remote learning plans were being developed and enacted.

² The COVID-19 pandemic continued to impact statewide assessments during the 2020-21 school year. Nearly 17,000 special education students could not complete the reading assessment (22.9%) and nearly 18,000 could not complete the math assessment (24.5%).

³ For reporting purposes, students who responded to at least 90 percent of the accountability portion of the assessment on the MCA-III, or the test administrator entered a score for every task the student completed on the MTAS-III, are considered a valid score. Scores considered not valid include Absent, Invalid-Student, Invalid-Device, Invalid-Other, Medical Excuse, Not Enrolled, Not Attempted, Not Complete, Refused by Parent, Refused by Student, and Wrong Grade. Valid student cases are used for reporting purposes.

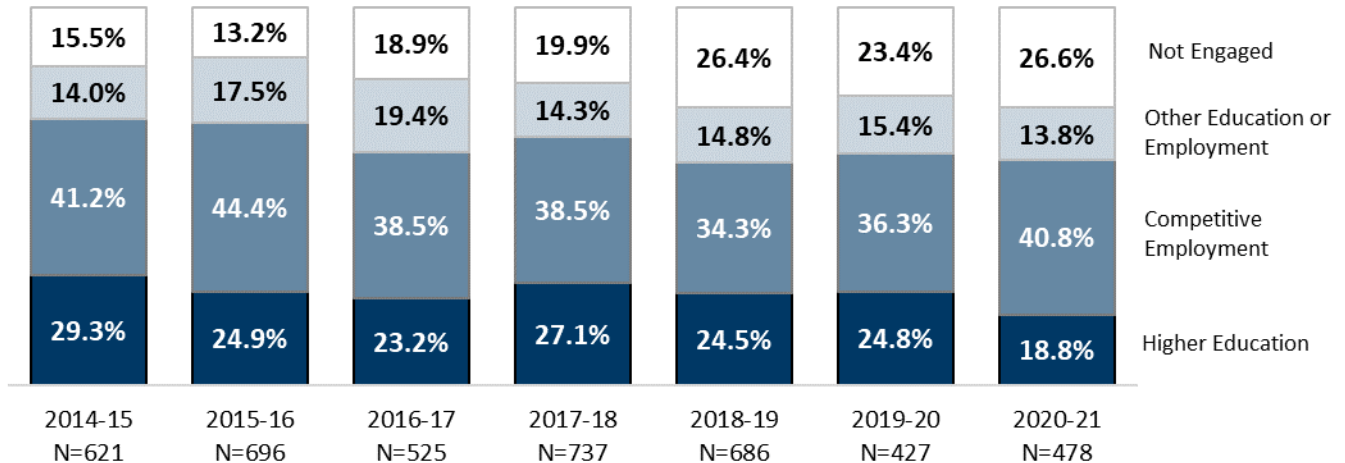
⁴ Math is assessed in Grade 11; Reading is assessed in Grade 10

Goal: To increase postsecondary education and employment outcomes for students with disabilities.

Measure: The Post-School Outcome Survey results are based on a sample of special education students interviewed each year regarding their post-high school education and employment experiences one year after exiting high school. Students identified as 'not engaged' reported not being enrolled in school or employed during window of time the survey was conducted. The data reported below are a percent participation rate per category.

Post-School Outcomes Survey Trends among Minnesota Students with IEPs

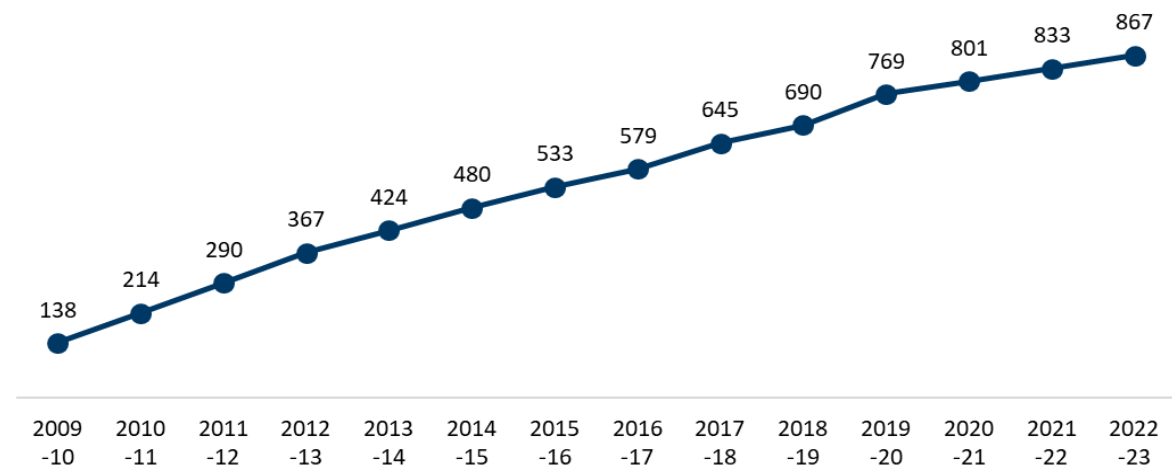
Students surveyed one year after exiting high school



Goal: To increase Positive Behavioral Interventions and Supports (PBIS), which is a comprehensive, data-driven and educational set of practices ensuring all students, staff, and families are working from the same playbook when it comes to supporting positive behavior and academic achievement in Minnesota schools.

Measure: Number of schools implementing PBIS.

Number of Minnesota Schools Implementing Positive Behavioral Interventions and Supports (PBIS) Programs



M.S. 125A.02; M.S. 125A.03; M.S. 125A.75; M.S. 122A.726

MN Rules 3525; Special Education disability categories MN Rules 3525.1325 to 3525.1348; Eligibility criteria for infant and toddler intervention services MN Rules 3525.1350

Federal Law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300)

Special Education - Regular

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	1,596,279	1,713,850	1,734,175	1,846,373	1,965,200	2,073,458	2,300,644	2,469,519
3000 - Federal			5,354	26,956	25,268		25,268	
Total	1,596,279	1,713,850	1,739,529	1,873,329	1,990,468	2,073,458	2,325,912	2,469,519
Biennial Change				302,729		451,068		1,182,573
Biennial % Change				9		12		33
Governor's Change from Base								731,505
Governor's % Change from Base								18

Expenditures by Category

Compensation				20	5		5	
Operating Expenses			1	1,113	438		438	
Grants, Aids and Subsidies	1,596,279	1,713,850	1,739,528	1,872,196	1,990,025	2,073,458	2,325,469	2,469,519
Total	1,596,279	1,713,850	1,739,529	1,873,329	1,990,468	2,073,458	2,325,912	2,469,519

Total Agency Expenditures	1,596,279	1,713,850	1,739,529	1,873,329	1,990,468	2,073,458	2,325,912	2,469,519
Internal Billing Expenditures			0	82	64		64	
Expenditures Less Internal Billing	1,596,279	1,713,850	1,739,529	1,873,247	1,990,404	2,073,458	2,325,848	2,469,519

<u>Full-Time Equivalent</u>				0.10	0.03		0.03	
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Special Education - Regular

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	1,610,671	1,727,633	1,732,888	1,862,723	1,979,625	2,086,667	2,362,289	2,484,614
District Revenue	1,610,671	1,727,633	1,732,888	1,862,723	1,979,625	2,086,667	2,362,289	2,484,614
Direct Appropriation	1,600,889	1,727,596	1,822,998	1,846,373	1,965,200	2,073,458	2,300,644	2,469,519
Current Year	1,411,916	1,514,444	1,519,050	1,632,863	1,735,340	1,829,173	2,070,784	2,178,014
Prior Year	184,363	199,406	215,125	213,510	229,860	244,285	229,860	291,505
Cancellations	4,610	13,746	88,823					
Expenditures	1,596,279	1,713,850	1,734,175	1,846,373	1,965,200	2,073,458	2,300,644	2,469,519
Biennial Change in Expenditures				270,419		458,110		1,189,615
Biennial % Change in Expenditures				8		13		33
Governor's Change from Base								731,505
Governor's % Change from Base								18

3000 - Federal

Receipts			5,354	26,956	25,268		25,268	
Expenditures			5,354	26,956	25,268		25,268	
Biennial Change in Expenditures				32,310		(7,042)		(7,042)
Biennial % Change in Expenditures						(22)		(22)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalent				0.10		0.03		0.03

Program: Special Education

Activity: Other Federal Special Education Programs

<https://education.state.mn.us/MDE/dse/schfin/sped/>

<https://helpmegrowmn.org/HMG/>

AT A GLANCE

This budget activity currently consists of five programs: the Minnesota DeafBlind Technical Assistance Project, the Preschool Special Education Part B program, the State Systemic Improvement Plan, the Employment Capacity Building Cohorts, and Project SEARCH. Highlights for these programs include:

- Deaf-blindness is the categorical area of special education with the lowest percentage of students (0.08 percent).
- In 2021, census data from the Minnesota Deaf-Blind Project indicated that 380 special education students had both vision and hearing loss reported as disabilities.
- 11,627 children ages 3-5 with disabilities were counted as being served through Individualized Education Programs on December 1, 2021, and more than 70 percent of these children participate in regular early childhood programs and receive special education services in those settings.
- In 2020, the U.S. Department of Education's Office of Special Education and Rehabilitative Services awarded the Minnesota Department of Education (MDE) a five-year State Personnel Development Grant (SPDG) to support State Systemic Improvement Plan (SSIP) implementation. Current SSIP partner districts include Bagley, Cloquet, and Nay-Ah-Shing. MDE continues to provide technical assistance and support to the 2015 cohort of partner districts Duluth, Minneapolis, Osseo, and St. Paul on an as-needed basis.
- In the 2021-22 school year, 27 local education agencies (LEAs) participated in the Employment Capacity Building Cohort (ECBC) and 65 students with developmental cognitive disabilities entered into competitive integrated employment. The COVID-19 pandemic significantly decreased the number of students entering employment, although the number of students hired is beginning to increase.
- In the 2021-22 school year, nine Minnesota businesses participated as Project SEARCH sites hosting 61 student interns with developmental cognitive disabilities.

PURPOSE AND CONTEXT

This budget activity currently consists of five programs: The Minnesota DeafBlind Technical Assistance Project (DB Project), the Preschool Special Education Part B program, the State Systemic Improvement Plan (SSIP), the Employment Capacity Building Cohorts (ECBC), and Project SEARCH.

- The DB Project is a federally funded formula grant received by the Minnesota Department of Education (MDE) to support services for students with both vision and hearing loss and their families.
- The Preschool Special Education Part B program provides individualized education services to preschool children with disabilities.
- The SSIP is a comprehensive, multi-year plan that focuses on improving results for children and youth with disabilities.
- The ECBC is a training and technical assistance program provided for school districts to improve their employment practices for students with developmental cognitive disabilities.
- Project SEARCH provides educational internships for students with intellectual/developmental cognitive disabilities through workplace immersion at participating business sites with the goal of obtaining competitive integrated employment within four to 11 months after completion of their internship experience.

SERVICES PROVIDED

The Minnesota Deaf Blind Technical Assistance Project (DB Project)

- Supports appropriate and timely evaluation of students suspected of having dual sensory loss to help ensure earlier identification of student who are DeafBlind.
- Provides support to teams, including educators and parents, to enhance their ability to address the unique education and service needs of children with deaf blindness.
- Provides training to new cohorts of interveners, educational aides who help the student who is DeafBlind, each year.

Federally mandated Preschool Special Education Part B program

- Federal funds support statewide efforts to:
 - Seek out and identify potentially eligible children; and,
 - Provide professional development opportunities promoting evidence-based practices through the Regional Centers of Excellence.
- Services are provided to each eligible child through an Individualized Education Program.
- The goal is to increase each child's ability to actively and independently participate in current and future environments such as home, preschool, and kindergarten.
- Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.
- To support program implementation the Minnesota Department of Education interprets regulations, statutes and rules; collects and reports data; processes payments/reimbursements; provides professional development; and connects children and families to appropriate local programs and monitors local implementation.

State Systemic Improvement Plan (SSIP) goals and partnerships

- Increase the six-year graduation rates for American Indian and Black students with disabilities.
- Develop capacity of districts to select and implement effective and sustainable evidence-based practices that support improving graduation outcomes for students with disabilities.
- MDE was awarded a \$5.5 million, five-year State Personnel Development Grant in 2020 to support SSIP implementation, among other grant initiatives. MDE is collaborating with three partner districts – Bagley, Cloquet, and Nay-Ah-Shing – to improve graduation rates for American Indian students with IEPs. MDE continues to work with the 2015 cohort of SSIP partner districts, Duluth, Minneapolis, Osseo, and Saint Paul, supporting districts to implement Check & Connect with fidelity.

The Employment Capacity Building Cohorts (ECBC)

- The Employment Capacity Building Cohorts (ECBC) provides training and technical assistance to school districts in their efforts to learn and change employment practices for students with developmental cognitive disabilities in their school districts and associated counties. Districts partner with their local vocational rehabilitation supervisors and counselors, as well as county level supervisors and case-managers from disability services.

Project SEARCH

- Project SEARCH is an internationally recognized evidence-based, one-year internship program for students with intellectual/developmental cognitive disabilities, ages 18-21, in their last year of high school. The Project SEARCH Transition Program provides educational experiences for these students through workplace immersion at participating business sites. Students receive skill-based training in independent living and employability skills. The goal of Project SEARCH is to provide student interns with competitive integrated employment within four to 11 months after completion of their internship experience.

RESULTS

Deaf Blind Project

<i>Type of Measure</i>	<i>Name of Measure</i>	2020	2021
Quantity	Unduplicated child count where DeafBlind is listed as the primary disability	126	129
Quantity	Number of DeafBlind interveners completing training cohort.	Unknown	26
Quality	Percentage of the participants of intervener training for deafblind, who report enhancement of their understanding of deaf-blindness and best practices which affect their current practice.	No evaluation data was available due to the COVID-19 pandemic.	100%

Preschool Education Part B Program

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years (FFY) 2017-19.

<i>Child Outcomes</i>	FFY 2017	FFY 2018	FFY 2019
Children will demonstrate positive relationships			
(A) Greater than expected progress	69.1%	65.9%	50.12%
(B) Exited Part C within age expectations	53.2%	51.4%	48.32%
Children will acquire and use knowledge and skills			
(A) Greater than expected progress	69.5%	67.8%	57.61%
(B) Exited Part C within age expectations	51.9%	49.9%	43.43%
Children will take action to meet needs			
(A) Greater than expected progress	70.1%	67.4%	57.83%
(B) Exited Part C within age expectations	62.8%	61.7%	50.69%

State Systematic Improvement Plan

MDE's state identified measurable result (SIMR) is to improve six-year graduation rates for American Indian and Black students with disabilities by at least one percent per year over six years.

State Identified Measurable Result—Targets and Data

<i>Type of Measure</i>	<i>Name of Measure</i>	FFY 2018	FFY 2019	FFY 2020
Result-Target	Minnesota 6-Year Adjusted Cohort Graduation Rates for American Indian and Black Students with IEPs	57.0%	58.0%	59.0%
Result-Data	Minnesota 6-Year Adjusted Cohort Graduation Rates for American Indian and Black Students with IEPs	58.9%	59.4%	62.5%

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2019

<i>Race/Ethnicity Group</i>	<i>Total Special Education Students in Six-year Cohort</i>	<i>Total Special Education Students Graduating</i>	<i>Percent of Special Education Graduates</i>	<i>Total Special Education Students Not Graduating in 2019</i>
American Indian	354	212	59.9%	142
Black	1,422	843	59.3%	579
American Indian and Black	1,776	1,055	59.4%	721
All Race/Ethnic Groups Combined	10,270	7,537	73.4%	2,733

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2020

<i>Race/Ethnicity Group</i>	<i>Total Special Education Students in Six-year Cohort</i>	<i>Total Special Education Students Graduating</i>	<i>Percent of Special Education Graduates</i>	<i>Total Special Education Students Not Graduating in 2020</i>
American Indian	358	204	57.0%	154
Black	1,474	941	63.8%	533
American Indian and Black	1,832	1,145	62.5%	687
All Race/Ethnic Groups Combined	10,601	7,827	73.8%	2,774

Employment Capacity Building Cohorts (ECBC)

In the 2020-21 school year, 31 local education agencies continued or were new to the ECBC. In the same year, 52 students with developmental cognitive disabilities entered into competitive, integrated employment. In the 2021-22 school year, 27 local education agencies continued or were new to the ECBC. In the same year, 65 students with developmental cognitive disabilities entered into competitive, integrated employment. The ECBC program experienced a drop in participating LEAs and students due to the COVID-19 pandemic. And while there was a decrease in participating LEAs from 2020-21 to 2021-22, the number of students served has increased as businesses re-bound from the pandemic.

Project SEARCH

In 2020-21, nine Minnesota businesses participated as Project SEARCH sites and hosted 79 interns who completed the program. In 2021-22, nine Minnesota businesses participated as Project SEARCH sites and hosted 61 interns, of whom 56 completed the program.

M.S. 125A

Federal law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300); IDEA (P.L. 108-466); Preschool Incentive Program (P.L. 108-466, Sec. 619); Infants and Toddlers Program (P.L. 108-466, Part C); Part B/Section 619 of the Individuals with Disabilities Education Act

Other Federal Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
3000 - Federal	192,422	200,789	195,865	221,728	223,780	226,029	223,780	226,029
Total	192,422	200,789	195,865	221,728	223,780	226,029	223,780	226,029
Biennial Change				24,383		32,216		32,216
Biennial % Change				6		8		8
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	8,652	8,900	8,876	10,132	10,335	10,542	10,335	10,542
Operating Expenses	7,705	8,609	9,218	11,282	11,490	11,525	11,490	11,525
Grants, Aids and Subsidies	176,048	183,278	177,771	200,314	201,955	203,962	201,955	203,962
Other Financial Transaction	16	1						
Total	192,422	200,789	195,865	221,728	223,780	226,029	223,780	226,029

Total Agency Expenditures	192,422	200,789	195,865	221,728	223,780	226,029	223,780	226,029
Internal Billing Expenditures	1,981	2,125	1,966	2,481	2,515	2,550	2,515	2,550
Expenditures Less Internal Billing	190,441	198,663	193,899	219,247	221,265	223,479	221,265	223,479

<u>Full-Time Equivalent</u>	75.37	74.90	72.74	85.53	79.53	79.53	79.53	79.53
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Other Federal Special Education Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
3000 - Federal								
Balance Forward In	0	8	3					
Receipts	192,422	200,780	195,863	221,728	223,780	226,029	223,780	226,029
Expenditures	192,422	200,789	195,865	221,728	223,780	226,029	223,780	226,029
Biennial Change in Expenditures				24,383		32,216		32,216
Biennial % Change in Expenditures				6		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	75.37	74.90	72.74	85.53	79.53	79.53	79.53	79.53

Program: Special Education

Activity: Other State Special Education Programs

<https://education.state.mn.us/MDE/dse/schfin/sped/>

AT A GLANCE

- There are four additional ongoing state special education funding sources: Children with Disabilities, Travel for Home-based Services, Court-Placed Revenue, and Out-of-State Tuition.
- For fiscal year (FY) 2022, a one-time amount of \$10.425 million in additional Special Education cross subsidy reduction aid was enacted.
- 117 students with disabilities were placed in care and treatment facilities in FY 2021.
- 99 students without disabilities were placed in care and treatment programs in FY 2021.
- In FY 2021, the average length of stay in a foster facility for care and treatment for students both with and without disabilities was 69 school days, at an average cost of \$4,944 per stay.
- 5,254 early childhood special education (ECSE) (birth-4) children were served in the Home-based Services program in FY 2021.
- In FY 2021, Minnesota courts placed zero non-Minnesota students with Individual Education Programs (IEP) into care and treatment facilities.
- In FY 2021, court action placed 42 Minnesota students out of state.

PURPOSE AND CONTEXT

The state provides four additional ongoing special education appropriations to help cover district costs for students who are considered wards of the state, students placed out of state for services by court action, out of state students placed into Minnesota programs by court action where the other state is unwilling to pay the educational costs, and finally staff transportation costs for home-based services to students with disabilities under the age of 5.

The Children with Disabilities program provides funding for individuals who are placed for care and treatment in a licensed residential facility or foster facility, and for whom no district of residence can be determined. Children with disabilities are eligible for this program if no district of residence can be determined because:

- Parental rights have been terminated by court order.
- The parent or guardian is not living in the state.
- No other district of residence can be established.
- The parent or guardian with legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of Corrections.

Children without disabilities are eligible for this program if no district of residence can be determined because parental rights have been terminated by court order.

Districts that serve these students receive full payment for the cost of their education from varying state sources, including children with disabilities aid.

This program contributes to the objective that all students receive a world-class education.

The Home-based Services aid program reimburses school districts for travel costs associated with early childhood special education (ECSE) services.

This program contributes to the objective of all students ready for school.

Court-Placed Revenue pays for special education for non-Minnesota students with Individual Education Programs (IEP) when the school district is unable to collect tuition from the responsible state, school district, or other non-Minnesota agency. Without this aid, a school district would have to pay for special education costs out of their general fund.

This program contributes to the objective of all students graduating from high school.

The Out-of-State Tuition program provides education funding for Minnesota resident students placed by court action in out-of-state care and treatment facilities, in a state that does not have a reciprocity agreement. Students are placed in specialized care and treatment services when those services are not available in Minnesota, either because the facilities are full, or Minnesota does not have the specialized treatment center available.

This program contributes to the objective of all students graduating from high school.

For FY 2022, \$10.425 million that was provided as one-time additional cross subsidy reduction aid was allocated proportionately to districts based on their initial cross subsidy as defined under Minnesota Statute 125A.76 subdivision 1, paragraph (k), using prior year data which in this instance was from FY 2021.

SERVICES PROVIDED

The Children with Disabilities program ensures a free and appropriate education for eligible children. This funding is for both special and general education students who are placed in residential facilities and who are considered wards of the state. These students are considered residents of the district in which the facility is located, and these funds help to cover the full cost of educating these students.

- State expenditures were \$1,337,692 for FY 2022.
- Districts are reimbursed for 100 percent of the additional costs of educating these children; they are reimbursed the year after they provide the services.
- The Minnesota Department of Education (MDE) processes reimbursement requests and provides technical support for this program.
- Aid is based on prior year cost, so students who were served in FY 2021 were funded with FY 2022 aid in the spring of 2022.

With the Home-based Services program, the state reimburses districts half of the amount spent, based on mileage, by workers traveling to provide home- or community-based services to children under age 5 who have disabilities.

- \$81,579 for FY 2021
- For very young children, services may also include parent consultation and training.
- Federal funding may be used for this purpose.
- MDE calculates and processes aid payments and provides technical support for this program.

With the Court-Placed Revenue program, Minnesota school districts that provide special education and related services to court-placed non-Minnesota students with IEPs are reimbursed for those services if the out-of-state placing agencies do not pay tuition.

- Zero for FY 2021
- In FY 2021, Minnesota courts placed zero non-Minnesota students with Individual Education Programs (IEP) into care and treatment facilities.
- Districts must document that they tried to collect tuition from the students' resident districts or states and submit proof to MDE.
- Districts are reimbursed the fiscal year after they provide the services.
- MDE processes reimbursement requests and provides technical support for this program.

Out-of-State Tuition is provided when a Minnesota student is placed in an out-of-state care and treatment facility.

- The out-of-state care and treatment facilities submit tuition bills to the Minnesota resident district, based on the actual cost of providing education.
- The Minnesota resident district submits the tuition bills to MDE.
- MDE calculates state aid and processes aid payments to the district.
- The aid is paid as a reimbursement in the year after the services are provided.
- This appropriation is not forecasted but rather the state provides \$250,000 annually to help cover these costs. The amounts below are the actual program costs incurred by districts. In the year after aid is paid, if there are funds available in the commissioner’s reserve (M.S. 127A.41), additional aid helps further cover this shortfall.
- \$465,973 for FY 2021.
- MDE also provides technical support for this program.

RESULTS

The name “Children with Disabilities” is for a specific subset of students for which this funding is made available. These are either students with or without disabilities whose parent rights have been terminated and who are receiving services in a residential program. They are therefore considered a resident of the district in which the resident facility is located, and these funds help to fully cover the cost of education for these local districts.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) with disabilities in placement.	75.32	70.66	61.85
Quantity	Children with Disabilities - Number of eligible Average Daily Memberships (ADM) without disabilities in placement.	22.56	23.00	26.38
Quantity	Home-based Services - Number of children under age five receiving special education services.	6,260	6,217	5,254
Quantity	Partial-year students aggregated to determine average daily membership (ADM) placed out-of-state for care and treatment.	55.76	36.76	30.85

Over the past five years, the number of students eligible for court-placed revenue has declined and remains low. Many school districts are making sure that the resident state or district pays for the cost of special education services.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019 Placement / FY 2020 Aid</i>	<i>FY 2020 Placement / FY 2021 Aid</i>	<i>FY 2021 Placement / FY 2022 Aid</i>
Quantity	Partial-year students aggregated to determine the Number of Eligible Full-Year Students (ADM) in Court Placement	0.00	0.00	0.00

M.S. 125A.75, subdivision 3; M.S. 125A.75, subdivision 1; M.S. 125A.79, subdivision 4; M.S.125A.79, subdivision 8

Other State Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	2,184	1,990	12,368	2,076	2,284	2,513	6,662	7,596
Total	2,184	1,990	12,368	2,076	2,284	2,513	6,662	7,596
Biennial Change				10,270		(9,647)		(186)
Biennial % Change				246		(67)		(1)
Governor's Change from Base								9,461
Governor's % Change from Base								197
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	2,184	1,990	12,368	2,076	2,284	2,513	6,662	7,596
Total	2,184	1,990	12,368	2,076	2,284	2,513	6,662	7,596

Other State Special Education Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	1,938	1,719	1,706	1,829	2,035	2,265	6,899	7,372
District Revenue	1,938	1,719	1,706	1,829	2,035	2,265	6,899	7,372
Direct Appropriation	1,804	2,148	12,982	2,076	2,284	2,513	6,662	7,596
Current Year	1,894	1,696	1,670	1,797	2,002	2,230	6,380	6,827
Prior Year	40	44	23	29	32	33	32	519
Transfers In	380							
Cancellations		158	614					
Expenditures	2,184	1,990	12,368	2,076	2,284	2,513	6,662	7,596
Biennial Change in Expenditures				10,270		(9,647)		(186)
Biennial % Change in Expenditures				246		(67)		(1)
Governor's Change from Base								9,461
Governor's % Change from Base								197

Program: Facilities and Technology
Activity: Debt Service Equalization

AT A GLANCE

- In fiscal year (FY) 2023, 251 districts have eligible debt service equalization revenue.
- In FY 2023, 24 districts will receive regular debt service equalization aid.
- In FY 2023, 2.6 percent of eligible regular debt service revenue is state aid.
- In FY 2023, two districts will receive disaster debt service equalization aid.

PURPOSE AND CONTEXT

Debt Service Equalization is a state aid and local property tax levy program that helps to ensure that all school districts can provide adequate educational facilities for their students.

Natural Disaster Debt Service Equalization revenue is available beginning in fiscal year 2017 to districts that suffered a natural disaster.

School districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to construct, acquire, or improve school facilities.

This program serves all public school students and communities in Minnesota. School districts with a relatively high debt service tax rate and low-to-moderate tax base per pupil unit may receive aid to reduce property owners' tax burden.

SERVICES PROVIDED

The regular Debt Service Equalization program under Minnesota Statutes, section 123B.53, includes several components:

- Required Debt Service Levy
 - A school district must levy for the principal and interest payments on its general obligation bonds, plus an additional 5 percent to cover potential tax delinquencies, for the following fiscal year.
 - The required debt service levy for all years is established and approved by the local school board at the time that bonds are sold.
 - To be eligible for debt service equalization, the bonds must have been sold by July 1 of the calendar year the levy is certified. In addition, debt service for repayment of bonds issued after July 1, 1992 must be for construction projects that have received a positive review and comment according to section 123B.71, and have a bond schedule approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. Debt service for repayment of bonds issued after July 1, 1997 must be for facilities whose primary purpose is to serve students in kindergarten through grade 12.
 - Beginning in FY 2017, bonds related to the Long-Term Facilities Maintenance program are equalized through that program and are no longer eligible for debt service equalization.
- Debt Service Equalization Revenue
 - School districts qualify for state debt service equalization aid if the eligible debt service levy exceeds 15.74 percent of the district's tax base (as measured by Adjusted Net Tax Capacity (ANTC)) and the district's tax base per student is below the guaranteed tax base per student set in law.

- There is no state aid on the portion of the levy falling below 15.74 percent of the district’s ANTC.
- The state provides aid to pay a portion of the levy exceeding 15.74 percent of the district’s ANTC using a two-tiered sliding scale that varies with district tax base per student. As the district tax base per student declines, the state share of equalized revenue increases.
- Debt Service Equalization Aid equals the difference between the revenue and the levy.

To be eligible for Natural Disaster Debt Service Equalization under Minnesota Statutes, section 123B.535, a district must:

- Have been impacted by a natural disaster occurring after January 1, 2005, in an area eligible for Federal Emergency Management Agency (FEMA) payments.
- Have damage of \$500,000 or more to school district buildings that is not covered by insurance or FEMA payments.
- Notify the commissioner of education of its intended natural disaster debt service revenue every year by July 1.
- A district receives aid under this program if its total debt service levy exceeds 10 percent of its tax base and the district’s tax base per student is below a guaranteed tax base per student set in state law.
- The aid a district receives varies depending on the amount of the district’s eligible debt service levy, the number of students it has, and its property tax capacity.
- The state guaranteed tax base for this program is significantly higher than under the regular state debt service equalization program.

MDE reviews and comments on proposed school construction projects and calculates state aid and property tax levies for this program.

RESULTS

MDE does not collect data regarding unmet facility needs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2021</i>	<i>FY 2023</i>
Quality	Percentage of districts ineligible for Tier 1 debt service equalization because tax base exceeds statutory Tier 1 equalizing factor	88%	93%
Quantity	Districts receiving regular debt service equalization aid	38	24

M.S. 123B.53; M.S. 123B.54; M.S. 123B.55; M.S. 123B.61; M.S. 123B.62; M.S. 126C.40; M.S. 126C.63; M.S. 475.61; M.S. 123B.535

Debt Service Equalization

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351
Total	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351
Biennial Change				3,297		(3,454)		(3,454)
Biennial % Change				7		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351
Total	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351

Debt Service Equalization

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	20,435	25,880	24,903	24,249	24,541	20,996	24,541	20,996
Levies	763,551	840,235	820,980	753,275	757,908	807,365	757,908	807,365
District Revenue	783,986	866,115	845,883	777,524	782,449	828,361	782,449	828,361
Direct Appropriation	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351
Current Year	18,392	23,292	22,413	21,825	22,087	18,897	22,087	18,897
Prior Year	2,292	2,043	2,588	2,490	2,424	2,454	2,424	2,454
Cancellations	0		0					
Expenditures	20,684	25,335	25,001	24,315	24,511	21,351	24,511	21,351
Biennial Change in Expenditures				3,297		(3,454)		(3,454)
Biennial % Change in Expenditures				7		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology
Activity: Telecommunications Access

<https://education.mn.gov/MDE/dse/schfin/fac/>

AT A GLANCE

- In fiscal year (FY) 2022, telecommunications access aid was received by school districts combined into 20 telecommunications clusters, as well as two individual school districts.
- Demand from districts in FY 2022 totaled \$6.96 million.
- Aid is capped at the appropriated amount, currently \$3.75 million per year. As a result, the aid for FY 2022 was prorated at approximately 54 percent.

PURPOSE AND CONTEXT

This program provides telecommunication and internet access funding for public and nonpublic schools in Minnesota.

All public school districts, charter schools, intermediate school districts, and nonpublic schools in Minnesota are eligible to participate in this program. Home schools are not eligible.

SERVICES PROVIDED

Schools and districts can be reimbursed for the following costs:

- Specific ongoing or recurring telecommunications/internet access costs.
- Recurring costs of specified maintenance on the school district's wide area network.
- Recurring costs of cooperative arrangements for delivery of telecommunications/internet access between certain entities.
- Specific service provider installation fees.

Eligible costs for schools and school districts that are not members of a telecommunications cluster must exceed \$16 per student to qualify for aid. Telecommunications access clusters are school associations; they do not need to meet the \$16 per student threshold.

MDE calculates and processes aid payments for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2022</i>
Quantity	Number of public school districts receiving aid	314	298
Quantity	Number of charter schools receiving aid	12	9
Quantity	Number of nonpublic schools receiving aid	1	0

M.S. 125B.26

Telecommunications Access

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	3,750	3,750	3,748	3,752	3,750	3,750	3,750	3,750
Total	3,750	3,750	3,748	3,752	3,750	3,750	3,750	3,750
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	3,750	3,750	3,748	3,752	3,750	3,750	3,750	3,750
Total	3,750	3,750	3,748	3,752	3,750	3,750	3,750	3,750

Telecommunications Access

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Balance Forward In	0	0		2				
Balance Forward Out			2					
Expenditures	3,750	3,750	3,748	3,752	3,750	3,750	3,750	3,750
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology

Activity: Long-Term Facilities Maintenance Aid

<https://education.state.mn.us/MDE/dse/schfin/fac/ltfm/>

AT A GLANCE

- This program began in fiscal year (FY) 2017.
- This program replaced the Alternative Facilities, Deferred Maintenance, and Health and Safety revenue programs that were funded through FY 2016.
- In taxes payable 2022, there were 333 district and secondary cooperative 10-year facility plans approved for FY 2023 revenue.

PURPOSE AND CONTEXT

Students need a healthy, safe, accessible, and well-maintained place to learn and likewise, for school and district employees to work. The long-term facilities maintenance program is a state aid and levy program to address facility and grounds issues that impact safety, health, deferred maintenance, and accessibility concerns. One of the primary purposes of the program was to reduce the disparity in funding between the largest 27 districts that were eligible for Alternative Facilities Revenue and all other districts.

School districts, intermediate school districts and other cooperatives (through member districts), and charter schools are eligible to participate in the program.

SERVICES PROVIDED

Program revenue may be used for qualifying facility issues in any existing public school building or site. However, the district must own or have contractually agreed to purchase (lease-purchase) any building or facility where program-funded work is done. New construction and portable classrooms are not eligible for funding. The program has its own equalization formula. Projects may be funded on a pay-as-you-go basis or by issuing debt. Intermediate districts and cooperatives do not receive state aid and charter school revenue is 100 percent state aid.

The program addresses a wide array of areas impacting facilities and school environments, including the following:

- Asbestos removal or encapsulation.
- Hazardous substance removal, including provisions for fuel storage repairs, cleanup, storage tank removal, and lead removal.
- Fire safety, including compliance with state fire marshal orders.
- Indoor air quality.
- Environmental health and safety management.
- Physical hazard control, including indoor air quality.
- Accessibility to accommodate persons with a disability.
- Deferred capital and maintenance projects.
- School districts with an approved voluntary prekindergarten program under Minnesota Statutes, section 124D.151, may include costs approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

The Minnesota Department of Education (MDE) reviews and approves 10-year facility plans that have been approved by the school board and submitted for commissioner approval. MDE calculates state aids and property tax levies for this program.

RESULTS

<i>Type of Measure</i>	<i>Districts broken down by former Alternative Facility districts and all other districts</i>	<i>FY 2021 (Long-Term Facilities Maintenance)</i>	<i>FY 2022 (Long-Term Facilities Maintenance)</i>
Quantity	Alternative Facility Districts [27 largest districts] (revenue per Average Daily Membership)	\$780	\$917
Quantity	All Other Districts (revenue per Average Daily Membership)	\$550	\$557

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2021 Charter</i>	<i>FY 2021 District</i>	<i>FY 2021 Total</i>	<i>FY 2022 Charter</i>	<i>FY 2022 District</i>	<i>FY 2022 Total</i>
Quantity	Districts, Intermediates, Cooperatives and charter schools receiving revenue for approved 10-year plans	168	335	503	178	333	511
Quantity	Districts and Charter Schools receiving state aid	168	260	428	178	265	443
Quantity	State aid as a percentage of revenue	100%	19.3%	20.8%	100%	16.3%	17.6%

M.S. 123B.595

Long-Term Facilities Maintenance Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	103,331	105,714	107,183	108,089	107,930	107,764	137,943	144,375
Total	103,331	105,714	107,183	108,089	107,930	107,764	137,943	144,375
Biennial Change				6,227		422		67,046
Biennial % Change				3		0		31
Governor's Change from Base								66,624
Governor's % Change from Base								31
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	103,331	105,714	107,183	108,089	107,930	107,764	137,943	144,375
Total	103,331	105,714	107,183	108,089	107,930	107,764	137,943	144,375

Long-Term Facilities Maintenance Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	103,127	106,099	107,575	108,210	107,898	107,750	141,246	144,723
Levies	374,927	420,131	459,112	465,798	487,852	586,071	487,852	586,482
District Revenue	478,054	526,230	566,687	574,008	595,750	693,821	629,098	731,205
Direct Appropriation	104,690	106,356	108,582	108,089	107,930	107,764	137,943	144,375
Current Year	92,867	95,490	96,818	97,389	97,109	96,975	127,122	130,251
Prior Year	10,464	10,224	10,365	10,700	10,821	10,789	10,821	14,124
Cancellations	1,359	642	1,399					
Expenditures	103,331	105,714	107,183	108,089	107,930	107,764	137,943	144,375
Biennial Change in Expenditures				6,227		422		67,046
Biennial % Change in Expenditures				3		0		31
Governor's Change from Base								66,624
Governor's % Change from Base								31

Program: Facilities and Technology

Activity: Special Facilities and Technology Opportunities

AT A GLANCE

- Each of the programs within this Budget Activity are no longer active.
- Early Repayment Incentive grants were paid annually for fiscal year (FY) 2017 through FY 2021 to seven districts that retired their state capital loans in 2016. The total aid paid was \$11,750,000.
- Maximum Effort Loan Aid was paid annually for FY 2018 through FY 2022 to 10 school districts that had state capital loans outstanding as of June 30, 2016. The total aid, over the course of the program, was \$16.4 million.
- \$30 million was made available in the 2019 1st special session for Safe Schools Supplemental aid and was paid to all districts and charter schools in FY 2020.

PURPOSE AND CONTEXT

The Early Repayment Incentive Grant provided an incentive for districts to retire their state capital loans by November 30, 2016. With the retirement of the capital loan, however, school districts lose the ability to issue a form of debt known as “one-day bonds” that fund various capital projects. Early Repayment Incentive Grants offset the loss of “one-day bond” funding with a dollar amount specified in law for each district.

The Maximum Effort Loan Aid provided property tax relief to offset the amount of interest paid on state maximum effort loans between December 1, 1990, and June 30, 2016, and capital loans between June 30, 2017, and June 30, 2021, by the 10 qualifying districts.

The Safe Schools Supplemental Aid provided additional state funding in FY 2020 to districts for costs associated with the safe school's levy, and charter schools for costs associated with the safe school levy or building lease expenses for school building security enhancement that are not funded by school building lease aid.

SERVICES PROVIDED

The *Early Repayment Incentive Grant* payments could be expended for any school-related purpose. The annual amounts by district are as follows:

- \$150,000 ISD 36, Kelliher
- \$180,000 ISD 95, Cromwell
- \$495,000 ISD 299, Caledonia
- \$220,000 ISD 306, Laporte
- \$150,000 ISD 362, Littlefork
- \$650,000 ISD 682, Roseau
- \$505,000 ISD 2580 East Central

The last installment of *Maximum Effort Loan Aid*, totaling \$16.3 million over the course of the program, was paid in FY 2022.

Safe Schools Supplemental Aid was a onetime appropriation of \$30 million made available in the 2019, 1st special legislative session based on an excess in the state general fund upon close. It was made available to all Minnesota school districts and charter schools in FY 2020 for the purpose of additional funding for building security. The

funds were allocated to school districts and charter schools based on the proportion of Average Daily Membership to the statewide total.

MDE administered all aspects of the grant programs. Services included:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota statutes and state policies.

RESULTS

The programs within this Budget Activity are no longer active.

Minnesota Session Laws 2019, 1st Special Session, Chapter 11, Article 6, Section 7, Subdivision 5 (Early Repayment Incentive Grant)

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 7, Section 2, Subdivision 5 (Maximum Effort Loan Aid)

Minnesota Session Laws 2019, 1st Special Session, Chapter 11, Article 5, Section 5 (Safe Schools Supplemental Aid)

Special Facilities and Technology Opportunities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	35,640	5,614	3,288				50,140	
Total	35,640	5,614	3,288				50,140	
Biennial Change				(37,967)		(3,288)		46,852
Biennial % Change				(92)				
Governor's Change from Base								50,140
Governor's % Change from Base								
<u>Expenditures by Category</u>								
Compensation								100
Operating Expenses								40
Grants, Aids and Subsidies	35,640	5,614	3,288					50,000
Total	35,640	5,614	3,288				50,140	
<u>Full-Time Equivalents</u>								
								1.00

Special Facilities and Technology Opportunities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	3,291							
District Revenue	3,291							
Direct Appropriation	32,350	2,350					50,140	
Open Appropriation	3,290	3,264	3,288					
Current Year	3,291							
Expenditures	35,640	5,614	3,288				50,140	
Biennial Change in Expenditures				(37,967)		(3,288)		46,852
Biennial % Change in Expenditures				(92)				
Governor's Change from Base								50,140
Governor's % Change from Base								
Full-Time Equivalents								1.00

Program: Nutrition

Activity: School Lunch

<https://education.mn.gov/MDE/dse/FNS/SNP/>

AT A GLANCE

- Due to COVID-19 and United States Department of Agriculture (USDA) waivers, the National School Lunch Program (NSLP) was not in normal operation for fiscal year (FY) 2020-21; only 16.6 million lunches were served in FY 2021 under this program.
- Commodities equaling \$31,601,208 were received by 660 schools in federal FY 2021.

PURPOSE AND CONTEXT

This program provides nutritious lunches during the school day to help meet children’s nutritional needs and foster lifelong healthy eating habits.

The United States Department of Agriculture (USDA) provides funding for the National School Lunch Program (NSLP). The afterschool snack component of the NSLP provides reimbursement for snacks served to children in afterschool educational and enrichment programs. The state of Minnesota provides additional funding to schools to keep lunch prices affordable.

These programs support the objective of ensuring students receive a world class education in a safe and nurturing environment.

SERVICES PROVIDED

Student health and learning are improved through daily access to a nutritious school lunch. Students in afterschool care programs receive access to a nutritious snack.

- School lunch menus are planned and served according to federal meal-pattern guidelines.
- Students from families with incomes under 185 percent of federal poverty guidelines receive meals at no cost to the household.
- Commodities such as meat, cheese, poultry, fruits, and vegetables are donated by the USDA to contribute to the school lunch menu.
- Schools complete commodity preference surveys for more than 1,000 raw processed products, fresh fruit and vegetable products through the Department of Defense (DoD), as well as for commercial products that have commodities in them.

School lunch programs are supported financially and administratively through:

- Federal and state reimbursements for lunches and afterschool snacks.
- Surveys of school preferences for USDA commodities.
- Notification to schools of students electronically certified for meal benefits.
- Cyber-Linked Interactive Child Nutrition System (CLiCS), an interactive website which allows schools to meet their application, commodity, and claim requirements online.

Reimbursement rate: 2020-2021 (July 1, 2020-June 30, 2021): Payment Type	Paid Lunch Rates	Reduced-Price Lunch Rates	Free Lunch Rates
Federal Lunch – <i>Regular</i>	.33 or .35 ¹	.33 or .35 ¹	.33 or .35 ¹
Federal Lunch – <i>Free and Reduced Price</i>	N/A	2.78	3.18
Federal Lunch - <i>7 Cent Certified</i>	.07	.07	.07
State Lunch	.125	.525 ²	.125
Total Federal/State Payments (not including value of USDA Foods)	.525 or .545¹	3.705 or 3.725¹	3.705 or 3.725¹

¹Federal rate for “additional two cents”: The higher federal reimbursement rate and higher total payments are paid for all lunches if the school food authority served 60 percent or more free/reduced price lunches in SY 2018-2019 (at all sites combined). To check whether a school food authority is approved for the higher rate, refer to the SY 2020-21 sponsor application in CLICS.

²State payment for reduced-price lunches: Reduced-price lunches receive 40 cents of state reimbursement (in addition to the 12.5 cents received for all lunches) so that lunches can be served at no charge to students approved for reduced-price meals, as provided by state law. Although these meals are served at no charge, they must be claimed for reimbursement as reduced-price lunches so that the correct federal and state reimbursements are paid.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of school lunch and afterschool snack programs.
- Provides technical assistance and resource materials to schools and residential childcare settings.
- Processes reimbursement claims for meals served.

RESULTS

Type of Measure	Name of Measure	FY 2018	FY 2019	FY 2020	FY 2021
Quantity	Percent of lunches sold that are free or reduced price	48%	48%	45%	97%*
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	270	260	126	140

* Schools that used the NSLP during FY 2021 – as opposed to other options that were available to them due to pandemic-related waivers – typically had very high free and reduced percentages.

M.S. 124D.111; National School Lunch Act (7 CFR 210).

School Lunch

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	11,155	881	11,990	15,984	15,992	16,042	190,897	197,936
3000 - Federal	127,110	22,432	435,442	298,814	277,097	281,797	277,097	281,797
Total	138,265	23,313	447,432	314,798	293,089	297,839	467,994	479,733
Biennial Change				600,652		(171,302)		185,497
Biennial % Change				372		(22)		24
Governor's Change from Base								356,799
Governor's % Change from Base								60
<u>Expenditures by Category</u>								
Compensation	20	86	126	142	145	147	145	147
Operating Expenses	5	23	30	9,171	58	56	58	56
Grants, Aids and Subsidies	138,241	23,204	447,276	305,485	292,886	297,636	467,791	479,530
Total	138,265	23,313	447,432	314,798	293,089	297,839	467,994	479,733
Total Agency Expenditures	138,265	23,313	447,432	314,798	293,089	297,839	467,994	479,733
Internal Billing Expenditures	4	16	22	28	32	33	32	33
Expenditures Less Internal Billing	138,262	23,296	447,409	314,770	293,057	297,806	467,962	479,700
<u>Full-Time Equivalent</u>	0.14	0.70	1.07	1.20	1.20	1.20	1.20	1.20

School Lunch

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	11,155	881	11,990	15,984	15,992	16,042	190,897	197,936
District Revenue	11,155	881	11,990	15,984	15,992	16,042	190,897	197,936
Direct Appropriation	11,155	881	16,661	15,984	15,992	16,042	190,897	197,936
Current Year	11,155	881	11,990	15,984	15,992	16,042	190,897	197,936
Cancellations			4,671					
Expenditures	11,155	881	11,990	15,984	15,992	16,042	190,897	197,936
Biennial Change in Expenditures				15,938		4,060		360,859
Biennial % Change in Expenditures				132		15		1,290
Governor's Change from Base								356,799
Governor's % Change from Base								1,114
3000 - Federal								
Receipts	127,110	22,432	435,442	298,814	277,097	281,797	277,097	281,797
Expenditures	127,110	22,432	435,442	298,814	277,097	281,797	277,097	281,797
Biennial Change in Expenditures				584,713		(175,362)		(175,362)
Biennial % Change in Expenditures				391		(24)		(24)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.14	0.70	1.07	1.20	1.20	1.20	1.20	1.20

Program: Nutrition
Activity: School Breakfast

<https://education.state.mn.us/MDE/dse/fns/snp>

AT A GLANCE

- Over 7.9 million breakfasts were served in the federal fiscal year (FY) 2021. This was much lower than prior years due to the COVID-19 pandemic as the United States Department of Agriculture (USDA) released waivers which allowed schools to operate the Summer Food Service Program (SFSP) and Seamless Summer Option (SSO) instead which provided free meals to students.

PURPOSE AND CONTEXT

This program provides nutritious breakfasts to school children to help meet their nutritional needs and foster lifelong healthy eating habits. USDA provides funding for the School Breakfast Program (SBP), which is augmented with state funding.

These programs support the objective of ensuring students receive a world class education in a safe, nurturing environment.

SERVICES PROVIDED

School breakfast menus are planned according to federal meal pattern guidelines. Students from families with incomes under 185 percent of federal poverty guidelines receive free or reduced-price meals. Student health and achievement are improved through daily access to a nutritious school breakfast.

School breakfast programs are supported through:

- Federal and state reimbursements for school breakfasts.
- USDA commodity food items.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) is a website that allows schools to meet their application and claims requirements online.

Reimbursement rates: 2020-2021 (July 1, 2020-June 30, 2021)

Payment Type	Paid Breakfast Rates	Paid Breakfast Rates (KG only)	Reduced-Price Breakfast Rates	Free Breakfast Rates
Federal Breakfast	.32	.32	1.59 or 1.96 ¹	1.89 or 2.26 ¹
State Breakfast	.55 ²	.55 ² + .75 ³	.30 ⁴	N/A
Total Federal/State Payments	.87	1.62	1.89 or 2.26¹	1.89 or 2.26¹

¹Federal rates for reduced-price and free breakfasts: The higher federal reimbursement rates and higher total reimbursements are paid for free and reduced-price breakfasts served at “Severe Need” sites (sites that served 40 percent or more free/reduced price lunches in SY 2017-2018). To check whether a site is approved for Severe Need reimbursement, refer to the site application in CLiCS.

²State payments for paid breakfasts: All paid breakfasts receive a state payment of 55 cents.

³State payments for kindergarten students: Paid breakfasts served to kindergarten students receive a state payment of 75 cents (in addition to the 55 cents state payment) so that breakfasts can be served at no charge to all kindergarten students as provided by state law. Although these breakfasts are served at no charge, they must be claimed for reimbursement as paid breakfasts so that the correct federal and state reimbursements are paid.

⁴State payments for reduced-price breakfasts: Reduced-price breakfasts receive a state payment of 30 cents so that breakfasts can be served at no charge to students who qualify for reduced-price meals, as provided by state law. Although these breakfasts are served at no charge, they must be claimed for reimbursement as reduced-price breakfasts so that the correct federal and state reimbursements are paid.

The household income threshold for free breakfasts is up to 130% of the poverty guideline and for reduced price breakfasts is up to 185% of the poverty guideline.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of school breakfast programs.
- Provides technical assistance and resource materials to schools and residential childcare settings.
- Processes reimbursement claims for meals served.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Percent of school breakfasts served that are free or reduced price	67%	65%	63%	99%*
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	275	185	126	140

* Schools that used this program during FY 2021 – as opposed to other options that were available to them due to pandemic-related waivers – typically had very high free and reduced percentages.

M.S. 124D.1158; M.S. 124D.117
National School Lunch Act (7 CFR 220)

School Breakfast

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	8,051	132	6	10,802	10,889	11,105	25,912	26,719
3000 - Federal	39,931	6,167	114,508	67,736	69,090	70,471	69,090	70,471
Total	47,982	6,299	114,514	78,538	79,979	81,576	95,002	97,190
Biennial Change				138,771		(31,497)		(860)
Biennial % Change				256		(16)		(0)
Governor's Change from Base								30,637
Governor's % Change from Base								19

Expenditures by Category

Operating Expenses		(1)						
Grants, Aids and Subsidies	47,982	6,299	114,514	78,538	79,979	81,576	95,002	97,190
Total	47,982	6,299	114,514	78,538	79,979	81,576	95,002	97,190

School Breakfast

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	8,051	132	6	10,802	10,889	11,105	25,912	26,719
District Revenue	8,051	132	6	10,802	10,889	11,105	25,912	26,719
Direct Appropriation	8,051	132	11,848	10,802	10,889	11,105	25,912	26,719
Current Year	8,051	132	6	10,802	10,889	11,105	25,912	26,719
Cancellations			11,842					
Expenditures	8,051	132	6	10,802	10,889	11,105	25,912	26,719
Biennial Change in Expenditures				2,625		11,186		41,823
Biennial % Change in Expenditures				32		104		387
Governor's Change from Base								30,637
Governor's % Change from Base								139
3000 - Federal								
Balance Forward In	19							
Receipts	39,912	6,167	114,508	67,736	69,090	70,471	69,090	70,471
Expenditures	39,931	6,167	114,508	67,736	69,090	70,471	69,090	70,471
Biennial Change in Expenditures				136,146		(42,683)		(42,683)
Biennial % Change in Expenditures				295		(23)		(23)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Summer Food

AT A GLANCE

- Over 345 million meals were served during the summer program year of 2021
- \$576,359,156 was reimbursed to 2,199 sites that served meals

PURPOSE AND CONTEXT

The Summer Food Service Program (SFSP) helps children who rely on the school breakfast and lunch programs to get the healthy food they need outside the school year. During COVID-19 pandemic, the United States Department of Agriculture (USDA) released waivers that allowed SFSP to operate during the school year in place of the National School Lunch Program and School Breakfast Program to provide free meals to kids.

The USDA funds the program, and state funds are available to supplement meals and snacks.

This program supports the objective that every student attends a safe, nurturing school.

SERVICES PROVIDED

Menus for healthy meals and snacks are planned according to federal guidelines. Meals and snacks are provided at no charge at a variety of sites to children in low-income areas during the summer. Nutritional meals and snacks improve children’s health which leads to stronger academic outcomes.

Reimbursement rates: Federal fiscal year (FY) 2021:

Reimbursement Rates (Operating plus Administrative)

<i>Effective January 1, 2021 – December 31, 2021</i> <i>Type of Meal</i>	<i>Self-preparation or Rural Sites</i>	<i>Other Sites (Vended-Urban)</i>
Breakfast	2.4625 (2.24 + .2225)	2.4150 (2.24 + .1750)
Lunch or Supper	4.3175 (3.91 + .4075)	4.2500 (3.91 + .3400)
Supplement (Snack)	1.0200 (0.91 + .1100)	0.9975 (0.91 + .0875)

Self-preparation means the sponsor prepares the meals that will be served at the site(s) and does not contract with a food service management company, caterer, or school for the preparation of meals, which are considered “vended.” Self-preparation includes sponsors that prepare meals in a central facility and deliver meals to their sites.

Camp sponsors are paid only based on the percentage of children eligible for free and reduced price meals. Reimbursement may be estimated by taking the number of meals to be served (by type) to all children during a camp session and multiplying it by the percentage of children eligible for free and reduced price meals. That number is then multiplied by the appropriate operational and administrative reimbursement rate.

State funding of \$150,000 is allocated in proportion to the total number of meals served by each sponsor. Sponsors, such as a nonprofit, school, or other local government entity, are organizations that take on the

administrative responsibility of managing the program at the local level. Program sites refer to the location of the meals being served and receive approximately \$0.003 per meal.

The fiscal activity associated with two meal-related federal Coronavirus Relief Fund (CRF) appropriations is also displayed in the fiscal pages of this Budget Activity.

The Minnesota Department of Education (MDE):

- Reaches out to schools, anti-hunger, and youth serving organizations to increase SFSP participation.
- Reviews summer sites and provides training and technical assistance to sponsors.
- Calculates and processes reimbursement claims from sponsors.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of sponsors	194	204	513	609
Quantity	Number of sites	865	973	1,653	2,199

M.S. 124D.119
National School Lunch Act (7 CFR 225)

Summer Food

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	8,818	7,361	150	150	150	150	150	150
3000 - Federal	84,762	570,977	133,093	52,875	53,930	55,004	53,930	55,004
3010 - Coronavirus Relief		13,438						
Total	93,580	591,776	133,243	53,025	54,080	55,154	54,080	55,154
Biennial Change				(499,088)		(77,034)		(77,034)
Biennial % Change				(73)		(41)		(41)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation	257	532	311	313	319	326	319	326
Operating Expenses	89	159	543	260	266	267	266	267
Grants, Aids and Subsidies	93,234	591,085	132,388	52,452	53,495	54,561	53,495	54,561
Total	93,580	591,776	133,243	53,025	54,080	55,154	54,080	55,154

Total Agency Expenditures	93,580	591,776	133,243	53,025	54,080	55,154	54,080	55,154
Internal Billing Expenditures	51	94	108	81	87	94	87	94
Expenditures Less Internal Billing	93,529	591,682	133,134	52,944	53,993	55,060	53,993	55,060

Full-Time Equivalent

	2.03	4.62	2.10	2.10	2.10	2.10	2.10	2.10
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Summer Food

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	8,818	7,361	150					
District Revenue	8,818	7,361	150					
Direct Appropriation	8,818	7,361	150	150	150	150	150	150
Current Year	8,818	7,361	150					
Expenditures	8,818	7,361	150	150	150	150	150	150
Biennial Change in Expenditures				(15,879)		0		0
Biennial % Change in Expenditures				(98)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal								
Receipts	84,762	570,977	133,093	52,875	53,930	55,004	53,930	55,004
Expenditures	84,762	570,977	133,093	52,875	53,930	55,004	53,930	55,004
Biennial Change in Expenditures				(469,771)		(77,034)		(77,034)
Biennial % Change in Expenditures				(72)		(41)		(41)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.03	4.09	2.10	2.10	2.10	2.10	2.10	2.10

3010 - Coronavirus Relief								
Direct Appropriation		14,781						
Cancellations		1,343						
Expenditures		13,438						
Biennial Change in Expenditures				(13,438)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.53						

Program: Nutrition
Activity: USDA Foods

AT A GLANCE

- Minnesota schools receive an estimated 20 million pounds of commodity foods each year.

PURPOSE AND CONTEXT

The commodity program began in the early 1930s as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the Great Depression. When the National School Lunch Act was passed in 1946, its stated purpose was both to improve the health of children and to provide a market for agricultural production. The program serves to supplement food resources through entitlement funding for schools to directly purchase from available United States Department of Agriculture (USDA) commodities and Department of Defense programs.

The USDA provides the entire funding for the program.

This program supports the objective that every student attends a safe, nurturing school.

SERVICES PROVIDED

Schools participating in the National School Lunch Program:

- Receive commodity foods, called “entitlement” foods, at a value of 36.25 cents (July 2020) for each lunch served. Foods purchased support meeting the dietary guidelines for nutritious meals and include grains, vegetables, fruits, proteins, and dairy products grown and processed in the United States.
- May also get “bonus” commodities such as meat, cheese, poultry, grains, rice, fruits, and vegetables, as they are available through USDA. These foods are offered periodically, but only as they become available through agricultural surpluses.

A state revolving fund was established in 2001 for the cash received for commodity donated foods that have been lost, damaged, recalled, or diverted for processing. Minnesota uses the fund to issue payments for the value of those foods.

The Minnesota Department of Education (MDE) assists schools in spending and ordering products with their entitlement funds through technical assistance, food ordering, deliveries, inventories, monitoring, and other issues concerning the USDA Foods program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Total dollar amount of commodities received by schools	\$32,170,833	\$33,283,426	\$31,347,736	\$35,603,935

M.S. 124D.1195

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
2000 - Restrict Misc Special Revenue		662	16	3	4		4	
3000 - Federal	2,215	7,198	10,974	2,351	2,397	2,445	2,397	2,445
Total	2,215	7,860	10,990	2,354	2,401	2,445	2,401	2,445
Biennial Change				3,270		(8,498)		(8,498)
Biennial % Change				32		(64)		(64)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses		0		3	4		4	
Grants, Aids and Subsidies	2,215	7,860	10,990	2,351	2,397	2,445	2,397	2,445
Total	2,215	7,860	10,990	2,354	2,401	2,445	2,401	2,445
Total Agency Expenditures	2,215	7,860	10,990	2,354	2,401	2,445	2,401	2,445
Internal Billing Expenditures		0						
Expenditures Less Internal Billing	2,215	7,860	10,990	2,354	2,401	2,445	2,401	2,445

USDA Foods

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
2000 - Restrict Misc Special Revenue								
Balance Forward In	670	670	7	7	4		4	
Receipts			16					
Balance Forward Out	670	7	7	4				
Expenditures		662	16	3	4		4	
Biennial Change in Expenditures				(643)	(15)		(15)	
Biennial % Change in Expenditures					(79)		(79)	
Governor's Change from Base							0	
Governor's % Change from Base								

3000 - Federal

Receipts	2,215	7,198	10,974	2,351	2,397	2,445	2,397	2,445
Balance Forward Out			0					
Expenditures	2,215	7,198	10,974	2,351	2,397	2,445	2,397	2,445
Biennial Change in Expenditures				3,913	(8,483)		(8,483)	
Biennial % Change in Expenditures				42	(64)		(64)	
Governor's Change from Base							0	
Governor's % Change from Base							0	

Program: Nutrition

Activity: Child and Adult Care Food Program

AT A GLANCE

- 5,315 family child care homes, 1,496 child care centers, 99 adult care centers, and 13 emergency shelters participated in the Child and Adult Care Food Program (CACFP) in federal fiscal year (FFY) 2021
- 104.6 million meals and snacks were served in FFY 2021
- The United States Department of Agriculture (USDA) released COVID waivers that relaxed eligibility standards that allowed many more community-based organizations to enter the program. These limited time flexibilities skewed the results for 2020-21-22.

PURPOSE AND CONTEXT

The Child and Adult Care Food Program (CACFP) helps ensure that children and youth, those receiving emergency shelter services, chronically disabled adults, and senior citizens receiving licensed organized care have access to nutritious meals.

Child care centers, family child care homes, school-age care sites, after-school programs, emergency shelters, and adult day care centers may participate in the CACFP.

The United States Department of Agriculture (USDA) provides all funding for the program, which is administered by the Minnesota Department of Education (MDE).

SERVICES PROVIDED

Health is improved through access to nutritional meals and snacks.

- Menus for healthy meals and snacks are planned according to federal guidelines.
- Most CACFP locations provide meals and snacks at no charge to all enrolled children.

CACFP is supported through:

- Federal reimbursement for meals and snacks. (Reimbursement rates are for federal FY 20221.)

<i>Category</i>	<i>Breakfast</i>	<i>Lunch and Supper Including Cash-in-Lieu-of Commodities *</i>	<i>Snack</i>
A - Free	\$1.97	\$3.92 (\$3.66 + \$0.26)	\$1.00
B – Reduced Price	\$1.67	\$3.52 (\$3.26 + \$0.26)	\$0.50
C - Paid	\$0.33	\$0.61 (\$0.35 + \$0.26)	\$0.09

- Federal administrative reimbursements to family child care homes are defined by poverty level in geographic area served. Tier 1 sites are reimbursed at a higher rate as a result of serving more families that qualify for free or reduced price meals in a geographical area. For purposes of determining the tiering status of day care homes, the attendance area of a school in which at least 50 percent of the enrolled children are certified eligible for free or reduced price meals, or the area based on the most recent census data in which at least 50 percent of the children residing in the area are members of households that meet the income standards for free or reduced-price meals.

	<i>Tier 1</i>	<i>Tier 2</i>
Breakfast	\$1.40	\$.51
Lunch/supper	\$2.63	\$1.59
Snack	\$0.78	\$.21

The Minnesota Department of Education (MDE):

- Assists in meeting program requirements.
- Conducts administrative reviews.
- Provides technical assistance, workshops on nutrition and program regulations, and provides resource materials.
- Processes meal reimbursement claims.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Dollars	Total value of meals served, all settings	\$66,268,899	\$59,977,092	\$195,935,850
Quantity	Number of participating child care centers	1,174	1,187	1,496
Quantity	Number of participating family day care homes	7,150	5,703	5,315
Quantity	Number of participating adult day care centers	67	119	99
Quantity	Number of participating emergency shelters	14	15	13

Child Nutrition Act and National School Lunch Act (7 CFR 226)

Child and Adult Care Food Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
3000 - Federal	70,197	158,558	236,079	64,787	64,446	65,732	64,446	65,732
6000 - Miscellaneous Agency					1		1	
Total	70,197	158,558	236,079	64,787	64,447	65,732	64,447	65,732
Biennial Change				72,111		(170,687)		(170,687)
Biennial % Change				32		(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	830	1,145	1,077	1,229	1,179	1,203	1,179	1,203
Operating Expenses	247	440	716	1,933	411	415	411	415
Grants, Aids and Subsidies	69,120	156,973	234,285	61,625	62,857	64,114	62,857	64,114
Total	70,197	158,558	236,079	64,787	64,447	65,732	64,447	65,732
Total Agency Expenditures	70,197	158,558	236,079	64,787	64,447	65,732	64,447	65,732
Internal Billing Expenditures	167	225	210	468	231	236	231	236
Expenditures Less Internal Billing	70,031	158,332	235,868	64,319	64,216	65,496	64,216	65,496
<u>Full-Time Equivalent</u>	7.12	10.21	9.50	11.20	10.20	10.20	10.20	10.20

Child and Adult Care Food Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
3000 - Federal								
Balance Forward In	0							
Receipts	70,197	158,558	236,079	64,787	64,446	65,732	64,446	65,732
Expenditures	70,197	158,558	236,079	64,787	64,446	65,732	64,446	65,732
Biennial Change in Expenditures				72,111		(170,688)		(170,688)
Biennial % Change in Expenditures				32		(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	7.12	10.21	9.50	11.20	10.20	10.20	10.20	10.20

6000 - Miscellaneous Agency

Balance Forward In		1	1	1	1		1	
Receipts	1	0						
Balance Forward Out	1	1	1	1				
Expenditures					1		1	
Biennial Change in Expenditures				0		1		1
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Nutrition

Activity: Other Nutrition Programs

AT A GLANCE

These federal nutrition grant programs are a key component in helping create a safe, nurturing learning environment for all children to learn and thrive. Other Nutrition Programs include:

- Team Nutrition (TN)
- Fresh Fruit and Vegetable Program (FFVP)
- Technology Innovation Grants (TIG)
- Pandemic Electronic Benefit Program (P-EBT)
- Supply Chain Assistance Grants (SCA)
- Emergency Operational Costs Reimbursement Programs (EOCRP)

PURPOSE AND CONTEXT

These grants all play a contributing role to the three main nutrition programs, which are the National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP). These grants provide:

- Financial resources for sponsoring learning institutions (schools, child care, or community-based youth development) to address nutrition needs of children and youth.
- Best practice training or technical assistance resources for sponsors to effectively administer the programs.
- Funds to assist MDE in maintaining necessary technology resources to administer the programs and provide additional resources (both technical assistance and financial) and distribute funds to sponsors.
 - Team Nutrition (TN) - training and technical assistance tools and products
 - Fresh Fruit and Vegetable Program (FFVP) - additional funding for healthy snacks
 - Technology Innovation Grants (TIG) - additional funding for state agency tech improvements
 - Pandemic Electronic Benefit Program (P-EBT) - additional cash resources for students to purchase food
 - Supply Chain Assistance Grants (SCA) - additional funding for schools to purchase minimally processed foods
 - Emergency Operational Costs Reimbursement Programs (EOCRP) - additional funding for schools and community-based nonprofits to assist in recovering from COVID closures

The population served by these programs include:

- Team Nutrition (TN) serves all public, nonpublic and charter schools
- Fresh Fruit and Vegetable Program (FFVP) serves elementary schools that have at least 50% free and reduced students
- Technology Innovation Grants (TIG) serve all sponsor organizations in improving access to the state's Cyber-Linked Interactive Child Nutrition System (CLiCS)
- Pandemic Electronic Benefit Program (P-EBT) serves students eligible for free and reduced price meals
- Supply Chain Assistance Grants (SCA) serves all schools
- Emergency Operational Costs Reimbursement Programs (EOCRP) serves schools and child care family homes and centers impacted by COVID closures

SERVICES PROVIDED

The services provided through these programs include:

- Team Nutrition (TN)
 - The current grant involves working with parent advisory committee to assist in strategizing how to bring more culturally diverse foods into the school menu.
 - Access to guidebooks, videos, and stipends to engage in project activities.
- Fresh Fruit and Vegetable Program (FFVP)
 - Participating schools receive training and technical assistance on engaging students in eating healthy snacks and providing financial resources to purchase healthy snack items for students.
 - Formula based grants based on enrollment, level of free and reduced students, and the number of days additional fresh snacks are provided. Schools get an additional \$75 per student for the school year.
- Technology Innovation Grants (TIG)
 - Current three-year grant is working to facilitate sponsor access to administering the key nutrition programs.
 - Technology enhancements to existing CLiCS system to improve both the sponsor experience in managing program administration and the staff experience in providing monitoring functions.
- Pandemic Electronic Benefit Program (P-EBT)
 - MDE partners with DHS and MNIT to manage a P-EBT Portal for schools to enter eligible student data and distribute benefits.
 - Cash benefits to students impacted by COVID which correlates to the number of school days missed times \$7.30 per day plus a \$435 lump payment for summer.
- Supply Chain Assistance Grants (SCA)
 - MDE distributed \$34 million to schools to address supply chain issues.
 - Formula based (enrollment) payments to schools participating in the NSLP.
- Emergency Operational Costs Reimbursement Programs (EOCRP)
 - MDE provided grants to schools and child care centers and family homes that lost revenue due to COVID closures.
 - Cash payments to school that could document a revenue loss due to COVID and recovering .55 for every dollar lost.

RESULTS

<i>Type of Measure</i>	<i>Program</i>	<i>FY 2021</i>	<i>FY 2022</i>	<i>FY 2023</i>	<i>Notes</i>
Quantity	Pandemic Electronic Benefit (P-EBT)	\$369,583,333 Cash benefits to students	\$130,629,871 Cash benefits to students	Pending USDA award and guidance for the fourth year of operations	School year benefits begin September and are directly connected to COVID; Summer benefits from June – August and are based on free or reduced status
Quality	Pandemic Electronic Benefit (P-EBT)	New portal was created within three months to distribute the funds directly to students	Portal was enhanced and modified to distribute benefits by 12/2022	N/A	N/A
Results	Pandemic Electronic Benefit (P-EBT)	309,513 students benefited from the additional cash resources when students couldn't access school meals	63,717 new benefit cards to students (families were asked to keep their SY20-21 cards to replenish benefits)	N/A	N/A
Results	Team Nutrition	N/A	Worked with students to develop 8 new recipes for school lunch menu	N/A	2-yr grant competitive that began 8/1/2022; MN's 4 th competitive grant received
Results	Fresh Fruit and Vegetable	N/A	97% schools received their request	100% of eligible schools will receive 100% of their request	Annual formula-based grant
Results	Emergency Operations Reimbursement	N/A	\$10.7 million distributed to schools and child care providers	N/A	One-time formula grant
Results	Supply Chain	N/A	\$17 million distribution to schools to address supply chain issues, minimum grant of \$5,000	\$17 million distribution to schools to address supply chain issues, minimum grant of \$5,000	Formula grant distributed over two years

Other Nutrition Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25

Expenditures by Fund

3000 - Federal			5,521	1,234	935	451	935	451
Total			5,521	1,234	935	451	935	451
Biennial Change				6,755		(5,369)		(5,369)
Biennial % Change						(79)		(79)
Governor's Change from Base								0
Governor's % Change from Base								0

Expenditures by Category

Compensation			12	129	199	141	199	141
Operating Expenses			4	635	736	310	736	310
Grants, Aids and Subsidies			5,505	470				
Total			5,521	1,234	935	451	935	451

Full-Time Equivalents

				1.60	2.10	2.10	2.10	2.10
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Other Nutrition Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
3000 - Federal								
Receipts			5,521	1,234	935	451	935	451
Expenditures			5,521	1,234	935	451	935	451
Biennial Change in Expenditures				6,755		(5,369)		(5,369)
Biennial % Change in Expenditures						(79)		(79)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				1.60	2.10	2.10	2.10	2.10

Program: Nutrition
Activity: Kindergarten Milk

AT A GLANCE

- 1,893,967 half pints of milk were subsidized in fiscal year (FY) 2021 by the federal Special Milk Program (SMP).
- 1,631,752 half pints were subsidized in FY 2021 through the Minnesota Kindergarten Milk Program (MKMP).

PURPOSE AND CONTEXT

Providing milk during the school day helps meet children’s nutritional needs and fosters lifelong healthy eating habits. The health and achievement of preschoolers and kindergarteners are improved through daily access to milk.

SMP is funded by the United States Department of Agriculture at 27 cents per half pint. MKMP is funded by state aid at 20 cents per half pint. This reimbursement rate doesn’t always cover the cost, which is dependent on the vendor from which milk is purchased.

Schools that participate in SMP may also participate in MKMP, allowing participating districts to be reimbursed up to 47 cents per half pint of milk served to children. SMP is only allowed when students do not have access to other child nutrition programs such as the National School Lunch Program (NSLP) or School Breakfast Program (SBP).

SERVICES PROVIDED

Both programs are supported financially and administratively through:

- Federal and state reimbursements for half pints of milk served.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) – a website that allows participants to meet their application and claims requirements online.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of milk programs.
- Provides technical assistance and resource materials.
- Processes reimbursement claims for cartons of milk served.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of school food authorities receiving administrative reviews to assure program compliance	173	165	140

M.S. 124D.118
 National School Lunch Act (7 CFR 215)

Kindergarten Milk

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	457	309	442	659	659	659	659	659
3000 - Federal	542	351	486	828	843	860	843	860
Total	999	660	928	1,487	1,502	1,519	1,502	1,519
Biennial Change				755		606		606
Biennial % Change				46		25		25
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	999	660	928	1,487	1,502	1,519	1,502	1,519
Total	999	660	928	1,487	1,502	1,519	1,502	1,519

Kindergarten Milk

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	457	309	442	659	659	659	659	659
District Revenue	457	309	442	659	659	659	659	659
Direct Appropriation	457	309	656	659	659	659	659	659
Current Year	457	309	442	659	659	659	659	659
Cancellations			214					
Expenditures	457	309	442	659	659	659	659	659
Biennial Change in Expenditures				335		217		217
Biennial % Change in Expenditures				44		20		20
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	542	351	486	828	843	860	843	860
Expenditures	542	351	486	828	843	860	843	860
Biennial Change in Expenditures				421		389		389
Biennial % Change in Expenditures				47		30		30
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Basic Support and Federal Grants

<https://education.state.mn.us/MDE/dse/Lib/sls/Reg/>

AT A GLANCE

- Public library services are available in all 87 counties.
- 12 regional public library systems support 355 public libraries; 46% of all libraries are in non-metro areas.
- Public libraries shared over 1.2 million items to other libraries through interlibrary loan, which expanded the reach of local collections.
- In 2021, over 3.4 million Minnesotans had a library card, and public libraries were visited 9.6 million times.
- Arts and Cultural Heritage Funds (ACHF) provide grants to library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota; as well as funding for the Minnesota Center for the Book.
- In addition to ongoing federal Library Services and Technology Act (LSTA) grants, the Institute of Museum and Library Services (IMLS) provided federal COVID-19 funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan (ARP) Act to support LSTA programs.

PURPOSE AND CONTEXT

Minnesota’s public libraries ensure all residents have equitable access to information regardless of educational or economic status or location in the state. This program helps Minnesota’s public libraries offer free and equitable access to a variety of educational, cultural and informational resources, programs and activities.

Libraries support the objective that every student deserves a world class education. Ninety-four percent offer summer learning programs for children and teens.

SERVICES PROVIDED

Public libraries collect and make information available in a number of different formats – print book, magazine, DVD, CD, and download-only formats. Trained staff help Minnesotans of all ages and abilities to access this information.

Regional library basic system support:

- Provides incentives such as access to regionally administered programs (i.e., interlibrary loans) for counties and cities to work together in regional public library systems, extending service across jurisdictions at the most reasonable cost.
- Distributes funding between cooperating jurisdictions and encourages sharing of library materials through library-to-library lending and borrowing.
- Maintains and improves library programs, materials, and outreach to diverse residents.

In addition to state General Fund aids, the Minnesota Department of Education (MDE) administers certain state Arts and Cultural Heritage Funds (ACHF) and federal Institute of Museum and Library Services (IMLS) funds. ACHF funds are for grants to the state’s twelve regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. The funds – \$2.5 million in each of FY 2022 and FY 2023 – may be used to sponsor programs provided by regional libraries, or to provide grants to local arts and cultural

heritage organizations for projects in partnership with regional libraries. \$100,000 in each of FY 2022 and FY 2023 was also made available for the Minnesota Center for the Book. Federal funds from the IMLS are grants through the Library Services and Technology Act (LSTA). These funds are used to support statewide initiatives and services including access to electronic databases and the Minnesota Braille and Talking Book Library. Additionally, MDE awards grants to support local efforts to address digital equity and access, workforce development programs, and improving library services for youth and seniors.

MDE administers all aspects of these programs. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing aid payments.
- Providing guidance as it relates to Minnesota statutes.
- Managing the statutory library annual report program.
- Giving technical assistance and training to all public libraries and regional library systems.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of Minnesotans attending library programs including story times, summer reading programs, digital literacy and job search. Thirty-seven out of 100 non-metro residents attended a program in 2019; 25 out of 100 for metro area.	1,601,400	1,588,068	402,863	465,715
Quantity	Circulation of downloadable books, movies, and music	6,950,642	7,765,650	9,935,422	10,918,370
Quantity	Number of weekly open hours	740,498	736,645	405,276	619,320

M.S. 134.31; M.S. 134.32; M.S. 134.34; M.S. 134.355

Basic Support and Federal Grants

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	13,570	13,570	13,570	13,570	13,570	13,570	15,370	15,570
2301 - Arts & Cultural Heritage	2,550	2,550	2,600	2,600				
3000 - Federal	126	607	1,968	1,322	68	69	68	69
Total	16,246	16,727	18,138	17,492	13,638	13,639	15,438	15,639
Biennial Change				2,657		(8,353)		(4,553)
Biennial % Change				8		(23)		(13)
Governor's Change from Base								3,800
Governor's % Change from Base								14

Expenditures by Category

Compensation	60	63	98	66	42	43	42	43
Operating Expenses	66	43	214	265	26	26	26	26
Grants, Aids and Subsidies	16,120	16,622	17,825	17,161	13,570	13,570	15,370	15,570
Total	16,246	16,727	18,138	17,492	13,638	13,639	15,438	15,639

Total Agency Expenditures	16,246	16,727	18,138	17,492	13,638	13,639	15,438	15,639
Internal Billing Expenditures	48	37	32	110	20	20	20	20
Expenditures Less Internal Billing	16,198	16,690	18,106	17,382	13,618	13,619	15,418	15,619

Full-Time Equivalent

	0.49	0.52	1.22	1.52	0.50	0.50	0.50	0.50
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Basic Support and Federal Grants

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	13,570	13,570	13,570	13,570	13,570	13,570	15,570	15,570
District Revenue	13,570	13,570	13,570	13,570	13,570	13,570	15,570	15,570
Direct Appropriation	13,570	13,570	13,570	13,570	13,570	13,570	15,370	15,570
Current Year	12,213	12,213	12,213	12,213	12,213	12,213	14,013	14,013
Prior Year	1,357	1,357	1,357	1,357	1,357	1,357	1,357	1,557
Cancellations		0	0					
Expenditures	13,570	13,570	13,570	13,570	13,570	13,570	15,370	15,570
Biennial Change in Expenditures				0		0		3,800
Biennial % Change in Expenditures				0		0		14
Governor's Change from Base								3,800
Governor's % Change from Base								14
2301 - Arts & Cultural Heritage								
Direct Appropriation	2,550	2,550	2,600	2,600	0	0	0	0
Expenditures	2,550	2,550	2,600	2,600				
Biennial Change in Expenditures				100		(5,200)		(5,200)
Biennial % Change in Expenditures				2		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	126	607	1,968	1,322	68	69	68	69
Expenditures	126	607	1,968	1,322	68	69	68	69
Biennial Change in Expenditures				2,557		(3,153)		(3,153)
Biennial % Change in Expenditures				349		(96)		(96)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.49	0.52	1.22	1.52	0.50	0.50	0.50	0.50

Program: Libraries

Activity: Multicounty Multitype

<https://education.state.mn.us/MDE/dse/Lib/sls/Mult/>

AT A GLANCE

- Seven multicounty, multitype library systems serve approximately 1,800 academic, public, school, and special libraries. Services are provided across all types of libraries.
- Multicounty, multitype libraries serve all 87 Minnesota counties.

PURPOSE AND CONTEXT

Minnesota’s multicounty, multitype library systems promote excellence in library services and connections between public libraries and libraries in schools, colleges, and universities so that library staff can better serve residents.

Multicounty, multitype library systems work across libraries of all types to provide collections, events, and other resources that support students and teachers. Libraries support the objective that every student deserves a world class education with caring, qualified teachers.

State aid provides operating funds based on a formula that includes population and land square miles served. Multicounty, multitype library systems may increase revenue through grants and/or cost-recovery fees for workshops and other continuing-education activities.

SERVICES PROVIDED

Multicounty, multitype library systems activities include:

- Organizing and promoting professional development and continuing education activities for library staff.
- Identifying and responding to regional needs across types of libraries.
- Encouraging communication and increasing knowledge of best practices among libraries.
- Supporting resource sharing and collaborative projects among participating libraries.

The Minnesota Department of Education (MDE) administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing guidance as it relates to Minnesota statutes.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Multicounty multitype member libraries.	1,578	1,588	1,594	1,602
Quantity	Scholarships awarded to library staff for participation in professional development and continuing education.	87	60	104	93
Quantity	Attendance at multicounty, multitype sponsored professional development activities.	2,146	2,355	1,847	1,912

MS 134.351; MS 134.353; MS 134.354

Multicounty Multitype

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300

Multicounty Multitype

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
District Revenue	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Direct Appropriation	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Current Year	1,170	1,170	1,170	1,170	1,170	1,170	1,170	1,170
Prior Year	130	130	130	130	130	130	130	130
Cancellations			0					
Expenditures	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Electronic Library for Minnesota

<https://www.elm4you.org/>

AT A GLANCE

- Electronic Library for Minnesota (ELM) provides access to millions of articles, books, images, test preparation, and other information at no cost to users.
- ELM resources are accessible to Minnesotans through computers, smart phones, and tablets from homes, schools, school library media centers, academic libraries, public libraries, and government agencies.

PURPOSE AND CONTEXT

The Electronic Library for Minnesota (ELM) provides all Minnesotans with access to online high-quality and vetted information resources from all Minnesota Internet Protocol (IP) addresses, including home computers, libraries, and government agencies. ELM supports the objective that every student receives a world class education with caring, qualified teachers.

SERVICES PROVIDED

This program:

- Offers free and equitable online access to millions of magazine, journal, newspaper, and encyclopedia articles; e-books; and other information resources to Minnesota residents.
- Provides tools for career exploration, resume and cover letter writing, test preparation, adult learning, and college readiness through Learning Express Library.
- Reduces costs by negotiating statewide database licenses.

ELM’s resources:

- Support K-12 and postsecondary students and teachers.
- Provide information and research on a wide range of topics.
- Are available from all Minnesota IP addresses 24 hours a day, seven days a week.
- Support digital literacy and workforce development efforts.

The Minnesota Department of Education (MDE), through its State Library Services division, recommends and/or approves school and public library representatives on ELM’s selection task force and makes final approval of the resources recommended. MDE sets up and processes payments and compiles report information annually.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of ELM searches conducted by Minnesotans	60.2 million	61.8 million	49.6 million	57 million
Quantity	Number of LearningExpress Library user sessions	36,435	44,413	35,215	31,098

MN Laws 2021, 1st Special Session, Chapter 13, Article 8, Section 3, Subdivision 8

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<i>Expenditures by Fund</i>								
1000 - General	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	900	900	900	900	900	900	900	900
Total	900	900	900	900	900	900	900	900

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	900	900	900	900	900	900	900	900
Expenditures	900	900	900	900	900	900	900	900
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries

Activity: Regional Library Telecom Aid

AT A GLANCE

- Statutory changes in 2020 expanded the allowable use of funds to include digital content and technology items that are not covered by the federal e-rate broadband subsidy program for public libraries.
- 342 public library sites benefit from the aid program.
- Statewide, average available download speeds purchased with program funds grew from 205 Mbps in 2017 to 258 Mbps in 2019.
- 99.6 percent of public libraries provide wireless access.

PURPOSE AND CONTEXT

The Regional Library Telecommunications Aid program (RLTA) helps regional public library systems and their branch or member public libraries provide community-based broadband accessible to residents statewide. Increasingly, public libraries provide portable internet access through mobile hotspots that circulate for home use.

RLTA funds the telecommunications infrastructure necessary for library-based programs and services that support the objective that every student receives a world-class education. Through public libraries, students have greater access to online learning resources such the state-provided Electronic Library for Minnesota and locally provided e-books and online homework help services.

SERVICES PROVIDED

This program:

- Allows libraries to leverage federal funds and state and local investments that improve technology infrastructure.
- Facilitates optimal and equitable access to online resources and information, such as the Electronic Library for Minnesota, and to the statewide web-based infrastructure for interlibrary loan.

Activities that rely on internet access and benefit from this program include:

- Equitable community access to high-speed internet, including weekends and evenings.
- Access to online resources, including the Electronic Library for Minnesota and Ebooks Minnesota.
- Connections to school districts, postsecondary education, and other governmental agencies.
- Government-related activities and information, such as unemployment insurance filing.
- Automation systems that improve efficiency and cost-effectiveness in resource sharing.

The Minnesota Department of Education (MDE) administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing technical assistance on the federal e-rate program as it relates to regional library telecommunications aid.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Internet and wireless sessions in public libraries	11,319,883	10,504,559	3,935,588	7,085,636
Quantity	Percentage of public libraries with internet speeds above 20 megabits per second (Mbps)	83.1% download 72.7% upload	87.6% download 78% upload	90.5% download 83.9% upload	93.6% download 85.8% upload
Quantity	Number of internet devices in public libraries; about 46% of public libraries are in non-urban areas	6,702	6,738	6,564	4,968

M.S. 134.355

Regional Library Telecom Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	2,300	2,259	2,300	2,300	2,300	2,300	2,300	2,300
2000 - Restrict Misc Special Revenue		35	12					
Total	2,300	2,294	2,312	2,300	2,300	2,300	2,300	2,300
Biennial Change				18		(12)		(12)
Biennial % Change				0		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Operating Expenses		35	12					
Grants, Aids and Subsidies	2,300	2,259	2,300	2,300	2,300	2,300	2,300	2,300
Total	2,300	2,294	2,312	2,300	2,300	2,300	2,300	2,300
Total Agency Expenditures	2,300	2,294	2,312	2,300	2,300	2,300	2,300	2,300
Internal Billing Expenditures		4	2					
Expenditures Less Internal Billing	2,300	2,289	2,310	2,300	2,300	2,300	2,300	2,300

Regional Library Telecom Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
District Revenue	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Direct Appropriation	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Current Year	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
Prior Year	230	189	230	230	230	230	230	230
Cancellations		41						
Expenditures	2,300	2,259	2,300	2,300	2,300	2,300	2,300	2,300
Biennial Change in Expenditures				41		0		0
Biennial % Change in Expenditures				1		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

2000 - Restrict Misc Special Revenue

Balance Forward In			15					
Receipts		50	(3)					
Balance Forward Out		15						
Expenditures		35	12					
Biennial Change in Expenditures				(23)		(12)		(12)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Early Childhood and Family Support

Activity: Early Childhood Family Education

<https://education.state.mn.us/MDE/fam/elsprog/ECFE/>

AT A GLANCE

- 21,352 parents participated in ongoing Early Childhood Family Education (ECFE) classes in fiscal year (FY) 2020.

PURPOSE AND CONTEXT

The purpose of the program is to provide parenting education to support children’s learning and development. All families with children prenatal to kindergarten are eligible for services. School districts with prekindergarten through third grade initiatives may continue to serve families up to third grade.

This program helps meet the objective of all children attend a safe, nurturing school.

SERVICES PROVIDED

Early Childhood Family Education (ECFE) provides programming and services to educate parents and other relatives about the physical, cognitive, social, and emotional development of children, and to enhance the skills of parents and other relatives in providing for their children’s learning and development. In addition, there is funding available to provide home visiting to families. Each year, programs must: 1) conduct a community needs assessment that identifies new and underserved populations; 2) identify child and family risk factors, particularly those that impact children’s learning and development; and 3) assess family and parenting education needs in the community. Programs are required to provide programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment.

Additional ECFE Program Requirements

- Provide programming to educate parents and other relatives about the development of children and to enhance the skills of parents and other relatives in providing for their children’s learning and development.
- Provide structured learning activities requiring interaction between children and their parents or relatives.
- Provide learning experiences for children, parents, and other relatives that promote children’s early literacy and, where practicable, their native language skills and activities for children that require substantial involvement of the children’s parents or other relatives.
- Provide structured learning activities for children that promote children’s development and positive interaction with peers, which are held while parents or relatives attend parent education classes.
- Provide information on related community resources.
- Provide information, materials, and activities that support the safety of children, including prevention of child abuse and neglect.
- Provide information about, and if needed, assist in making arrangements for an early childhood health and developmental screening when the child nears the third birthday.

ECFE programs should also:

- Encourage parents and other relatives to involve four- and five-year-old children in School Readiness programs, and other public and nonpublic early learning programs.

- Provide parents of English learners with translated oral and written information to monitor the program’s impact on their children’s English language development, to know whether their children are progressing in developing their English and native language proficiency, and to actively engage with and support their children in developing their English and native language proficiency.

This Budget Activity also displays fiscal activity associated with two other programs. The first is the Educate Parents Partnership program, funding that supports a part-time FTE to provide technical assistance to ECFE to build partnerships with health care providers that provides parents of newborns with informational materials on a wide range of subjects before they are discharged from the hospital. The second is the ParentChild+ program, a national model focused on early literacy, parenting, and school readiness. It is a home visiting program that promotes creative ways to learn through play, increases parenting skills, and helps children prepare for school. Participants select either in-person home visits following safety protocols or virtual visits. Participants receive deliveries including free books, toys, and guide sheets.

Revenue

ECFE revenue is a combination of state aid and local property tax levy. Total revenue is 2.3 percent of the general education formula allowance times 150, or the number of children under age 5 who lived in the district as of October 1 of the previous school year, whichever is greater. Starting in FY 2018, local Home Visiting levies were supplemented with state aid.

Collaboration

It is common for other state-funded programs to work collaboratively with ECFE:

- Adult Basic Education (ABE), which provides family literacy programs.
- School Readiness and Voluntary Prekindergarten utilize ECFE to provide family engagement and parenting education service.
- Help Me Grow facilitates the referral and assessment process for Part C and Part B early intervention services.

The Minnesota Department of Education (MDE) calculates and processes payments and provides technical support for these programs.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Parents participating in regular parent/child weekly sessions.	32,292	31,264	21,352**	9,182**
Quantity	Class offerings for parents.	1,720*	1,897*	4,736*	3,078*

*Note: Data is now pulled from Minnesota Common Course Catalogue (MCCC). Reporting procedures were not the same across the years reported.

**Note: Figures impacted by the COVID pandemic and ECFE being a voluntary program.

M.S. 124D.129; M.S. 124D.13; M.S. 124D.135

Early Childhood Family Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	33,616	34,628	35,509	36,425	36,746	36,940	38,837	40,366
3000 - Federal				61	336	275	336	275
Total	33,616	34,628	35,509	36,486	37,082	37,215	39,173	40,641
Biennial Change				3,750		2,302		7,819
Biennial % Change				6		3		11
Governor's Change from Base								5,517
Governor's % Change from Base								7
<u>Expenditures by Category</u>								
Compensation	45	45	46	55	56	48	56	48
Operating Expenses	3	3	3	55	329	276	329	276
Grants, Aids and Subsidies	33,568	34,580	35,460	36,376	36,697	36,891	38,788	40,317
Total	33,616	34,628	35,509	36,486	37,082	37,215	39,173	40,641
<u>Summary</u>								
Total Agency Expenditures	33,616	34,628	35,509	36,486	37,082	37,215	39,173	40,641
Internal Billing Expenditures				4	4		4	
Expenditures Less Internal Billing	33,616	34,628	35,509	36,482	37,078	37,215	39,169	40,641
<u>Full-Time Equivalent</u>								
	0.35	0.34	0.34	1.33	2.33	1.33	2.33	1.33

Early Childhood Family Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	32,704	33,885	34,640	35,590	35,819	36,010	38,142	39,559
Levies	22,463	22,712	22,566	22,810	23,842	22,918	23,842	22,918
District Revenue	55,167	56,597	57,206	58,400	59,661	58,928	61,984	62,477
Direct Appropriation	33,621	34,634	36,414	36,425	36,746	36,940	38,837	40,366
Current Year	29,520	30,497	31,176	32,031	32,238	32,410	34,329	35,604
Prior Year	3,148	3,183	3,383	3,445	3,559	3,581	3,559	3,813
Balance Forward In		1						
Cancellations	4	7	905					
Balance Forward Out	1		0					
Expenditures	33,616	34,628	35,509	36,425	36,746	36,940	38,837	40,366
Biennial Change in Expenditures				3,689		1,752		7,269
Biennial % Change in Expenditures				5		2		10
Governor's Change from Base								5,517
Governor's % Change from Base								7
Full-Time Equivalents	0.35	0.34	0.34	0.33	0.33	0.33	0.33	0.33

3000 - Federal

Receipts				61	336	275	336	275
Expenditures				61	336	275	336	275
Biennial Change in Expenditures				61		550		550
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents				1.00	2.00	1.00	2.00	1.00

Program: Early Childhood and Family Support

Activity: School Readiness

<https://education.mn.gov/MDE/dse/early/elprog/read/>

AT A GLANCE

In fiscal year (FY) 2021:

- The estimated population of 3- and 4-year-olds in Minnesota was 140,427.
- 16,805 children participated in the School Readiness program.*

PURPOSE AND CONTEXT

The purpose of the School Readiness program is to prepare children to enter kindergarten by creating greater access to educational opportunities for children with high needs and to make progress on closing the opportunity gap upon school entrance. This supports the objective that every student receives a world class education.

The state-funded program is established through the school district and serves children age three to kindergarten entrance with identified risk factors.

SERVICES PROVIDED

School Readiness programs are designed by communities in order to meet their unique needs. Most school-based programs have classes that are a half-day and meet one to five days per week.

Other program models include:

- Kindergarten transition classes for children and parents.
- One or two days of child-only activities added to Early Childhood Family Education (ECFE).
- Fully inclusive, integrated classrooms with early childhood special education.
- Coordination of referrals and follow-up to early childhood screening, which is required.
- Staff development and consultation for family child care providers.
- Head Start and family literacy/English learner programs.
- Partnering with other programs to provide full-day programming and wrap-around services.

Programs include the following requirements:

- Assess each child's cognitive skills at entrance to and exit from the program.
- Provide a program based on early childhood research and professional practice that prepares children to move into kindergarten.

School Readiness aid is calculated in two parts:

- Fifty percent of aid is based on the number of 4-year-old children living in the district as of October 1 of the previous school year.
- Fifty percent of aid is based on the number of students enrolled in the school district and eligible for free or reduced-price meals for the second previous school year.

The Minnesota Department of Education calculates and processes aid payments and provides technical support to districts for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Percentage of all preschoolers served: 3-year-olds	10.5%	11%	9.7%	6.9%
	4-year-olds	21.9%	21.9%	18.3%	15.3%
Quantity	Percentage of 3-year-old and 4-year-old preschoolers served in School Readiness by race:				
	American Indian or Alaska Native	2.4%	2.0%	2.3%	1.8%
	Asian	5.5%	5.6%	6.6%	6.7%
	Black or African American	8.0%	8.3%	8.0%	9.0%
	Hispanic	7.3%	7.9%	8.8%	3.0%
	Native Hawaiian or Other Pacific Islander	0.2%	0.5%	0.2%	0.3%
	Not Identified	14.2%	11.9%	11.5%	14.4%
	White	62.4%	63.9%	62.6%	64.8%

* Numbers lower than previous years likely due to pandemic and School Readiness being a voluntary program.

M.S. 124D.15; M.S. 124D.16

School Readiness

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Total	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Biennial Change				0				0
Biennial % Change				0				0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Total	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683

School Readiness

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
District Revenue	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Direct Appropriation	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Current Year	30,315	30,315	30,315	30,315	30,315	30,315	30,315	30,315
Prior Year	3,368	3,368	3,368	3,368	3,368	3,368	3,368	3,368
Expenditures	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Kindergarten Entry Profile

<https://education.mn.gov/MDE/dse/kind/KEP/>

AT A GLANCE

- The Kindergarten Entry Profile (KEP) is a standards-based assessment system that offers early learning programs, districts, and charter schools who serve an age range from birth through third grade a menu of comprehensive, developmentally appropriate assessment tools that help teachers and administrators understand what students know and are able to do in order to support their success.
- MDE has shifted the focus of this program to support programs serving children from birth to kindergarten, especially voluntary prekindergarten (VPK) and school readiness plus (SRP) programs.
- In fiscal year (FY) 2022, over 350 early learning educators and administrators participated in a training focused on improving practice around early learning assessments.

PURPOSE AND CONTEXT

The 2013 Race to the Top - Early Learning Challenge grant (RTT-ELC) provided the state with an opportunity to improve on the state's pre-existing kindergarten entry assessment model (the School Readiness Study), resulting in a new model: the Kindergarten Entry Profile (KEP). The KEP reflects advances in our understanding of child development, neuroscience, and the importance of early childhood assessment in systems reform.

The KEP is a standards-based assessment system; each of the approved assessment tools are aligned to Minnesota's early learning standards (the Early Childhood Indicators of Progress, or ECIPs). The ECIPs are a shared set of developmentally appropriate expectations for children ages birth to kindergarten and define the foundational skills necessary to build toward the Minnesota K-12 Academic Standards and college and career readiness.

The Minnesota Department of Education (MDE) encourages Pre-K-3rd Grade (P3) programs and systems to consider adopting KEP-approved assessments since these assessments can be used with children across ages, grades, and programs. Voluntary prekindergarten (VPK) programs are required to use a KEP assessment, while other programs like school readiness plus (SRP), school readiness, Early Childhood Special Education Part B 619, and Parent-Aware rated programs, also use KEP assessments. Head Start programs meet their own, separate, federal assessment requirements by using KEP assessments. The data from KEP-approved assessments can help teachers, administrators, and families understand what students know and support their success in school and beyond.

MDE supports analyses of VPK and SRP KEP assessment data that embraces a well-rounded view of education by presenting data by each of the domains of learning: approaches to learning; the arts; language, literacy, and communications; mathematics; physical and movement development; scientific thinking; social and emotional development; and social systems. Reporting data by ECIP domain also makes the data more actionable and valuable to teachers and administrators.

SERVICES PROVIDED

KEP approved assessment tools undergo a rigorous review to ensure that each assessment is valid and reliable to use with pre-kindergartners, aligned to the ECIPs and Minnesota Academic Standards, represent a whole-child view of development and education, cover all eight domains of learning, provide real-time formative data that can be used to individualize instruction, and rely on authentic assessment. MDE provides training in KEP assessments

to the state’s mixed delivery early learning workforce and also provides reports that include the KEP assessment data to all VPK programs, which ensures they meet their statutory obligation to measure the impact of their program. Though SRP programs are not required to measure the impact of their program, if they submit KEP assessment data to MDE, MDE provides them with a measuring impact report as well.

The KEP assessment tools produce data that can be used to:

- 1) Provide teachers and other educators with a holistic view of a child’s strengths and areas of growth based on their own unique identities, experiences, and development.
- 2) Inform, in real-time, practice and programming (e.g. instruction, lesson plans, curriculum, professional development, resources, and supports).
- 3) Build coherence in pre-K to third grade teaching and learning (e.g. strengthening transitions to kindergarten and professional development).
- 4) Inform educators/administrators/policy makers how well incoming kindergarteners meet age expectations in the following eight domains of learning:
 - approaches to learning
 - the arts
 - language, literacy, and communications
 - mathematics
 - physical and movement development
 - scientific thinking
 - social and emotional development
 - social systems
- 5) Guide local community and school district efforts to ensure that every single child in Minnesota will grow up and begin to compete with workers in the global economy.

RESULTS

Teachers and administrators are building their capacity to implement standards-based assessment, which includes discussions centered on which students need more support based on their assessment data. KEP assessment trainings have brought educators together, enabling them to engage in conversations centered on shared expectations of student outcomes, aligning instruction and curriculum across grades/ages, and strengthening transitions to kindergarten.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	Count of providers, teachers, or administrators who participated in a KEP assessment or best practice in early learning assessment training. *	N/A	123	178	665	372
Quality	Percent of training participants who “Strongly Agreed” or “Agreed” that they were better positioned to use their early learning assessment after completing the training.	N/A	N/A	N/A	93%	93%

* This measure includes trainings that were funded via sources other than KEP funds but were offered by KEP trainers, whose certification is supported with KEP funding and resources.

M.S. 124D.162

Kindergarten Entry Profile

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	276	248	266	296	281	281	281	281
Total	276	248	266	296	281	281	281	281
Biennial Change				38		0		0
Biennial % Change				7		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Compensation	201	177	201	207	211	215	211	215
Operating Expenses	75	71	65	89	70	66	70	66
Total	276	248	266	296	281	281	281	281
<u>Full-Time Equivalents</u>								
	1.62	1.40	1.49	1.50	1.50	1.50	1.50	1.50

Kindergarten Entry Profile

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	281	281	281	281	281	281	281	281
Balance Forward In		9		15				
Cancellations		43						
Balance Forward Out	5		15					
Expenditures	276	248	266	296	281	281	281	281
Biennial Change in Expenditures				38		0		0
Biennial % Change in Expenditures				7		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.62	1.40	1.49	1.50	1.50	1.50	1.50	1.50

Program: Early Childhood and Family Support

Activity: Access to Quality Early Learning

<https://education.mn.gov/MDE/dse/early/highqualel/>

<https://education.mn.gov/mde/fam/elsprog/elschol/>

AT A GLANCE

- Approximately 20 percent of the eligible 3 and 4-year-olds in the state are served by the Early Learning Scholarship program, with a maximum award of \$8,500. Effective July 1, 2021, children in a priority status may have an increased award up to \$12,000.
- While children ages 0-2 were eligible if the child of a teen parent or a sibling of a scholarship recipient, in fiscal year (FY) 2018, Early Learning Scholarships were expanded to serve children 0-2 years of age in foster care, in child protective services, or those who have experienced homelessness in the last 24 months. These four populations are prioritized for receiving a scholarship.
- Early learning scholarships can be layered with other funding streams. Fifteen percent of scholarships in FY 2021 were used with Child Care Assistance.

PURPOSE AND CONTEXT

The Early Learning Scholarship program supports access to the state's early care and education system for young children. Since scholarships can only be used at early learning programs that participate in Parent Aware, Minnesota's Quality Rating and Improvement System (QRIS), they serve as an incentive to be rated. Early Learning Scholarships, as a funding source, are intended to support improvement in school readiness outcomes for Minnesota children with high needs, by increasing access to high-quality early care and education programs.

These two activities assist in the improvement of high-quality early care and education programs, and in providing financial assistance to families to attend high quality programs. Early learning program quality is based on Parent Aware, Minnesota's tiered quality rating and improvement system.

SERVICES PROVIDED

- Passed in a 2011 special session, \$4 million was authorized for Early Learning Scholarships beginning in FY 2013. For FY 2014, the state expanded the program with a \$23 million appropriation. The program has a base of \$70.7 million in each FY 2022 and FY 2023. As of FY 2021, the annual general fund appropriation is transferred to a special revenue account.
- Under this program children receive scholarships for a 12-month period and may renew their scholarship until they are eligible for kindergarten.

The Early Learning Scholarship program has two pathways:

- Pathway I scholarships are awarded directly to eligible families.
 - Scholarship funds are paid directly to the early learning program.
- Pathway II scholarships are awarded to families through an eligible Four-Star Parent Aware-rated program.
 - Participating programs receive funding to provide scholarships to a specified number of eligible children to cover the cost of the program.

Parent Aware is governed under Minnesota Statutes, section 124D.142, and it is administered by the Minnesota Department of Human Services (DHS), in coordination with the Minnesota Departments of Education (MDE) and

Health (MDH). Parent Aware began as a pilot in 2007 in four areas of Minnesota and gradually expanded to become available statewide on January 1, 2015. Federal law does not require states to have a QRIS, but states are allowed to use federal Child Care Development Fund (CCDF) dollars to establish and maintain a QRIS. In state fiscal year 2020, Parent Aware was funded by a \$1.75 million state appropriation and \$10.4 million from federal CCDF dollars.

This Budget Activity also displays fiscal activity associated with a federal Preschool Development Birth to Five Grant received by the State of Minnesota from the U.S. Department of Health and Human Services.

The Minnesota Department of Education (MDE) administers all or portions of these programs. Services include:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts, including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2018</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of early care and education programs participating in Parent Aware.	2,610	2,869	2,921	2,941
Quality	Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.	79%	71%	79%	78%
Quantity	Number of high-needs children attending a 3- or 4-Star Parent Aware rated public education program.	28,851	28,687	31,251	31,470
Quantity	Number of children receiving a scholarship	17,091	15,022	14,185	12,268

Number of Children Receiving a Scholarship by Race

Race	2018	2019	2020	2021
American Indian or Alaskan Native	670	584	544	569
Asian	733	609	553	437
Black or African	3,630	3,544	3,624	3,148
Native Hawaiian or Pacific Islander	38	31	21	24
Hispanic/Latino	2,086	1,835	1,669	1,679
White	5,647	4,893	4,505	4,370
Two or More 9.3%	1,428	1,292	1,389	1,455
Not Answered	2,305	2,138	1,938	581
Total	16,537	15,022	14,185	12,268

Parent Aware data on quantity and quality for FY 2018 through FY 2021 was provided by the Fast Facts page of Develop, the Minnesota Quality Improvement and Registry tool. Quantity data for children with high needs attending a 3- or 4-star rated program comes from the Early Learning Scholarship Pathway II applications from school and Head Start programs. [Numbers at-a-glance / DevelopToolMN](https://www.developtoolmn.org/numbers-at-a-glance/index.jsp)
<https://www.developtoolmn.org/numbers-at-a-glance/index.jsp>

Scholarship data comes from final data from each fiscal year.

M.S. 124.142; M.S. 124D.165

Access to Quality Early Learning

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General							7,693	6,819
2001 - Other Misc Special Revenue	74,294	72,276	76,691	69,832	69,759	69,759	158,576	158,576
3000 - Federal	8,887	3,828	7,837	8,345	7,904		7,904	
Total	83,181	76,104	84,527	78,177	77,663	69,759	174,173	165,395
Biennial Change				3,419		(15,282)		176,864
Biennial % Change				2		(9)		109
Governor's Change from Base								192,146
Governor's % Change from Base								130

Expenditures by Category

Compensation	310	654	933	1,094	551		976	425
Operating Expenses	8,577	3,174	6,903	7,251	7,353		14,621	6,394
Grants, Aids and Subsidies	74,294	72,276	76,691	69,832	69,759	69,759	158,576	158,576
Total	83,181	76,104	84,527	78,177	77,663	69,759	174,173	165,395

Total Agency Expenditures	83,181	76,104	84,527	78,177	77,663	69,759	174,173	165,395
Internal Billing Expenditures	390	266	290	320	40		40	
Expenditures Less Internal Billing	82,792	75,838	84,237	77,857	77,623	69,759	174,133	165,395

Full-Time Equivalent

	2.71	5.41	7.70	8.43	8.43		11.53	3.10
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Access to Quality Early Learning

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	76,959	72,459	72,459	72,459	72,459	72,459	170,152	169,278
Transfers Out	76,959	72,459	72,459	72,459	72,459	72,459	162,459	162,459
Expenditures							7,693	6,819
Biennial Change in Expenditures				0		0		14,512
Biennial % Change in Expenditures								
Governor's Change from Base								14,512
Governor's % Change from Base								
Full-Time Equivalents							3.10	3.10

2001 - Other Misc Special Revenue

Balance Forward In		2,517	7,005	73				
Transfers In	74,294	69,759	69,759	69,759	69,759	69,759	158,576	158,576
Balance Forward Out	0	0	73					
Expenditures	74,294	72,276	76,691	69,832	69,759	69,759	158,576	158,576
Biennial Change in Expenditures				(47)		(7,005)		170,629
Biennial % Change in Expenditures				(0)		(5)		116
Governor's Change from Base								177,634
Governor's % Change from Base								127

3000 - Federal

Balance Forward In		68						
Receipts	8,887	3,760	7,837	8,345	7,904		7,904	
Expenditures	8,887	3,828	7,837	8,345	7,904		7,904	
Biennial Change in Expenditures				3,466		(8,278)		(8,278)
Biennial % Change in Expenditures				27		(51)		(51)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	2.71	5.41	7.70	8.43	8.43		8.43	

Program: Early Childhood and Family Support
Activity: Health and Developmental Screening

<https://education.mn.gov/MDE/dse/early/elprog/scr/>

AT A GLANCE

- In fiscal year (FY) 2021, a total of 48,795 children were screened by school districts. Outcomes included:
 - 6,354 children referred to the school readiness program.
 - 4,006 families referred to early childhood family education.
 - 689 children referred to Head Start.
 - 147 parents referred to adult education/literacy.
 - 3,787 children referred to special education for speech/language.
 - 2,850 children referred to special education for cognitive.
 - 1,541 children referred to special education for fine/gross motor.
 - 2,226 children referred to special education for social/emotional concerns.
 - 2,199 children received interpreter services during screening.

PURPOSE AND CONTEXT

The purpose of this program is to detect factors that may impede children’s learning, growth, and development. Every school board must provide for a mandatory program of early childhood health and developmental screening for children at least once before they start school, targeting children between 3 and 4 years of age. Districts receive state aid for every child screened prior to starting kindergarten, or within 30 days after first entering kindergarten. Charter schools may elect to apply to provide a screening program.

This program supports the objective of ensuring every student receives a world class education and attends a safe, nurturing school.

SERVICES PROVIDED

A screening program must include the following components:

- Outreach to inform each resident family about the availability of the program.
- Developmental screening, including cognitive, speech/language, fine/gross motor, and social emotional.
- Hearing and vision screening.
- Immunization review.
- The child’s height and weight.
- Identification of risk factors that may influence learning.
- Identification of health care coverage and referral to an appropriate provider.
- An interview with the parent about the child.
- Referral and follow up for assessment, diagnosis, and treatment when potential needs are identified.

A district may also offer additional health screening components such as nutritional, physical, and dental assessments; review of family circumstances that might affect development; blood pressure; laboratory tests; and health history.

Families may opt out by submitting a signed statement of conscientiously held beliefs.

Children may receive a comparable screening through: Head Start; Child and Teen Checkups/Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), or their health care provider.

A district must provide the parent or guardian of the child screened with a record indicating the month and year the child received screening and the results of the screening.

The Minnesota Department of Education (MDE) calculates and processes screening aid payments and provides technical support to districts for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quality	Percentage of all Minnesota 3-year-old children receiving health and developmental screening.	28%	21%
Quality	Percentage of districts providing interpreter assistance for diverse populations to access screening.	68%	72%
Quantity	Referrals for further assistance made for children identified as having possible health and/or development problems or needs.	16,428	16,123

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

Health & Developmental Screening

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	3,611	3,608	3,373	3,478	3,418	3,356	4,350	4,375
Total	3,611	3,608	3,373	3,478	3,418	3,356	4,350	4,375
Biennial Change				(368)		(77)		1,874
Biennial % Change				(5)		(1)		27
Governor's Change from Base								1,951
Governor's % Change from Base								29
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	3,611	3,608	3,373	3,478	3,418	3,356	4,350	4,375
Total	3,611	3,608	3,373	3,478	3,418	3,356	4,350	4,375

Health & Developmental Screening

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	3,608	3,608	3,347	3,495	3,410	3,350	4,446	4,367
District Revenue	3,608	3,608	3,347	3,495	3,410	3,350	4,446	4,367
Direct Appropriation	3,611	3,608	3,582	3,478	3,418	3,356	4,350	4,375
Current Year	3,248	3,248	3,013	3,146	3,069	3,015	4,001	3,930
Prior Year	363	360	360	332	349	341	349	445
Cancellations			209					
Expenditures	3,611	3,608	3,373	3,478	3,418	3,356	4,350	4,375
Biennial Change in Expenditures				(368)		(77)		1,874
Biennial % Change in Expenditures				(5)		(1)		27
Governor's Change from Base								1,951
Governor's % Change from Base								29

Program: Early Childhood and Family Support

Activity: Head Start

<https://eclkc.ohs.acf.hhs.gov/>

<https://education.mn.gov/MDE/fam/elsprog/start/>

AT A GLANCE

- 33 Head Start and Early Head Start grantees served 13,545 children and families in fiscal year (FY) 2022¹.
- 15 percent of Head Start and 13 percent of Early Head Start children had a diagnosed disability in FY 2021.²
- 826 homeless children received services in FY 2021.²

PURPOSE AND CONTEXT

Head Start and Early Head Start are federal programs that support comprehensive development and promote school readiness of children from birth to age 5 from low-income families. Head Start and Early Head Start services include early learning, health, and family well-being.

Minnesota supplements federal Head Start funds with state funds. The FY 2022 and FY 2023 state general fund appropriations were \$25.1 million per year. With the additional state funding, Head Start and Early Head Start programs are able to expand services and access to educational opportunities for additional children, thus preparing children and families experiencing multiple risk factors for kindergarten. Head Start and Early Head Start supports families and children with high needs to make progress on closing the opportunity gap upon school entrance, which supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Head Start and Early Head Start programs promote children’s development through comprehensive services that support early learning, health, and family well-being which include:

- Health, dental, and nutrition support and resources
- Education
- Parent engagement
- Social services and family supports including assistance with housing, medical insurance, heating, and food

Programs operate a center-based, home-based, or combination delivery model.

- Head Start center-based programs must operate at least 3.5 hours per day, four days a week, for 128 days a year, and have at least two home visits.
- Early Head Start home-based programs must offer at least 46 home visits of 1.5 hours each, and at least 22 group socializations distributed over the course of the program year.
- Many programs offer full-day, full-year services, through partnerships with child care and school-based programs.

Minnesota Department of Education (MDE):

- Houses the state’s Head Start Collaboration Office. The Head Start Collaboration Director facilitates partnerships among Head Start agencies and entities to carry out activities designed to benefit low-income children from birth to school entry, providing a structure and a process for the Office of Head

Start (OHS) to work and partner with state agencies and local entities. The Head Start Collaboration Office works with state and community partners to leverage common interests around young children and their families to formulate, implement, and improve state and local policy and practices.

- Provides support to Head Start agencies across the state in the implementation of Parent Aware, Minnesota’s Quality Rating and Improvement System, as well as other state agencies’ early learning services initiatives.
- Calculates and processes aid payments and provides technical support to grantees for the implementation of this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020-2021³</i>		<i>FY 2021-2022³</i>	
Results	Percentage of children who met developmental targets upon exiting Head Start	3-year-olds	81%	3-year-olds	80%
		4-year-olds	70%	4-year-olds	63%
Quantity	Number of children assessed upon exiting Head Start	3-year-olds	1,483	3-year-olds	1,819
		4-year-olds	2,153	4-year-olds	2,078

¹ FY 2022 enrollment retrieved from internal MDE records.

² FY 2021 data retrieved from the federal Office of Head Start Program Information Report (PIR). This may not include all state funded Head Start/Early Head Start enrollment, as there are not requirements to report non-federally funded children on the PIR.

³ FY 2019-2020 - Data is not available for this year as spring assessments fell during the period when sites were initially closed due to the first weeks of the COVID-19 pandemic and the planning that took place then to continue services. FY 2020-2021 - Data was impacted by multiple site closures that occurred multiple times throughout the year due to the COVID-19 pandemic and CDC/MDH requirements. FY 2021-2022 - Data was impacted by multiple site closures that occurred multiple times throughout the year due to the COVID-19 pandemic and CDC/MDH requirements. The Office of Head Start allowed programs to make determinations on their own as to whether virtual or in person services would be offered through December 2021. On January 1, 2022 in person service was required unless sites were closed because of COVID-19 health guidance from the CDC/MDH.

M.S. 119A.50-545; 42 U.S.C. 9840 et seq.

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
1000 - General	25,100	25,319	24,873	25,327	25,100	25,100	25,100	25,100
Total	25,100	25,319	24,873	25,327	25,100	25,100	25,100	25,100
Biennial Change				(218)		0		0
Biennial % Change				(0)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	25,100	25,319	24,873	25,327	25,100	25,100	25,100	25,100
Total	25,100	25,319	24,873	25,327	25,100	25,100	25,100	25,100

Head Start

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Direct Appropriation	25,100	25,100	25,100	25,100	25,100	25,100	25,100	25,100
Balance Forward In		219		227				
Balance Forward Out			227					
Expenditures	25,100	25,319	24,873	25,327	25,100	25,100	25,100	25,100
Biennial Change in Expenditures				(218)		0		0
Biennial % Change in Expenditures				(0)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Infant and Toddler Intervention

AT A GLANCE

- 5,596 Minnesota infants and toddlers with disabilities were counted as being served through Individual Family Service Plans (IFSP) on December 1, 2021.
- Individuals with Disabilities Act (IDEA) Part C services are funded with federal grant dollars, state special education aid, and general education revenue. Only federal funds are reflected in the fiscal pages of this Budget Activity.

PURPOSE AND CONTEXT

The federally regulated Infants and Toddlers program provides individualized family-centered services to eligible children and their families in order to aid in the development of very young children with conditions known to result in delays and those who are showing delays in development.

This program supports the objective that every student deserves a world class education. This program also supports the Minnesota Department of Education's (MDE) Ten Minnesota Commitments to Equity including Start Early, Value People, and Prioritize Equity by setting and communicating a vision and targets for high outcomes for all infants and toddlers with or suspected of having developmental delays in Minnesota, regardless of factors such as income level or immigration status.

SERVICES PROVIDED

Federal funds support 12 Interagency Early Intervention Committees (IEICs) that conduct public awareness and outreach activities to seek out and identify potentially eligible infants and toddlers.

- Specific services are determined for each eligible child and family based on the child's needs and family priorities.
- Services most often include special instruction, speech therapy, and occupational or physical therapy.
- Ninety-three percent of eligible infants and toddlers receive early intervention services in their homes.

The Minnesota Department of Education (MDE) is responsible for:

- Technical assistance and program monitoring to ensure the requirements as directed in IDEA are fulfilled by local education districts and cooperatives.
- Personnel development to ensure that personnel are appropriately and adequately prepared and trained to implement high quality instructional practices that support the development of young children and their families.
- Carrying out general administration and supervision.
- Policy, systems, and budget allocation for contracting or otherwise arranging for services, and procedures for securing timely reimbursement of funds and ensuring a coordinated system of support and services.

RESULTS

Performance Measure 1:

<i>Type of Measure</i>	<i>Child Outcomes</i>	<i>FFY 2018</i>	<i>FFY 2019</i>	<i>FFY 2020</i>
Result	Children will demonstrate positive relationships			
	a. Greater than expected progress	50.35%	50.12%	49.90%
	b. Exited Part C within age expectations	48.37%	48.38%	48.82%
Result	Children will acquire and use knowledge and skills			
	a. Greater than expected progress	55.80%	57.61%	55.57%
	b. Exited Part C within age expectations	41.67%	43.43%	41.79%
Result	Children will take action to meet needs			
	a. Greater than expected progress	57.74%	57.83%	59.12%
	b. Exited Part C within age expectations	49.99%	50.69%	50.11%

Performance Measure 2:

<i>Type of Measure</i>	<i>Child Outcomes</i>	<i>FFY 2018</i>	<i>FFY 2019</i>	<i>FFY 2020</i>
Quality	Percent of participating families who report that the Infants and Toddlers program has helped their child develop and learn	94.21%	92.00%	87.05%

M.S. 125A.26–48

Part C of the Individuals with Disabilities Education Act

Infant & Toddler Intervention

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
3000 - Federal	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731
Total	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731
Biennial Change				234		659		659
Biennial % Change				2		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731
Total	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731

Infant & Toddler Intervention

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
3000 - Federal								
Receipts	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731
Expenditures	6,246	6,223	6,172	6,531	6,631	6,731	6,631	6,731
Biennial Change in Expenditures				234		659		659
Biennial % Change in Expenditures				2		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support

Activity: Preschool Special Education

AT A GLANCE

- 11,654 Programs as of December 1, 2021.
- More than 70% of these children participate in regular early childhood programs and receive special education services in those settings.

PURPOSE AND CONTEXT

The Preschool Special Education program provides individualized education services to preschool-aged children with disabilities.

Funding for services is a combination of federal funds, state special education aid, and general education revenue. Only federal funds are reflected in the fiscal pages of this Budget Activity.

This program supports the objective that every student deserves a world class education. This program also supports the Minnesota Department of Education's (MDE) Ten Minnesota Commitments to Equity including Start Early, Value People, and Prioritize Equity by setting and communicating a vision and targets for high outcomes for young children with disabilities and their families. For Minnesota's youngest students with disabilities this commitment is realized through early intervention and preschool special education services where equity and inclusion are cornerstones of the rights provided through the Individuals with Disabilities Education Act (IDEA). IDEA is a federal law first signed in 1975 supporting all children with disabilities and their families.

SERVICES PROVIDED

The program is federally mandated. Federal funds support statewide efforts to:

- Seek out and identify potentially eligible children.
- Provide professional development opportunities promoting evidence-based practices and technical assistance to ensure the provision of a free appropriate public education (FAPE).
- Provide services, supports, and accommodations that meet the needs of the individual child to make progress on their goals and objects as defined in their Individualize Education Program Plans.

Services are provided to each eligible child through an Individualized Education Program. The goal is to increase each child's ability to actively and independently participate in current and future environments including in the home, preschool, and kindergarten.

Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.

The Minnesota Department of Education:

- Processes payments/reimbursements.
- Provides professional development and technical assistance.
- Monitors program implementation and collects and reports data.
- Interprets regulations, statutes, and rules.
- Connects children and families to appropriate local programs and monitors local implementation.

RESULTS

The table below shows Minnesota’s performance on the federally required child outcomes for federal fiscal years (FFY) 2018-20.

<i>Type of Measure</i>	<i>Child Outcomes</i>	<i>FFY 2018</i>	<i>FFY 2019</i>	<i>FFY 2020</i>
Result	Children will demonstrate positive relationships			
	a. Greater than expected progress	65.93%	63.05%	60.93%
	b. Exited Part C within age expectations	51.38%	48.40%	47.95%
Result	Children will acquire and use knowledge and skills			
	a. Greater than expected progress	67.84%	65.42%	63.44%
	b. Exited Part C within age expectations	49.85%	46.13%	45.67%
Result	Children will take action to meet needs			
	a. Greater than expected progress	67.64%	65.50%	62.53%
	b. Exited Part C within age expectations	61.65%	59.62%	58.23%

M.S. 125A.01–03

Part B/Section 619 of the Individuals with Disabilities Education Act

Preschool Special Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
<u>Expenditures by Fund</u>								
3000 - Federal	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000
Total	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000
Biennial Change				718		601		601
Biennial % Change				7		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000
Total	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000

Preschool Special Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
3000 - Federal								
Receipts	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000
Expenditures	5,152	5,528	5,451	5,948	6,000	6,000	6,000	6,000
Biennial Change in Expenditures				718		601		601
Biennial % Change in Expenditures				7		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

Activity: Community Education

AT A GLANCE

- Every Minnesota school district operates a community education program.
- For fiscal year (FY) 2021, school districts received \$30.1 million in general community education revenue, \$5.4 million in youth service program revenue, and \$5 million in after-school enrichment revenue.
- For FY 2021, the state share (aid entitlement) of community education revenue was \$226,265 and the local property tax share was \$40.4 million.
- State funding for the Northside Achievement Zone and St. Paul Promise Neighborhood programs was made available beginning in FY 2015.
- The Northside Achievement Zone and St. Paul Promise Neighborhood are Promise Neighborhoods, a federal designation for eligible neighborhoods that seek to improve educational and developmental outcomes of children and youth in those communities.
- The Education Partnership Pilot Program was implemented in FY 2016. FY 2020-2021 grantees included the Northfield Healthy Community Initiative, the Jones Family Foundation, the United Way of Central Minnesota, Austin Aspires, and the Rochester Area Foundation.
- General Funds of \$480,000 annually in FY 2022-2023 is available for competitive “Tier 2 grants”.

PURPOSE AND CONTEXT

The community education program is a state aid and local property tax levy program, designed to maximize the community’s use of public schools and to promote the use of school facilities beyond the regular school day. Programs serve participants of all ages from preschool through senior citizens.

This Budget Activity also includes Education Partnerships Coalition funding, including both Tier 1 sustaining and Tier 2 implementing grants.

The Northside Achievement Zone and St. Paul Promise Neighborhood programs receive Tier 1 annual grants that fund efforts designed to reduce multigenerational poverty, prepare children for kindergarten, support third grade reading proficiency, and reduce the educational achievement gap. These programs are available to Minneapolis residents living within the geographic boundaries of the Northside Achievement Zone, and residents of the St. Paul Promise Neighborhood, a 250-square block area in the central neighborhoods of St. Paul.

Each Tier 2 grantee is focusing on:

- Building a continuum of educational family and community supports with schools at the center.
- Developing local infrastructure needed to sustain and scale up proven and effective solutions.
- Using a comprehensive and data-driven approach to increase student success.
- Measuring outcomes, such as kindergarten readiness, reading proficiency at third grade, high school graduation, and college and career readiness.

SERVICES PROVIDED

Community Education

Community education provides services beyond the regular K-12 program. Programs may include:

- Programs for adults with disabilities.

- Adult basic education (ABE).
- Youth development and youth service.
- Early childhood family education (ECFE) and school readiness programs.
- School-age care.
- Summer programs for elementary and secondary pupils and youth after-school enrichment programs.
- Non-vocational, recreational, and leisure activities.

School boards must establish a community education advisory council and, with some exceptions, must employ a licensed community education director.

An annual report is required from each district that provides a community education program.

Total community education revenue includes a district’s general community education revenue, youth service program revenue, and youth after-school enrichment revenue. These revenues are calculated based on a school district’s population and its property tax capacity.

The Minnesota Department of Education (MDE) calculates aid and property tax levies and processes aid payments for this program.

Tier 1 and Tier 2 Grants

The Education Partnership program Tier 1 sustaining grants provide the Northside Achievement Zone and the St. Paul Promise Neighborhood each with an annual grant of \$1.3 million for programming and services, consistent with federal Promise Neighborhood program requirements.

For FY 2020 and FY 2021, the Education Partnership program Tier 2 implementing grant recipients each received \$250,000:

- The Northfield Healthy Community Initiative for a pilot site in Northfield.
- The Jones Family Foundation for the Every Hand Joined program site in Red Wing.
- The United Way of Central Minnesota for the Partners for Student Success program.
- Austin Aspires.
- The Rochester Area Foundation for the Cradle to Career program.

For FY 2022 and FY 2023, the base amount for competitive grants is \$480,000 per year.

By December 15 of each odd-numbered year, MDE must submit a report on the education partnership program to the Minnesota Legislature describing:

- Activities funded by the grant.
- Grant recipients and award.
- Program performance measures and outcomes.
- Recommendations for legislative changes.

RESULTS

Community Education

MDE does not collect data to show the impact of community education programming other than the number of individuals that received services.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2021</i>
Quantity	Number of districts submitting general annual report	300	278

Tier 1 and Tier 2 Grants

Individual Education Partnership grantees work towards quantitative measures focused on core activities. Additional information is available in the Education Partnerships Coalition Annual Report (<https://epc-mn.org/resources>).

Grantee	Core Activities / Priorities	Performance Highlights
Austin Aspires	Increase family engagement.	From January through October of 2021, Austin Aspires’ staff worked closely with over 900 families to provide access to food support, legal support, transportation services, childcare, medical services, and more.
Rochester Area Foundation – Cradle to Career	Engage youth.	Engaged more than 160 youth in providing feedback on Cradle2Career programs, attending collective impact network meetings, and participating in interviews and focus groups on community initiatives.
Generation Next – Twin Cities	Increase post-secondary preparation and persistence.	In 2021, to support Minnesota’s goal of reaching 70 percent postsecondary attainment, Generation Next began an agreement with the Minnesota Statewide Longitudinal Education Data System (SLEDS), to analyze individual-level SLEDS data.
Jones Family foundation for Every Hand Joined – Red Wing	Increase social skills, emotional management and independent living skills.	Offered independent living skills classes and paired 184 students with mentors. 90% of participants are more comfortable filling out job applications and preparing for and participating in job interviews. 90% have either completed their driver’s education class or know what is required to get their driver’s license.
Northfield Healthy community Initiative - Northfield	Improve literacy proficiency.	In 2021, 76% of Northfield’s incoming kindergartners were ready for kindergarten in reading – up from 56% in 2018. For children receiving free/reduced lunch, the rate increased from 38% to 60% in that time.
Northside Achievement Zone (NAZ) – Minneapolis	Prepared for kindergarten.	In winter 2020, 79% of NAZ preschoolers were proficient in 4-6 developmental domains, indicating readiness for kindergarten, as compared to the 25-30% kindergarten readiness that is typical in their community.
United Way of Central MN – Partners for Success – St. Cloud Area	Close opportunity gaps.	During 2020, over 70% of students engaged in the program sustained or increased reading levels. The program focused on multilingual learners and students reading below grade level.
St. Paul Promise Neighborhood – St. Paul	Preventing summer learning loss.	In 2021 St. Paul Promise Neighborhood and partners served 500-plus children through its summer learning loss program.

M.S. 124D.18–20; M.S. 124D.99

Community Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	4,177	4,086	3,030	3,460	3,178	3,161	48,178	3,161
Total	4,177	4,086	3,030	3,460	3,178	3,161	48,178	3,161
Biennial Change				(1,773)		(151)		44,849
Biennial % Change				(21)		(2)		691
Governor's Change from Base								45,000
Governor's % Change from Base								710

Expenditures by Category

Compensation								1,111
Operating Expenses								1,139
Grants, Aids and Subsidies	4,177	4,086	3,030	3,460	3,178	3,161	45,928	3,161
Total	4,177	4,086	3,030	3,460	3,178	3,161	48,178	3,161

Full-Time Equivalents

								2.25
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Community Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Entitlement	318	227	175	147	93	79	93	79
Levies	39,989	40,380	40,634	41,544	41,580	42,379	41,580	42,379
District Revenue	40,307	40,607	40,809	41,691	41,673	42,458	41,673	42,458
Direct Appropriation	4,177	4,086	3,260	3,230	3,178	3,161	48,178	3,161
Current Year	287	205	158	133	84	72	84	72
Prior Year	40	31	22	17	14	9	14	9
Balance Forward In				230				
Balance Forward Out			230					
Expenditures	4,177	4,086	3,030	3,460	3,178	3,161	48,178	3,161
Biennial Change in Expenditures				(1,773)		(151)		44,849
Biennial % Change in Expenditures				(21)		(2)		691
Governor's Change from Base								45,000
Governor's % Change from Base								710
Full-Time Equivalent							2.25	

Program: Community Education
Activity: Adults with Disabilities

AT A GLANCE

- This program funds local community education programs for adults with disabilities.
- Approved programs may receive state aid equal to the lesser of \$30,000 or 50 percent of actual expenditures.

PURPOSE AND CONTEXT

This aid and property tax levy program have provided revenue to the same set of school districts to support community education programs and services for adults with disabilities for more than two decades.

SERVICES PROVIDED

Revenue for most districts is 50 percent state aid and 50 percent local property tax levy.

Programs use the following service strategies:

- Assistance for adults participating in community activities (including one-on-one assistance, braille, and interpreter services).
- Classes specifically for adults with disabilities.
- Outreach to identify adults needing services.
- Activities to increase public awareness of the roles of people with disabilities.

The Minnesota Department of Education (MDE) calculates and processes aid payments to districts and determines their property tax levy for this program.

RESULTS

Program performance data is not collected by MDE and school districts are not required to report on the details of their programs. District reporting of funding use is limited to the reporting of expenditures in the Uniform Financial Accounting and Reporting System.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2021</i>
Quantity	Districts participating in program	63	63
Quantity	Metropolitan districts participating in program	28	28

M.S. 124D.56

Adults with Disabilities

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<i>Expenditures by Fund</i>								
1000 - General	710	706	702	710	710	710	710	710
Total	710	706	702	710	710	710	710	710
Biennial Change				(4)		8		8
Biennial % Change				(0)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
<i>Expenditures by Category</i>								
Grants, Aids and Subsidies	710	706	702	710	710	710	710	710
Total	710	706	702	710	710	710	710	710

Adults with Disabilities

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	710	710	710	710	710	710	710	710
District Revenue	710	710	710	710	710	710	710	710
Direct Appropriation	710	710	710	710	710	710	710	710
Current Year	639	639	639	639	639	639	639	639
Prior Year	71	67	63	71	71	71	71	71
Cancellations		4	8					
Expenditures	710	706	702	710	710	710	710	710
Biennial Change in Expenditures				(4)		8		8
Biennial % Change in Expenditures				(0)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education
Activity: Hearing Impaired Adults

AT A GLANCE

- In 2021, two sites submitted qualified requests for funds under this program.

PURPOSE AND CONTEXT

The hearing-impaired adults program provides educational opportunities for adults who are deaf and hard-of-hearing. This program provides assistance with the one-time costs of interpreter and note-taker services for adults participating in school district adult education classes, adult technical college programs, or private community agencies.

SERVICES PROVIDED

- This program provides assistance with the one-time costs of interpreter and note-taker services.
- The program is not meant to support all interpreter services for adult learners who are deaf and hard-of-hearing, but to help in unforeseen situations.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

The rate at which sites request funds in consecutive years provides a gauge as to whether providers are anticipating, and budgeting for, support for individuals with hearing impairments. It is difficult to draw assumptions regarding the true statewide demand for services, since most districts or non-profit providers also seek other resources to meet their needs.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2021</i>
Quantity	Number of educational programs for which interpreter and note-taker services costs were reimbursed.	107	60

M.S. 124D.57

Hearing Impaired Adults

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	70	70	70	70	70	70	70	70
Total	70	70	70	70	70	70	70	70
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	70	70	70	70	70	70	70	70
Total	70	70	70	70	70	70	70	70

Hearing Impaired Adults

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	70	70	70	70	70	70	70	70
Expenditures	70	70	70	70	70	70	70	70
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education

Activity: School Age Care

AT A GLANCE

- School age care revenue was funded totally by local property tax levy in fiscal year (FY) 2021 (\$0 state aid).
- The total levy for FY 2021 was \$24.1 million.

PURPOSE AND CONTEXT

School Age Care is a program that helps ensure all students within a district have equal access to after-school care and summer educational programming.

School districts with school age care programs are served by this levy program.

This program supports the objective that every student deserves a world class education and attends a safe and nurturing school.

SERVICES PROVIDED

School age care revenue reimburses districts for approved additional costs incurred to provide school age care to children with disabilities, or children experiencing family or related problems of a temporary nature.

The school age care property tax levy equals:

- School age care revenue, times
- The lesser of:
 - One; or,
 - The ratio of (the adjusted net tax capacity of the district the year prior to levy certification, divided by the number of students living in the district for the levy year) to \$2,318.

School Age Care aid equals:

- School age care revenue minus school age care property tax levy.

Because of the low equalizing factor that offsets property taxes with state aid, all revenue has been in the form of local property tax.

The Minnesota Department of Education calculates aid and property tax levies for this program.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2019</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Number of districts with school age care expenditures	157	163	224

M.S. 124D.19; M.S. 124D.22

School Age Care

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	1	1		1	1	1	1	1
Total	1	1		1	1	1	1	1
Biennial Change				(1)		1		1
Biennial % Change				(50)				
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	1	1		1	1	1	1	1
Total	1	1		1	1	1	1	1

School Age Care

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	1	1		1	1	1	1	1
Levies	18,578	19,759	20,403	21,880	22,595	30,854	22,595	30,854
District Revenue	18,579	19,760	20,403	21,881	22,596	30,855	22,596	30,855
Direct Appropriation	1	1	1	1	1	1	1	1
Current Year	1	1		1	1	1	1	1
Cancellations			1					
Expenditures	1	1		1	1	1	1	1
Biennial Change in Expenditures				(1)		1		1
Biennial % Change in Expenditures				(50)				
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning

Activity: Adult Basic Education

<https://education.state.mn.us/MDE/fam/abe/>

AT A GLANCE

- 1,303 licensed teachers and 880 volunteers served over 39,481 students at an estimated 300 locations in fiscal year (FY) 2021.
- Of all enrollees, more than 40 percent were English learners, 7 percent had never attended school, 23 percent were unemployed, and 15 percent were in correctional facilities.

PURPOSE AND CONTEXT

Adult basic education (ABE) is a state and federally funded program that provides adults educational opportunities to acquire and improve the literacy skills they need to become self-sufficient.

This program supports the objective that all students receive a world-class education.

SERVICES PROVIDED

ABE program options:

- English as a Second Language
- High School Equivalency Diploma (previously called the GED or General Education Development diploma)
- Standard Adult High School Diploma and Traditional High School Diploma
- Basic Skills Education
- Workforce Preparation
- Transition to Postsecondary Education
- U.S. Citizenship and Civics
- Family Literacy

ABE is provided at roughly 300 sites in every Minnesota county, plus via online and distance learning options. Sites include public schools, community/technical colleges, prisons/jails, community nonprofit organizations, CareerForce centers, libraries, learning centers, and Tribal Nation centers. Programs have voluntarily formed ABE consortia (38 administrative units) to maximize efficiency and share resources.

The Minnesota Department of Education provides technical support, calculates aid entitlements, and pays aid to districts and consortia.

RESULTS (Note: significant pandemic impact in the years displayed)

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2020</i>	<i>FY 2021</i>
Quantity	Adults who obtained a high school diploma or high school equivalency diploma	2,414	1,933
Quantity	Adults who entered an integrated education and training program	1,507	1,060
Quality	Participants who made a measurable skill gain	37%	23%
Result	Participants who were employed six months after exiting ABE	38%	34%

M.S. 124D.51; M.S. 124D.518; M.S. 124D.52; M.S. 124D.521; M.S. 124D.522; M.S. 124D.531

Adult Basic Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	50,050	51,179	51,594	51,790	51,763	51,758	51,763	51,758
3000 - Federal	5,396	5,647	5,131	6,211	6,367	6,356	6,367	6,356
Total	55,446	56,826	56,725	58,001	58,130	58,114	58,130	58,114
Biennial Change				2,455		1,518		1,518
Biennial % Change				2		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
<u>Expenditures by Category</u>								
Grants, Aids and Subsidies	55,446	56,826	56,725	58,001	58,130	58,114	58,130	58,114
Total	55,446	56,826	56,725	58,001	58,130	58,114	58,130	58,114

Adult Basic Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Entitlement	50,204	51,770	51,763	51,793	51,759	51,758	51,759	51,758
District Revenue	50,204	51,770	51,763	51,793	51,759	51,758	51,759	51,758
Direct Appropriation	50,052	51,613	53,191	51,790	51,763	51,758	51,763	51,758
Current Year	45,184	46,593	46,587	46,614	46,584	46,583	46,584	46,583
Prior Year	4,866	4,586	5,008	5,176	5,179	5,175	5,179	5,175
Cancellations	2	434	1,597					
Expenditures	50,050	51,179	51,594	51,790	51,763	51,758	51,763	51,758
Biennial Change in Expenditures				2,156		137		137
Biennial % Change in Expenditures				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal

Receipts	5,396	5,647	5,131	6,211	6,367	6,356	6,367	6,356
Expenditures	5,396	5,647	5,131	6,211	6,367	6,356	6,367	6,356
Biennial Change in Expenditures				299		1,381		1,381
Biennial % Change in Expenditures				3		12		12
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning

Activity: High School Equivalency Tests

<https://education.state.mn.us/MDE/dse/abe/ged/>

AT A GLANCE

- Two High School Equivalency (HSE) tests have been approved: General Education Development (GED) and HiSET. GED is already being offered in Minnesota; the High School Equivalency Test (HiSET) will launch in Minnesota in October 2022.
- 88 GED testing centers, including 11 at state correctional facilities. New HiSET Test Centers launching in October 2022.
- In fiscal year (FY) 2022, 3,516 examinees took at least one GED test; 2,054 examinees completed all the modules.
- More than 45% of GED graduates enroll in college within 3 years, according to the GED Testing Service.
- Individuals earning a GED are eligible to receive federal financial aid, including Pell Grants, if they meet income requirements.

PURPOSE AND CONTEXT

This state aid program provides increased access for eligible individuals to complete the General Education Development (GED) battery of tests. Six percent of Minnesotans aged 25-64 lack a high school diploma or its equivalent.

The GED examination consists of four tests that measure outcomes associated with a high school education:

- Successful completion of the GED tests results in the awarding of a state of Minnesota GED diploma.
- A high school diploma or GED is required by many employers, is accepted by almost all of Minnesota's postsecondary institutions (PSI), and serves as evidence to receive grants or scholarships to attend PSI.

This program supports the objective of all students receiving a world-class education and earning a family sustaining wage.

SERVICES PROVIDED

This program provides supplemental funds that are used to pay a portion of the HSE testing fee for eligible Minnesotans.

- For FY 2021, the High School Equivalency testing allocation was \$245,000; for FY 2022, the High School Equivalency testing allocation was \$125,000.
- The High School Equivalency testing allocation currently pays a maximum of \$40 toward a student's GED testing fees (up to \$136 per student).

The Minnesota Department of Education (MDE) processes reimbursement payments to the GED Testing Service for GED and with PSI for HiSET so that tests are offered at discounted rates.

RESULTS*

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY 2021</i>	<i>FY 2022</i>
Quantity	Test subsidies provided	6,843	3,205
Quality	Percentage of GED candidates completing the full battery who passed	81%	80%

*Please note: There was a significant decrease in HSE testing due to the pandemic, and there was a decrease in the number of test subsidies provided due to the reduction in the amount of subsidy funding.

M.S. 124D.549; M.S. 124D.55

High School Equivalency Tests

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	245	205	34	216	125	125	615	125
Total	245	205	34	216	125	125	615	125
Biennial Change				(200)		0		490
Biennial % Change				(44)		(0)		195
Governor's Change from Base								490
Governor's % Change from Base								196
<u>Expenditures by Category</u>								
Operating Expenses		205	34	216	125	125	125	125
Grants, Aids and Subsidies	245						490	
Total	245	205	34	216	125	125	615	125

High School Equivalency Tests

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Direct Appropriation	245	245	125	125	125	125	615	125
Balance Forward In		12		91				
Cancellations		51						
Balance Forward Out			91					
Expenditures	245	205	34	216	125	125	615	125
Biennial Change in Expenditures				(200)		0		490
Biennial % Change in Expenditures				(44)		(0)		195
Governor's Change from Base								490
Governor's % Change from Base								196

Education

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Agriculture 10.541	Child Nutrition-Technology Innovation Grant To allow State agencies that administer the Child Nutrition Programs (CNPs) to apply for grant funding to implement innovative technology solutions that will improve program accountability, data accuracy, program performance measurement, and the capacity to identify and target error-prone areas (locations or program functions) within and across the CNPs at the State and Local Educational Agency (LEA) or Sponsor Organization (SO) levels.	\$ 16	\$ 640	\$ 640	\$ 160		1.10
Agriculture 10.553	Food & Nutrition Services-Breakfast To assist States in implementing a nutritious nonprofit breakfast service for school children, through meal reimbursements and food donations.	\$ 114,508	\$ 67,736	\$ 69,090	\$ 70,471	Match	-
Agriculture 10.555	Food & Nutrition Services-Lunch To assist States, through cash grants and food donations, in providing a nutritious nonprofit lunch service for school children and to encourage the domestic consumption of nutritious agricultural commodities.	\$ 416,236	\$ 267,102	\$ 272,033	\$ 277,064	Match	-
Agriculture 10.555	Child Nutrition Program (CNP) Cares Grants to States This funding is to be used for the following purposes: Supply Change Assistance funds. Provides assistance to school districts with supply change disruptions during the COVID-19 health emergency.	\$ 15,914	\$ 26,906	\$ -	\$ -		-
Agriculture 10.555	Child Nutrition Program (CNP) Cares Grants to States This funding is to be used for the following purposes: Provide additional funding to cover lost reimbursable meal revenue of the National School Breakfast and Lunch programs during the COVID-19 health emergency.	\$ 4,798	\$ -	\$ -	\$ -		-
Agriculture 10.556	Food & Nutrition Services-Special Milk To provide subsidies to schools and institutions to encourage the consumption of fluid milk by children.	\$ 486	\$ 828	\$ 843	\$ 860	Match	-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Commodities Provide additional funding for lost meal reimbursement revenue for sponsors of the Child and Adult Care Food Program. Sponsors provide meals to children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	\$ 4,852	\$ -	\$ -	\$ -		-
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Commodities To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	\$ 10,974	\$ 2,351	\$ 2,397	\$ 2,445		-
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Audit To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	\$ 1,424	\$ 3,162	\$ 1,589	\$ 1,618		10.20
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Food Service To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	\$ 225,169	\$ 57,200	\$ 58,344	\$ 59,510		-
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Sponsor Admin To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	\$ 4,265	\$ 4,425	\$ 4,513	\$ 4,604		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Agriculture 10.559	Food Nutrition Services-Summer Food Service Program State Admin Expenses Nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	\$ 1,376	\$ 780	\$ 792	\$ 806		2.10
Agriculture 10.559	Food & Nutrition Services-Summer Food Program Sponsor Admin Initiate and maintain nonprofit food service programs for low-income children during the summer months & at other approved times, when schools are out of session or closed for vacation.	\$ 11,386	\$ 10,778	\$ 10,992	\$ 11,213		-
Agriculture 10.559	Food & Nutrition Services-Summer Food Program Initiate and maintain nonprofit food service programs for low-income children during the summer months & at other approved times, when schools are out of session or closed for vacation.	\$ 120,331	\$ 41,317	\$ 42,146	\$ 42,985		-
Agriculture 10.560	Food & Nutrition Services-State Admin Expense To provide each State agency with funds for its administrative expenses in supervising and giving technical assistance to local schools, school districts and institutions in their conduct of Child Nutrition Programs. State agencies that administer the distribution of USDA Foods to schools and child or adult care institutions are also provided with State Administrative Expense (SAE) funds.	\$ 5,240	\$ 5,635	\$ 6,148	\$ 6,234	Match	36.25
Agriculture 10.574	Food & Nutrition Services-Team Nutrition Training Grants Team Nutrition is an initiative of the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) to support their Child Nutrition Programs through training and technical assistance for foodservice, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity. Team Nutrition Training Grants for Healthy School Meals have been identified in USDA's national Strategic Plan for Training and Technical Assistance as one of the anchor delivery systems for supporting the implementation of USDA's nutrition requirements and the Dietary Guidelines for Americans in Child Nutrition programs.	\$ 174	\$ 513	\$ 519	\$ 527		1.25

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Agriculture 10.575	Farm to School Grant Program To support food skills development with emphasis placed on Family and Consumer Sciences (FCS) programs and school gardens.	\$ 1	\$ -	\$ -	\$ -		-
Agriculture 10.579	Child Nutrition Discretionary Grants Limited Availability National School Lunch Program (NSLP) Equipment Assistance Grants are awarded via a competitive grant process to school food authorities giving priority to high need schools where 50% or more of the enrolled students are eligible for free or reduced meals. Direct Certification Improvement Grants awarded to assist State agencies in improving their direct certification processes and rates. Admin Review Training grants awarded to State agencies to conduct additional administrative reviews of selected local educational agencies and to provide funding for state agencies to be used for oversight and training of admin personnel on application, certification, verification, meal counting, and meal claiming procedures.	\$ 78	\$ 594	\$ 848	\$ 512		0.20
Agriculture 10.582	Food & Nutrition Services-Fresh Fruits & Vegetables To assist States, through cash grants, in providing free fresh fruits and vegetables to elementary schools with high percentages of children who receive free or reduced price meals through the National School Lunch Program.	\$ 3,214	\$ 4,212	\$ 4,216	\$ 4,221		1.00
Agriculture 10.589	Direct Certification Performance Award Direct Certification Performance Awards are designed to encourage States to ensure that all eligible children living in households receiving benefits under the Supplemental Nutrition Assistance program (SNAP) are directly certified for free school meals. Each year for three years, USDA may award a total of up to 15 States for exemplary performance in their direct certification efforts with SNAP.	\$ 2	\$ 77	\$ 77	\$ 77		-
Agriculture 10.645	Farm to School Grant Program To support food skills development with emphasis placed on Family and Consumer Sciences (FCS) programs and school gardens.	\$ -	\$ 124	\$ 295	\$ 291		1.00

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Agriculture 10.649	Pandemic EBT (P-EBT) Local Level Administrative Cost Grant - Grant from Department of Human Services to reimburse administrative costs incurred by State agencies for the implementation and administration of P-EBT.	\$ 2,003	\$ 2,184	\$ 2,254	\$ 2,259		-
Agriculture 10.649	Pandemic EBT (P-EBT) Local Level Administrative Cost Grant - For the purpose of reimbursing local sponsors for administrative costs incurred in the delivery of P-EBT. These grant funds may be used to reimburse allowable local level P-EBT costs upon approval of the State's P-EBT operational plan.	\$ 707	\$ 470	\$ -	\$ -		-
United States Treasury 21.029	ARP Capital Project Fund Multi-Purpose Community Facility Projects To invest in Multi-Purpose Community Facility Projects in areas that will benefit the most from support to address challenges exacerbated by the pandemic; support cross-sector education, work, and health strategies that advance family economic stability, educational opportunity, and child and youth wellbeing; and leverage and align existing investments and strategies across the state's funding and program administration for maximum community impact.	\$ -	\$ 5,000	\$ 25,263	\$ 19,737		0.75
Institute of Museum & Library Services 45.310	Library Services and Technology Act – Grants to States Promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public.	\$ 2,704	\$ 2,758	\$ 3,183	\$ 3,183	Match/ MOE	9.20
Institute of Museum & Library Services 45.310	Library Services and Technology Act – Grants to States Cares Act to promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public.	\$ 1	\$ -	\$ -	\$ -		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Institute of Museum & Library Services 45.310	Library Services and Technology Act – American Rescue Plan Actual 2021 - Grants to States To promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public.	\$ 1,862	\$ 1,255	\$ -	\$ -		-
Education 84.002	Adult Basic Education To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and integrated English literacy-civics education programs. Participation in these programs is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent and who are not enrolled or required to be enrolled in a secondary school under State law. See 20 USC 9202(1).	\$ 5,700	\$ 6,964	\$ 7,131	\$ 7,131	Match/ MOE	4.51
Education 84.010	Title 1 To help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.	\$ 171,509	\$ 179,988	\$ 188,500	\$ 188,500		11.53
Education 84.011	Migrant Education To assist States in ensuring that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet.	\$ 1,226	\$ 2,339	\$ 1,975	\$ 1,975		1.50
Education 84.013	Title I Neglected & Delinquent To help provide educational continuity for neglected and delinquent children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released.	\$ 583	\$ 479	\$ 428	\$ 403		-
Education 84.027	Special Education—Children with Disabilities To provide grants to States to assist them in providing special education and related services to all children with disabilities.	\$ 195,705	\$ 221,462	\$ 223,615	\$ 225,864	MOE	79.53

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.027X	American Rescue Plan Act of 2021 - SPED. For grants to states for IDEA Part B, for preschool grants under section 619 of IDEA, and for infants and toddlers under Part C of IDEA as authorized under section 2014 of the American Rescue Plan (ARP) Act, 2021.	\$ 5,048	\$ 21,600	\$ 21,600	\$ -		-
Education 84.048	Carl Perkins Act – Vocational Education Develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.	\$ 8,154	\$ 10,074	\$ 10,091	\$ 10,113		7.40
Education 84.144	Migrant Education - Coordination Program To provide financial incentives to State Educational Agencies (SEAs) to participate in consortia that provide high-quality project designs and services to improve the interstate or intrastate coordination of migrant education programs by addressing key needs of migratory children who have their education interrupted.	\$ 61	\$ 63	\$ 63	\$ 63		-
Education 84.173	Early Childhood – Special Education Preschool Grants Part B To provide grants to States to assist them in providing special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year-old children with disabilities who will reach age three during the school year.	\$ 7,318	\$ 8,114	\$ 8,190	\$ 8,206		4.14
Education 84.173X	ARP Early Childhood – Special Education Preschool Grants Part B To provide grants to States to assist them in providing special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year-old children with disabilities who will reach age three during the school year.	\$ 305	\$ 2,000	\$ 2,000	\$ -		-
Education 84.181	Early Childhood – Special Education- Grants for Infants and Families Part C To provide grants to States to assist them to implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	\$ 7,692	\$ 8,939	\$ 9,059	\$ 9,177	MOE	7.01

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.181X	ARP Early Childhood – Special Education-Grants for Infants and Families Part C To provide grants to States to assist them to implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	\$ 1	\$ 3,356	\$ 1,668	\$ -		-
Education 84.184	School Climate Transformation (SCT) Grant Program--State Educational Agency Grants To improve students' safety and well-being during and after the school day.	\$ 490	\$ 790	\$ 790	\$ 790		3.00
Education 84.196	Education for Homeless Children and Youth To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States to: (1) establish or designate an Office of Coordinator for Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies (LEAs) to support the education of those children.	\$ 777	\$ 1,061	\$ 1,106	\$ 1,076		1.30
Education 84.206	Javits Gifted and Talented Students Education To promote and initiate a coordinated program of evidence-based research, demonstration projects, innovative strategies, and similar activities designed to build and enhance the ability of elementary and secondary schools nationwide to identify gifted and talented students and meet their special education needs.	\$ 518	\$ 544	\$ 544	\$ 544		0.05
Education 84.282	Charter Schools The program supports startup of new charter schools and the replication and expansion of high-quality charter schools. Charter schools increase educational options for parents and students and, in exchange for stricter academic accountability, are exempt from many statutory and regulatory requirements. Funds also support State efforts to improve charter schools' access to facilities.	\$ 3,720	\$ 14,357	\$ 10,151	\$ 10,154		1.95

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.287	<p>21st Century Community Learning Centers</p> <p>To provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student academic achievement standards in core academic subjects, such as reading and math; to offer students a broad array of enrichment activities that reinforce and complement their regular academic programs; and to offer literacy and other educational services to the families of participating children.</p>	\$ 13,850	\$ 19,156	\$ 19,160	\$ 19,165		4.85
Education 84.323	<p>Special Education – State Personnel Development</p> <p>To assist State educational agencies in reforming and improving their systems for personnel preparation and professional development in early intervention, educational and transition services, to improve results for children with disabilities. As used in this program, personnel means special education teachers, regular education teachers, principals, administrators, related services personnel, paraprofessionals, and early intervention personnel serving infants, toddlers, preschoolers, or children with disabilities, except where a particular category of personnel, such as related services personnel, is identified.</p>	\$ 147	\$ 2,284	\$ 1,684	\$ 1,188		1.55
Education 84.326	<p>Deaf & Blind - Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities</p> <p>The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance (TA), supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research.</p>	\$ 161	\$ 266	\$ 165	\$ 165		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.351	Assistance for Arts Education (AAE) Program To promote arts education for students, including disadvantaged students and students who are children with disabilities, through various activities.	\$ 4	\$ 719	\$ 719	\$ 719		2.00
Education 84.358	Rural & Low Income Schools Provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.	\$ 190	\$ 214	\$ 210	\$ 214		-
Education 84.365	English Language Acquisition State Grants To help ensure that English learners (ELs), including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards that all children are expected meet.	\$ 9,847	\$ 10,798	\$ 10,767	\$ 10,767		3.05
Education 84.365	Disaggregating Student Data: Strengthening Assessment to Improve Educational Outcomes To collect student data on all populations reporting 1,000 or more residents in the most recent decennial census, beginning in the 2017-2018 school year. To ensure that schools and districts have access to disaggregate data that can strengthen academic programs and close the achievement gap.	\$ 261	\$ -	\$ -	\$ -	MOE	-
Education 84.367	Title II Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) To provide grants to State Educational Agencies (SEAs), and, through the SEAs, to Local Educational Agencies (LEAs) in order to increase student academic achievement consistent with challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders.	\$ 26,852	\$ 28,409	\$ 28,409	\$ 28,409		8.41

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
<p>Education 84.368A</p>	<p>Competitive Grants for State Assessments Minnesota is the lead state in the Advancing ALTELLA: Alternate Assessment Redesign (Advancing ALTELLA) collaborative, including the 40 states and entities of the WIDA Consortium and the Texas Education Agency. The goal is to redesign, update, and extend the current Alternate ACCESS, which includes: 1) developing an English language proficiency screener for English learners with significant cognitive disabilities; 2) revamping the current Alternate ACCESS that includes developing a Kindergarten version and updating the current forms; 3) creating professional learning materials to support the implementation and administration of the new and updated assessments; 4) conducting research and evaluation to enhance the new and updated assessments; and 5) disseminating project findings, results, and updates on a project website, in publications, and at national conferences and state meetings.</p>	\$ 1,049	\$ 1,269	\$ 1,269	\$ 1,269		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.369	<p>State Assessments</p> <p>The purpose of this program is: to pay the costs of developing the standards and high-quality assessments required by Title I of the ESEA. Once a State has put in place those standards and assessments, it may use program funds to pay for the administration of the assessments and for other activities related to ensuring that the State's schools and LEAs are held accountable for results and helping students attain challenging academic standards linked to college- and career-readiness. Such activities may include, among other things, developing standards and assessments in subjects other than those required by Title I, refining State assessments to ensure continued alignment with standards, expanding the range of testing accommodations for students with disabilities and for English Learner students, developing multiple measures to ensure the validity and reliability of State assessments, and using academic assessment instruments such as performance and technology-based assessments or computer adaptive assessments to better reflect the kind of complex work students do in an effective classroom and the real world.</p>	\$ 9,165	\$ 9,847	\$ 9,847	\$ 9,847		19.10
Education 84.371	<p>Comprehensive Literacy State Development Program</p> <p>The objective of the Comprehensive Literacy Development program is to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through grade 12, including English learner and students with disabilities.</p>	\$ 8,583	\$ 11,377	\$ 12,017	\$ 10,523		3.34
Education 84.372	<p>Statewide Longitudinal Data Systems</p> <p>To enable State educational agencies to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data, to facilitate analyses and research to improve student academic achievement and close achievement gaps.</p>	\$ 199	\$ -	\$ -	\$ -		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.424	Student Support and Academic Enrichment (SSAE) Grants To improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.	\$ 12,873	\$ 13,589	\$ 13,398	\$ 13,382		3.29
Education 84.424F	Stronger Connections Grant Program The Bipartisan Safer Communities Act (BSCA), Congress authorized \$1 billion in formula funding under Title IV, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) to State educational agencies (SEAs) to provide students with safer and healthier learning environments. Under the BSCA, SEAs must award these funds competitively to high-need local educational agencies (LEAs) to fund activities allowable under section 4108 of the ESEA.	\$ -	\$ -	\$ 5,241	\$ 5,240		2.00
Education 84.425C	Governor's Emergency Education Relief Fund (GEER Fund) Grants for the purpose of providing local educational agencies (LEAs), institutions of higher education (IHEs), and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to IHE, LEA, or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students for authorized activities described in section 18003(d)(1) of the CARES Act or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	\$ 16,256	\$ 5,110	\$ -	\$ -	MOE	-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.425C	Governor's Emergency Education Relief Fund (GEER II) Public School Portion Grants for the purpose of providing local educational agencies (LEAs) and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to LEA, or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021 or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	\$ 11,751	\$ 4,871	\$ 493	\$ -		-
Education 84.425R	Governor's Emergency Education Relief Fund (GEER II) - Non Public Schools Portion Grants for the purpose of providing local educational agencies (LEAs) and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to LEAs or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021 or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	\$ 17,567	\$ 19,934	\$ 12,062	\$ -		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.425D	Elementary and Secondary School Emergency Relief Fund (ESSER Fund) Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 has had, and continues to have, on elementary and secondary schools across the Nation as authorized in Section 18003 of Division B of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.	\$ 71,801	\$ 3,327	\$ -	\$ -	MOE	-
Education 84.425D	Elementary and Secondary School Emergency Relief Fund II (ESSER II) Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021.	\$ 265,985	\$ 235,656	\$ 182,500	\$ -	MOE	-
Education 84.425U	American Rescue Plan Act (ARP) of 2021 - ESSER 90%. Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 2001 of the American Rescue Plan (ARP) Act, 2021. 20% of these funds must be reserved by the LEA to address learning loss.	\$ 98,850	\$ 500,000	\$ 500,000	\$ 340,000	MOE	-
Education 84.425U	American Rescue Plan Act of 2021 - ESSER 10% Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 2001 of the American Rescue Plan (ARP) Act, 2021. These funds are identified to be spent in the following ways: learning loss (5%), and Summer Enrichment and Afterschool programs (1% each).	\$ 9,287	\$ 33,283	\$ 71,778	\$ 33,866	MOE	34.48

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Education 84.425V	EANS. To provide services or assistance to non-public schools that enroll a significant percentage of low-income students and are most impacted by the qualifying emergency as authorized in section 2002 of the American Rescue Plan (ARP) Act, 2021.	\$ 2,117	\$ 11,000	\$ 27,059	\$ 6,000		-
Education 84.425W	American Rescue Plan Act of 2021 - Homeless Children and Youth. To provide support for the specific and urgent needs of homeless children and youth as authorized in section 2002 of the American Rescue Plan (ARP) Act, 2021.	\$ 1,309	\$ 3,335	\$ 3,028	\$ 1,263		1.73
Health & Human Services 93.243	Project AWARE (Advancing Wellness & Resilience in Education) Grant This program is to build or expand the capacity of State Educational Agencies, in partnership with State Mental Health Agencies (SMHAs; this is DHS in Minnesota) overseeing school-aged youth, and with three local education agencies (LEAS), to: (1) increase awareness of mental health issues among school-aged youth; (2) provide training for school personnel and other adults who interact with school-aged youth to detect and respond to mental health issues; and (3) connect school-aged youth, who may have behavioral health issues (including serious emotional disturbance [SED] or serious mental illness [SMI]), and their families to needed services.	\$ 1,798	\$ 3,883	\$ 3,883	\$ 3,883		4.05
Health & Human Services 93.323	MDH-MDE Agreement for Expanded Lab Capacity - Grant from Minnesota Department of Health to support open, in person K-12 school environments during the COVID-19 pandemic.	\$ 27,084	\$ 41,890	\$ 20,592	\$ -		-

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Health & Human Services 93.434	Preschool Development Grant Birth Through Five In summary, the PDG B-5 grants will support States in their efforts to analyze the current landscape of their ECE mixed delivery system and implement changes to the system that maximize the availability of high-quality early childhood care and education options for low-income and disadvantaged families across providers and partners, improve the quality of care, streamline administrative infrastructure, and improve State-level early childhood care and education funding efficiencies.	\$ 7,837	\$ 8,345	\$ 7,904	\$ -		8.43
Health & Human Services 93.67	Building Early Childhood Child Welfare Partnerships - Support provided through this opportunity will allow grant recipients to develop and/or enhance strategic multi-system collaboration among child welfare agencies, ECE, and other partners to effectively prevent child abuse and neglect and provide comprehensive supports to children and families, including those who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.		\$ -	\$ 275	\$ 275		1.00
Health & Human Services 93.575	Great Start Task Force - Grant from Minnesota Department of Human Services to provide support to Parent Aware, provide outreach and technical assistance to Head Start and similar programs, and participate in quality standards review of Parent Aware.	\$ -	\$ 61	\$ 61	\$ -		-
Health & Human Services 93.600	Head Start Promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals.	\$ 116	\$ 253	\$ 125	\$ 125	Match	0.70

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Revised	FY 2024 Revised	FY 2025 Revised	Required State Match or MOE?	FTEs
Health & Human Services 93.981	CDC Improving Student Health & Academic Achievement thru Nutrition, Physical Activity & Mgmt of Chronic Conditions in Schools This program supports evidence-based strategies and activities to reduce the risk of children and adolescents developing chronic disease in the future, manage chronic conditions prevalent in student populations (asthma, diabetes, epilepsy, food allergies, oral health) and improve academic success. Long-term outcomes include: (1) increasing the number of students who consume nutritious food and beverages, (2) increasing the number of students who participate in daily physical activity, and (3) reducing chronic health issues among students and improving health outcomes in schools.	\$ 764	\$ 365	\$ 365	\$ 365		1.05
	Federal Fund [3000 Fund] Total	\$ 1,972,232	\$ 1,957,418	\$ 1,926,104	\$ 1,459,438		284.00
United States Treasury 21.027	ARP State Fiscal Recovery To provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.	\$ 49,599	\$ 58,800	\$ -	\$ -		-
	ARP - State Fiscal Recovery Fund [3015 Fund] Total	\$ 49,599	\$ 58,800	\$ -	\$ -		-
	Federal Funds Agency Total	\$ 2,021,830	\$ 2,016,218	\$ 1,926,104	\$ 1,459,438		284.00