

1998-99
Minnesota Biennial Budget

Children, Families and Learning

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Presented by Governor Arne H. Carlson to the 80th Legislature

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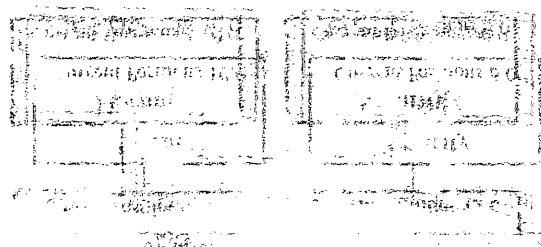
1998-99 BIENNIAL BUDGET

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CHILDREN, FAMILIES & LEARNING

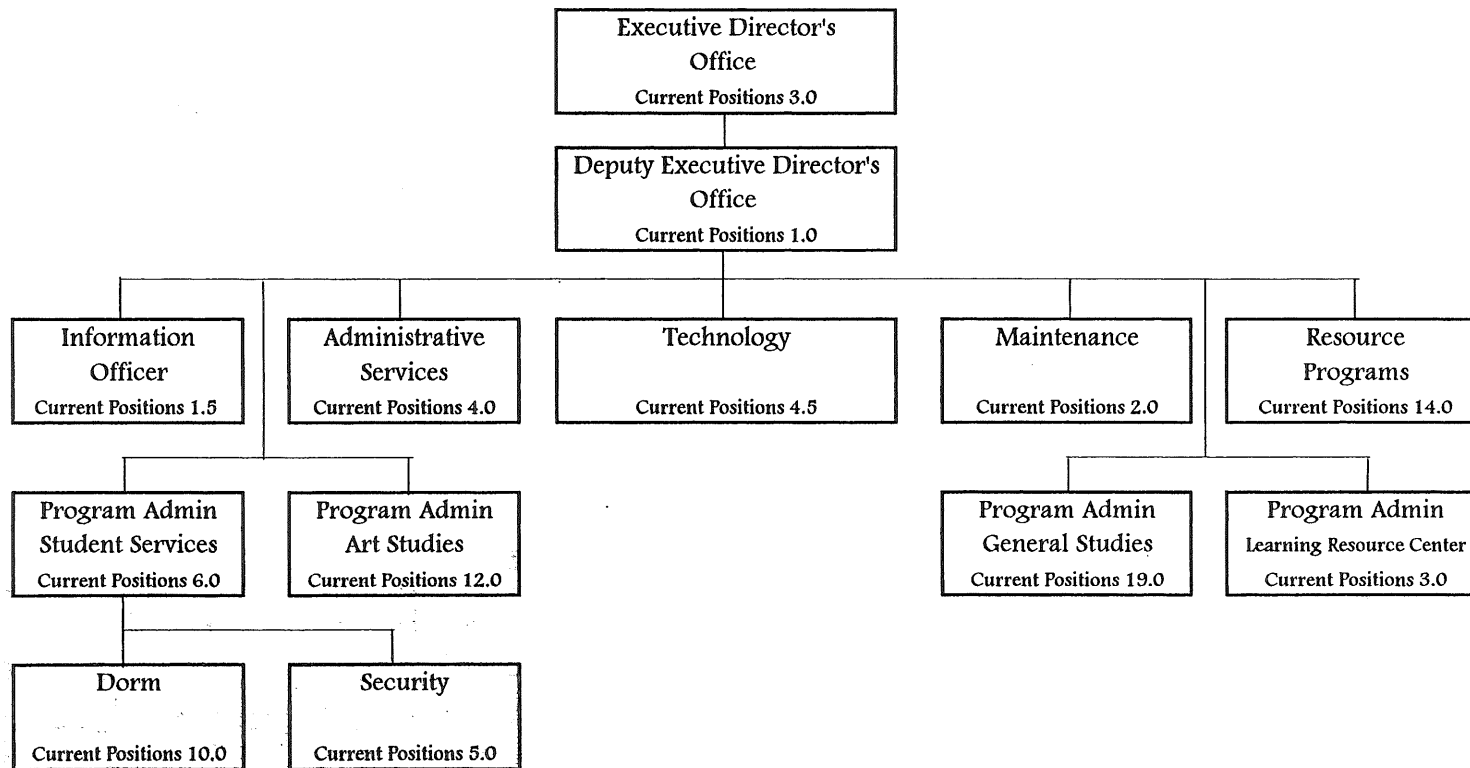
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Lola & Rudy Perpich Minnesota Center for Arts Education
Organizational Chart as of 1/8/97



1998-99 Biennial Budget

AGENCY: Lola and Rudy Perpich Minnesota Center for Arts Education
(Continuation)

- To foster communication and partnerships among professional and community arts organizations, education organizations, the non-profit sector, and business communities for the purpose of demonstrating effective, non-traditional approaches to education using the arts.
- To graduate students from the arts high school who are creative thinkers, proficient in fundamental skills, knowledgeable in their arts area, technologically sophisticated, aware of the range of available career opportunities not only in the arts or arts-related fields, and who are understanding of the credentials and training needed to be successful and productive in the real world.

These outcomes are to be achieved using the following strategies through and by:

- the creation and implementation of professional development opportunities for educators, artists, administrators, and parents;
- the use of grants and contracts with organizations and service providers to assist with the development and implementation of programs and associated needs;
- the use of electronic network and distance learning strategies to instruct, disseminate information, engage interest and evaluate programs;
- the creation and production of print and nonprint resource materials;
- personal contact, technical assistance, site visits and consultations;
- the employment and support of faculty and staff who are knowledgeable in their fields, motivated to learn, flexible to change, and committed to student success and the mission of the agency.

REVENUE SUMMARY:

In addition to the Center's direct appropriations, it receives revenues from student residential fees. Students who live outside the metropolitan area pay residential fees for room and board on campus, with the revenue from these fees partially offsetting the residential costs. The fee in F.Y. 1995 was \$1,050 for the school year, with a total of \$118,000 collected; the fee in F.Y. 1996 was \$1,150 for the school year, raising \$116,000; and the fee in F.Y. 1997 is \$1,250 projected to bring in \$165,000. The fee for F.Y. 1998, school year 1997-98, is currently slated to be \$1,350.

In F.Y. 1997, the Center also received a total of \$203,000 in gifts from various donors.

SUMMARY OF BUDGET REQUEST:

The Center's budget plan represents a hold-even budget with the exception of the compensation adjustment and the increased costs associated with bringing the instructional building project on-line in F.Y. 1999. That project is scheduled for completion and occupancy in the summer/fall of 1998.

Center management believes it can achieve its immediate biennial objectives through a realignment of existing resources. These reallocations include an increase in the technology budget and personnel

to enhance the Center's electronic capacity, a slight increase in the arts school budget to cover costs associated with new course offerings in response to student/parent demand, and a decrease in resource programs' budget to build the technology budget which will enhance its outreach and teacher education efforts. Additionally, a joint powers agreement has been negotiated with a neighboring school district to provide special education services to arts high school students, in lieu of maintaining complement on staff for that purpose. The Center has also begun some preliminary discussions with the city of Golden Valley to develop soccer fields on the campus that may be used by both the local community and arts school students. The Center continues its commitment to seeking grant opportunities and private support to assist it in carrying out its mission. Alumni and parents of alumni this past summer formed a non-profit organization "Friends of Arts Education" to provide additional support to the Center and its students.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CENTER FOR ARTS EDUCATION
PROGRAM: CENTER FOR ARTS EDUC
ACTIVITY: CENTER FOR ARTS EDUC

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	3,225	3,413	3,382	3,382	3,382	3,645	3,645	3,645
OPERATING EXPENSES	1,567	1,940	1,803	1,803	1,803	2,073	2,073	2,073
CAPITAL OUTLAY		30						
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	4,792	5,383	5,185	5,185	5,185	5,718	5,718	5,718
PAYMENTS TO INDIVIDUALS	77	84	55	55	55	55	55	55
LOCAL ASSISTANCE	708	612	775	775	775	775	775	775
OTHER EXPENSES	15	15	15	15	15	15	15	15
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	5,592	6,094	6,030	6,030	6,030	6,563	6,563	6,563
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	5,084	5,304	5,541	5,541	5,541	6,054	6,054	6,054
SPECIAL REVENUE	8							
AGENCY	18							
GIFT	60	23						
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	165	353	286	286	286	300	300	300
FEDERAL	233	128	24	24	24	28	28	28
AGENCY	24	108	76	76	76	78	78	78
GIFT		178	103	103	103	103	103	103
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	5,592	6,094	6,030	6,030	6,030	6,563	6,563	6,563
REVENUE COLLECTED:								

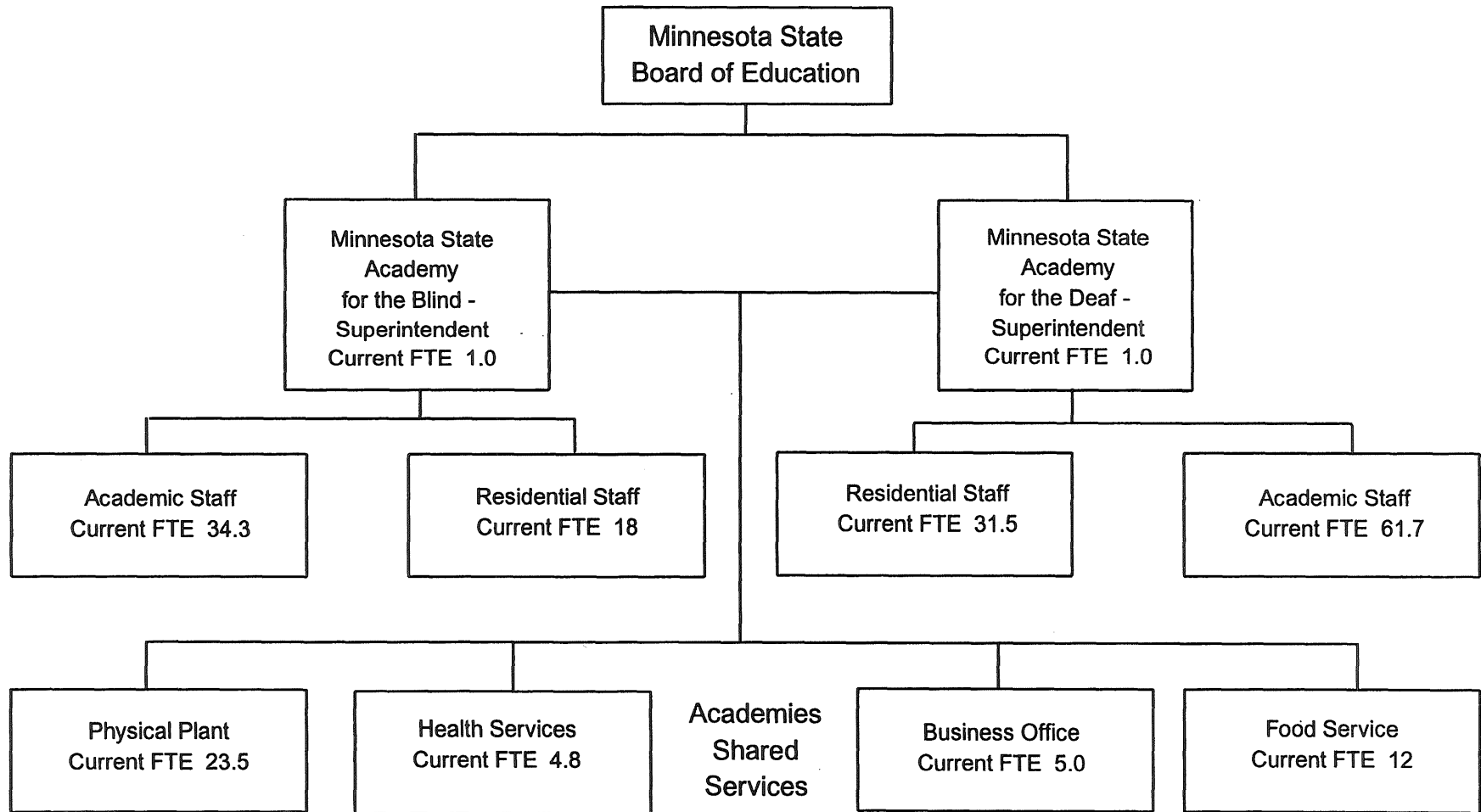
DEDICATED:								
SPECIAL REVENUE	201	288	286	286	286	300	300	300
FEDERAL	274	28	24	24	24	28	28	28
AGENCY	46	79	76	76	76	78	78	78
GIFT	163	203	103	103	103	103	103	103

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CENTER FOR ARTS EDUCATION
PROGRAM: CENTER FOR ARTS EDUC
ACTIVITY: CENTER FOR ARTS EDUC

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
TOTAL REVENUES COLLECTED	684	598	489	489	489	509	509	509
FTE BY EMPLOYMENT TYPE:								
REGULAR	52.1	52.1	52.1	52.1	52.1	52.1	52.1	52.1
TEMP/SEAS/PART_TIME	9.2	9.2	9.2	9.2	9.2	9.2	9.2	9.2
OVERTIME	.7	.7	.7	.7	.7	.7	.7	.7
TOTAL FTE	62.0	62.0	62.0	62.0	62.0	62.0	62.0	62.0

Minnesota State Academies for the Deaf and Blind
Organization Chart as of 7/1/96



Total FTE 192.8

**1998-99 Biennial Budget
Agency Budget Brief
(\$ in thousands)**

Agency: Minnesota State Academies for the Deaf and Blind

Fund: General

Summary of Agency Actions:

	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 98-99</u>
<u>BASE-YEAR (F.Y. 1997)</u>			
Appropriations (F.Y. 1997)	\$8,526	\$8,526	\$17,052
<u>BASE ADJUSTMENT</u>			
1998-99 Compensation Inflation	194	392	586
Transfer of Resource Centers to CFL	(160)	(160)	(320)
<u>BASE LEVEL (for 1998 and 1999)</u>	\$8,560	\$8,758	\$17,318
<u>GOVERNOR'S INITIATIVES</u>			
Furniture Replacement	200	-0-	200
Facility Repair and Maintenance	150	150	300
GOVERNOR'S RECOMMENDATIONS	\$8,910	\$8,908	\$17,818

Brief Explanation of Agency Plan:

- This plan maintains the level of service and funding as in the previous biennium. Efforts will continue to be made to focus the programs on the issues and service which will meet the needs of students at the Academies most effectively.

Revenue Summary:

- The agency budget includes an estimated \$242,000 for the biennium collected from local school districts and retained by the Academies to assist in the operation of programs. Also included in the agency budget is \$340,000 for the biennium in federal aid to partially fund a federal program of services to handicapped children attending school in a residential setting. These services are ongoing from previous years and do not reflect new sources of funds or new programs.

Affected Statutes:

- The Academies can accomplish their stated objectives within existing statutes.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan and recommends \$200,000 in F.Y. 1998 for furniture replacement and \$150,000 each year for facility repair and replacement.

1998-99 Biennial Budget

AGENCY: Minnesota State Academies for the Deaf and Blind

AGENCY DESCRIPTION:

The Minnesota State Academies for the Deaf and Blind is a statewide public school with dormitory facilities which provides programming for deaf or blind students. In addition to blindness and/or deafness, students attending the Academies often have additional disabilities. The Academies provide a barrier-free educational experience in both on and off campus locations for enrolled students. Statewide educational services are provided for non-enrolled students and other programs serving blind or deaf individuals.

To fulfill the agency mission, the Academies provide(s):

- classroom instruction at the pre-K-12 level both on and off campus for enrolled students;
- off-campus instruction and consultative services for non-enrolled students;
- a 24-hour residential program, offering after-school recreational programming and extracurricular activities and focusing on the development of independent living skills;
- social opportunities that develop positive self-worth, sense of community, responsibility, and self-advocacy skills;
- assistance on a statewide basis to school districts, parents, and other agencies serving the deaf and blind; and

Often specialized services and/or the communication environment needed by students is not available or would be prohibitively expensive to provide in the local districts. Local school districts seek admission for such students when the Academies' programs meet the educational needs of students and an appropriate placement is not available in the local community. Prior to the referral, the local special education team evaluates students and develops an individualized education plan for students. If the Academies is identified as the appropriate placement, the student is referred for such placement.

In support of local school districts and their efforts to appropriately serve deaf or blind students, the Academies are primarily funded through a direct appropriation. The direct appropriation provides funding for both the educational and residential components of the Academies' operations with the exception of limited federal aid for students attending residential programs. Local school districts do, however, forward their regular education aid received on enrolled students to the Academy as a tuition payment. The Academies return the collected funds on the first 175 enrolled students to the state's treasury on a yearly basis. Local school districts retain financial responsibility for such things as transportation to the Academies and one-to-one classroom assistants for students if required by the individual education plan.

The Minnesota State Board of Education provides governance and policy direction for the academies. The Department of Children, Families, and Learning provides technical assistance and support to the Academies. The State Board delegates responsibility for day-to-day administration of the Academies to the chief administrator at the respective school. Because deaf and blind students have very different education needs the Academies have separate administrators for each school. The administrators work jointly to administer those services shared between the 2 Academies ie, personnel, maintenance, business office, health services and nutrition, etc and to meet overall the needs of the agency. Site

councils with stakeholder representatives have been established at each school to provide meaningful input and direction for the respective Academy.

Services provided by the Academies have shifted over the past few years in an effort to maintain students within their own communities and meet gaps in services for deaf and blind students. As a result, we now have both enrolled students and non-enrolled students served by the Academies. Trends for enrolled students are reflected in the table below:

Enrollment	1990-91	1995-96	1996-97	1998-99	1999-2000	2000-01
	226	205	210	211	211	211

At present, enrolled student numbers on campus are at a recent high mark at MSAB. Enrollment at MSAD has fluctuated recently, though the total number of students served is expected to level or increase. During the past year, non-enrolled students reached a total for both schools of an additional 170 students. Services provided to non-enrolled students include orientation and mobility services, assessments, direct instruction, consultations, curriculum planning and training.

AGENCY ISSUES:

The major issues affecting agency operations and performance are listed below:

- Rapid changes in educational technology requiring updated, specialized equipment to meet unique educational needs of students served.
- Assuring equal access to the Academies for enrolled students living in Northern Minnesota.
- Increased demand for assistance/unique programming opportunities for students from local school districts.
- Increased demand for instructional materials and equipment.
- Staffing and training needs to respond to changing needs of the student population.
- Increasing deferred maintenance needs.
- Financial challenges as the needs of students continue to increase without a corresponding increase in resources.
- Increased need to focus on outcomes, such as school-to-work initiatives.

AGENCY STRATEGIES:

The agency has continued to explore other alternatives to operate more efficiently and hold down costs, while being responsive to the needs of students and school districts. Due to increasing student enrollment over the past decade, support services have been reduced or held constant in order to maximize direct services to students. The length of the year cannot be reduced because it is already at a minimum of 170 days; staffing ratios are already at or below State Board of Education recommended levels; and dormitory staffing is at the minimum level to maintain a safe living environment.

1998-99 Biennial Budget

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

REVENUE SUMMARY:

The agency budget includes an estimated \$242,000 for the biennium in tuition collected from local school districts and retained by the Academies to assist in the operation of programs. Also included in the agency budget is \$150,000 for the biennium in federal aid to partially fund a federal program of services to handicapped children attending school in a residential setting. The agency has experienced a \$50,000 decrease in revenues from student tuition reimbursement, and from decreases in federal 89-313 allocations. These services are ongoing from previous years and do not reflect new sources of funds or new programs.

SUMMARY OF BUDGET REQUEST:

The Academies request includes a base total of \$8,560,000 in F.Y. 1998 and \$8,758,000 in F.Y. 1999.

In addition, the Governor also recommends \$200,000 in F.Y. 1998 for furniture replacement and \$150,000 a year for facility repair and maintenance needs.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND

ACTIVITY RESOURCE ALLOCATION:	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
ACADEMY FOR THE DEAF	3,996	4,348	4,282	4,282	4,282	4,374	4,374	4,374
ACADEMY FOR THE BLIND	2,404	2,752	2,490	2,490	2,490	2,542	2,542	2,542
ACADEMY OPERATIONS	2,451	2,733	2,609	2,609	2,609	2,663	2,663	2,663
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES BY ACTIVITY	8,851	9,833	9,381	9,381	9,381	9,579	9,579	9,579
GOV'S INITIATIVES:		FUND						
=====		=====						
(B) FURNITURE REPLACEMENT		GEN			200			
(B) FACILITY REPAIR AND REPLACEMENT		GEN			150			150
=====		=====			=====			=====
TOTAL GOV'S INITIATIVES					350			150
EXPENDITURES BY FUND:								
=====								
DIRECT APPROPRIATIONS:								
GENERAL	7,919	8,665	8,560	8,560	8,560	8,758	8,758	8,758
STATUTORY APPROPRIATIONS:								
GENERAL	559	531	531	531	531	531	531	531
SPECIAL REVENUE	89	120	83	83	83	83	83	83
FEDERAL	240	209	170	170	170	170	170	170
AGENCY	16	45	28	28	28	28	28	28
GIFT	28	257	9	9	9	9	9	9
ENDOWMENT		6						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	8,851	9,833	9,381	9,381	9,381	9,579	9,579	9,579
FTE BY EMPLOYMENT TYPE:								
=====								
REGULAR	192.8	192.8	192.8	192.8	192.8	192.8	192.8	192.8
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	192.8	192.8	192.8	192.8	192.8	192.8	192.8	192.8

1998-99 Biennial Budget

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

PROGRAM DESCRIPTION:

The Minnesota State Academy for the Deaf focuses on educational opportunities for deaf/hard of hearing students. The program includes regular and specialized curriculum for enrolled students. The specialized curriculum includes such areas as American Sign Language, deaf studies, use of adaptive technology, and independent living skills.

PROGRAM STATUS:

As discussed in the agency description, the needs of Academy students are complex and varied.

Specific issues related to MSAD students include:

- A linguistically rich environment in which both American Sign Language and English are used to foster effective communication is critical.
- Social opportunities to develop positive self-worth, sense of community, responsibility, and self-advocacy are provided in a sign language environment.
- Updated technology is essential to prepare deaf students for future employment.
- The regular school year does not provide an adequate amount of time to fully address all the regular and special education needs of students.
- Parent involvement opportunities strengthens outcomes for students.

(Please refer to the agency description for additional information)

PLANNED RESULTS:

- Individual learners will demonstrate measurable, continuous progress in the development of skills and strategies for a variety of academic and non-academic environments.
- Individual learners will demonstrate the ability to make school-to-adult transitions as appropriate.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY FOR THE DEAF

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	3,728	3,878	3,983	3,983	3,983	4,075	4,075	4,075
OPERATING EXPENSES	255	428	274	274	274	274	274	274
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	3,983	4,306	4,257	4,257	4,257	4,349	4,349	4,349
PAYMENTS TO INDIVIDUALS	13	42	25	25	25	25	25	25
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	3,996	4,348	4,282	4,282	4,282	4,374	4,374	4,374
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	3,616	3,947	3,947	3,947	3,947	4,039	4,039	4,039
STATUTORY APPROPRIATIONS:								
GENERAL	268	252	252	252	252	252	252	252
SPECIAL REVENUE	31							
FEDERAL	64	63	61	61	61	61	61	61
AGENCY	9	37	20	20	20	20	20	20
GIFT	8	43	2	2	2	2	2	2
ENDOWMENT		6						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	3,996	4,348	4,282	4,282	4,282	4,374	4,374	4,374
REVENUE COLLECTED:								

DEDICATED:								
GENERAL	312	252	252	252	252	252	252	252
SPECIAL REVENUE	21	35	35	35	35	35	35	35
FEDERAL	126	37	36	36	36	36	36	36
AGENCY	13	24	20	20	20	20	20	20
GIFT	7	12	2	2	2	2	2	2
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL REVENUES COLLECTED	479	360	345	345	345	345	345	345

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY FOR THE DEAF

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
FTE BY EMPLOYMENT TYPE:								
REGULAR	94.2	94.2	94.2	94.2	94.2	94.2	94.2	94.2
TOTAL FTE	94.2	94.2	94.2	94.2	94.2	94.2	94.2	94.2

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1998-99 Biennial Budget

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

PROGRAM DESCRIPTION:

The Minnesota State Academy for the Blind focuses on educational opportunities for blind/visually impaired students. The program includes regular and specialized curriculum for enrolled students. The specialized curriculum includes such areas as independent living skills, orientation and mobility, braille, and technology. The Academy for the Blind provides direct services to non-enrolled students throughout the state.

PROGRAM STATUS:

As discussed in the agency description, the needs of Academy students are complex and varied.

Specific challenges relating to MSAB students include:

- Academy programs designed to meet the social/emotional needs of blind students are critical to their future.
- Updated technology is essential for blind students in providing access to written materials.
- Curriculum needs revisions based on the diverse and changing needs of students.
- The regular school year does not provide an adequate amount of time to fully address all the regular and special education needs of students.
- Program modifications are needed to meet the unique educational needs of students who are both deaf and blind.

(Please refer to the agency description for additional information)

PLANNED RESULTS:

- Individual learners will demonstrate measurable, continuous progress in the development of skills and strategies for a variety of academic and non-academic environments.
- Individual learners will demonstrate the ability to make school-to-adult transitions as appropriate.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY FOR THE BLIND

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	2,186	2,229	2,281	2,281	2,281	2,333	2,333	2,333
OPERATING EXPENSES	191	297	190	190	190	190	190	190
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	2,377	2,526	2,471	2,471	2,471	2,523	2,523	2,523
PAYMENTS TO INDIVIDUALS	27	226	19	19	19	19	19	19
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,404	2,752	2,490	2,490	2,490	2,542	2,542	2,542
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	2,089	2,299	2,244	2,244	2,244	2,296	2,296	2,296
STATUTORY APPROPRIATIONS:								
GENERAL	171	158	158	158	158	158	158	158
SPECIAL REVENUE	36	49	49	49	49	49	49	49
FEDERAL	81	24	24	24	24	24	24	24
AGENCY	7	8	8	8	8	8	8	8
GIFT	20	214	7	7	7	7	7	7
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,404	2,752	2,490	2,490	2,490	2,542	2,542	2,542
=====	=====	=====	=====	=====	=====	=====	=====	=====
REVENUE COLLECTED:								

DEDICATED:								
GENERAL	84	158	158	158	158	158	158	158
SPECIAL REVENUE	30	25	25	25	25	25	25	25
FEDERAL	20	49	49	49	49	49	49	49
AGENCY	7	8	8	8	8	8	8	8
GIFT	113	12	7	7	7	7	7	7
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL REVENUES COLLECTED	254	252	247	247	247	247	247	247
=====	=====	=====	=====	=====	=====	=====	=====	=====

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY FOR THE BLIND

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
FTE BY EMPLOYMENT TYPE:								
REGULAR	53.3	53.3	53.3	53.3	53.3	53.3	53.3	53.3
TOTAL FTE	53.3	53.3	53.3	53.3	53.3	53.3	53.3	53.3

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1998-99 Biennial Budget

AGENCY: Minnesota State Academies for the Deaf and Blind
PROGRAM: Academy Operations

PROGRAM DESCRIPTION:

Academy Operations consists of the following departments: buildings and grounds, business office, health services, nutrition, and personnel. The Academy Operations activity supports both Academies in functioning effectively and efficiently to meet the needs of enrolled students.

PROGRAM STATUS:

The issues associated with this activity are:

- maintenance and preservation of an historical physical plant in a manner which assures access and a safe learning and living environment for students and a safe working environment for staff;
- assuring that all students needs in the area of food and health service and student transportation are met; and
- assuring that the personnel and financial management needs of the Academies are met.

PLANNED RESULTS:

- Provide support services necessary to support the Academies.
- Maintain the physical plant, equipment, and furnishings, to meet the current needs of students.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY OPERATIONS

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,705	1,892	1,906	1,906	1,906	1,960	1,960	1,960
OPERATING EXPENSES	738	829	691	691	691	691	691	691
CAPITAL OUTLAY	1							
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	2,444	2,721	2,597	2,597	2,597	2,651	2,651	2,651
PAYMENTS TO INDIVIDUALS	7	12	12	12	12	12	12	12
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,451	2,733	2,609	2,609	2,609	2,663	2,663	2,663
=====								
GOV'S INITIATIVES:								

(B) FURNITURE REPLACEMENT		GEN			200			
(B) FACILITY REPAIR AND REPLACEMENT		GEN			150			150
=====					=====			=====
TOTAL GOV'S INITIATIVES					350			150
=====								
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	2,214	2,419	2,369	2,369	2,369	2,423	2,423	2,423
STATUTORY APPROPRIATIONS:								
GENERAL	120	121	121	121	121	121	121	121
SPECIAL REVENUE	22	71	34	34	34	34	34	34
FEDERAL	95	122	85	85	85	85	85	85
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,451	2,733	2,609	2,609	2,609	2,663	2,663	2,663
=====								
REVENUE COLLECTED:								

DEDICATED:								
GENERAL	163	121	121	121	121	121	121	121
SPECIAL REVENUE	21	23	23	23	23	23	23	23
FEDERAL	80	85	85	85	85	85	85	85

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: MN ACADEMIES FOR DEAF & BLIND
PROGRAM: ACADEMIES FOR THE DEAF & BLIND
ACTIVITY: ACADEMY OPERATIONS

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
NONDEDICATED:								
GENERAL	506	506	506	506	506	506	506	506
TOTAL REVENUES COLLECTED	770	735	735	735	735	735	735	735
FTE BY EMPLOYMENT TYPE:								
REGULAR	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3
TOTAL FTE	45.3	45.3	45.3	45.3	45.3	45.3	45.3	45.3

F.Y. 1998-99 BUDGET INITIATIVE

AGENCY: Minnesota State Academies for the Deaf and Blind
PROGRAM: Academy Operations
ACTIVITY:

ITEM TITLE: Furniture Replacement

	<u>1998-99 Biennium</u>		<u>2000-01 Biennium</u>	
	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$200	\$-0-	\$-0-	\$-0-
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes _____ No X

If yes, statutes(s) affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends a one-time expenditure of \$200,000 to upgrade and replace furniture on the campuses of the Minnesota State Academies for the Deaf and Blind.

RATIONALE:

Much of the furniture on both campuses is in need of replacement and upgrading to meet the needs of students. Over the years the Academies have not had the resources to replace or upgrade the furniture as needed. Much of the facility furnishings has seriously deteriorated or is not suitable for the present needs of students.

In developing this request, the Academies worked with furniture design and planning personnel from the Department of Corrections' MINNCOR Industries to help identify options to meet the unique needs of students on each campus.

PROGRAM OUTCOMES:

These funds will improve staff's ability to offer a productive and safe learning environment for the Academies' students.

LONG-TERM IMPACT:

These are one-time funds.

F.Y. 1998-99 BUDGET INITIATIVE

AGENCY: Minnesota State Academies for the Deaf and Blind
PROGRAM: Academy Operations
ACTIVITY:

ITEM TITLE: Facility Repair and Maintenance

	<u>1998-99 Biennium</u>		<u>2000-01 Biennium</u>	
	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$150	\$150	\$150	\$150
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$300,000 for the biennium for the repair and maintenance of state facilities at the State Academies for the Deaf and Blind. This is part of a multi-agency initiative to reduce statewide deferred maintenance needs and protect the public investment in these existing facilities.

RATIONALE:

A 1996 assessment of the Academies' capital resources identified a total of \$6 million in facility repair, maintenance and preservation needs. The 1996 bonding bill appropriated a total of \$1.373 million for asset preservation, exterior lighting and sidewalk replacement and \$1 million for the demolition of Dow Hall.

While the Minnesota State Academies are relatively small in terms of staff and budget, the campuses have 17 major buildings constructed between 1890 to 1983. Several of the buildings are on the National Register of Historic Buildings. The combination of increasingly severe student needs and relatively flat funding for the Academies has constrained the amount of funds that the Academies can devote to facility maintenance. Although most of the buildings are in generally good condition, many of the mechanical and other major system components are no longer functional and are in need of significant repair and upgrading.

PROGRAM OUTCOMES:

These funds will permit the Academies to make regular and critical improvements to the facilities, enhancing the ability of staff to offer a safe and productive learning environment for the Academies' students.

LONG-TERM IMPACT:

These funds shall be added to the agency's base.

1998-99 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: Children Families & Learning, Department of

PROGRAM

PAGE

TEACHING AND LEARNING (13)

A-38

- 1301 Learner Improvement
- 1302 Learner Options
- 1303 Special Education
- 1304 Indian Education
- 1305 Lifework Development
- 1306 Board of Teaching
- 1307 Minnesota Academic Excellence Foundation

COMMUNITY SERVICES (14)

A-60

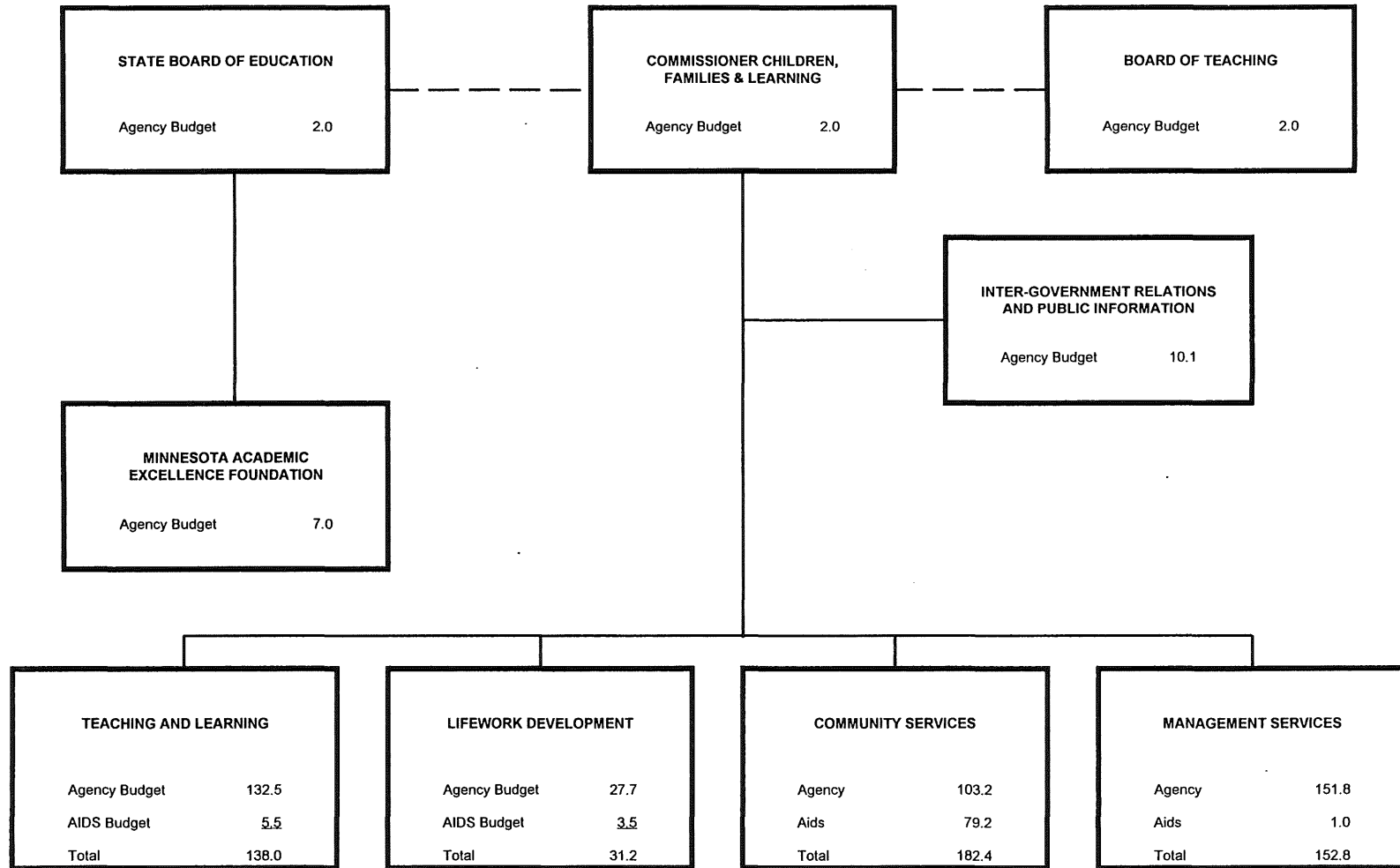
- 1401 Early Childhood, Family & Community Support
- 1402 Prevention
- 1403 Library Development and Services
- 1404 Self-Sufficiency/Lifelong Learning

MANAGEMENT & SUPPORT SERVICES (15)

A-73

- 1501 Program Finance and Management Assistance
- 1502 Monitoring and Compliance
- 1503 Information Technologies
- 1504 Leadership & Administration
- 1505 State Board of Education

Department of Children, Families & Learning Organization Chart - 11/96



<u>1998 FTE Positions</u>	
Agency Budget	438.3
AIDS Budget	89.2
Total	527.5

**1998-99 Biennial Budget
Agency Budget Brief
(\$ in thousands)**

Agency: Children, Families & Learning, Department of

Fund: General

Summary of Agency Actions:

	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 98-99</u>
<u>BASE-YEAR (F.Y. 1997)</u>			
Appropriations (F.Y. 1997)	\$26,894	\$26,894	\$53,788
<u>BASE ADJUSTMENT</u>			
One-Time Appropriations	(4,395)	(4,395)	(8,790)
Biennial Appropriations	(267)	(342)	(609)
Compensation Inflation	391	794	1,185
Rent Increases	129	169	298
Transfers From Other Agencies	<u>212</u>	<u>212</u>	<u>424</u>
<u>BASE LEVEL (for 1998 and 1999)</u>	\$22,964	\$23,332	\$46,296
<u>AGENCY DECISION ITEMS</u>			
Program Reallocations	25	(725)	(700)
Litigation Costs	850	850	1,700
Technology Improvement	<u>500</u>	<u>500</u>	<u>1,000</u>
<u>AGENCY PLAN (for 1998 and 1999)</u>	\$24,339	\$23,957	\$48,296
GOVERNOR'S RECOMMENDATIONS	\$24,339	\$23,957	\$48,296

Brief Explanation of Agency Plan:

- The plan includes a biennial reallocation of \$2 million of current funding from the Learner Improvement Activity to: Lifework Development - \$500,000; Community Services - \$200,000 and Information Technologies - \$600,000. These reallocations result in a net reduction of \$700,000 for the biennium.
- The plan includes an \$850,000 increase each year in the Leadership and Administration Activity to provide the needed resources for expected litigation costs.
- The plan includes a requested increase of \$500,000 per year in the Information Technologies activity. Additional staff is needed for school district technology support, including serving as the clearing house for standards and information on the application of technology in teaching and learning. Additional resources are also needed for systems and support programming. Substantial increases in staffing and funding are required to reduce the risk of failure to provide accurate and timely information including tax levy, school aid and other high priority information.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan.

1998-99 Biennial Budget Agency Budget Brief (\$ in thousands)

Agency: Children, Families & Learning, Department of

Fund: Trunk Highway

Summary of Agency Actions:

	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 98-99</u>
<u>BASE-YEAR (F.Y. 1997)</u>			
Appropriations (F.Y. 1997)	\$21	\$21	\$42
GOVERNOR'S RECOMMENDATIONS	\$21	\$21	\$42

Brief Explanation of Agency Plan:

The Trunk Highway Fund appropriation for the Department of Children, Families & Learning is used for program operations and office costs for the Driver Education program. No salaries or grants are involved. The annual budget of \$21,000 has been apportioned among office, staff travel and program costs such as developing curriculum materials and conducting workshops for educators addressing current issues and concerns with young drivers.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's plan.

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1998-99 Biennial Budget

AGENCY: Children, Families & Learning, Department of

AGENCY DESCRIPTION:

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

This is accomplished by:

- Coordinating and integrating state funded and locally administered family and children programs;
- Improving flexibility in design, funding and delivery of programs affecting children and families;
- Providing greater focus on strategies designed to prevent problems affecting the well-being of children and families;
- Enhancing local decision-making, collaboration and the development of new governance models;
- Improving public accountability through the provision of research, information and the development of measurable program outcomes;
- Increasing the capacity of communities to respond to the whole child by improving the ability of families to gain access to the services;
- Encouraging all members of a community to nurture all the children in the community; and
- Supporting parents in their dual roles as breadwinners and parents.

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

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

- **Finance and Management:** The department will design funding processes and build the capacity of schools, community groups and other local units of government to manage fiscal resources for the most effective and efficient delivery of services.

On 10-1-95, Minnesota became the first state to unify services for children and their families into one state agency, the new Department of Children, Families & Learning. The department unites a variety of programs that were previously handled by 6 separate agencies. This allows for better coordination of programs that serve children and their families, providing easier access and ultimately fewer rules and reporting requirements. The new department will encourage "one-stop shops" or the convenient location of education with social services for students and their families. This will ensure that families have easy access to the services they need. The department will:

- Enhance local decision-making to build the capacity of communities to lead and succeed;
- Provide flexibility in the design, delivery and funding of programs;
- Focus on preventing problems that affect children and families;
- Measurably improve the well-being of children and families; and
- Improve accountability to the public.

All programs from the Minnesota Department of Education were rolled into the new department. The following programs from other agencies are either currently part of or will become part of the department on 7-1-97:

Department of Human Services: Children's Trust Fund; Family Services and Community-Based Collaboratives; Early Childhood Care and Education Council; Migrant Child Care; Child Care Resource and Referral; and Child Care Service Development

Department of Economic Security: Head Start; Project Cornerstone; and Community Action Programs

Minnesota Planning: Action for Children; The Minnesota Children's Initiative; and Teen Pregnancy Prevention

Department of Corrections: Child Abuse/Child Victims

AGENCY ISSUES/STRATEGIES:

Minnesota's system for children, families and learners is undergoing substantive change. It is leaving the traditional (business-as-usual) concepts of public service and transforming all aspects of the system. Factors that are driving this change process and the corresponding program improvements include:

- A. **Moving from single agency systems which utilize the resources of only one agency to cross-agency systems that have joint responsibility for shared customers, students and families.**

Human services, health, corrections and education are examples of state agency-based systems that each address narrow and specific needs of children and their families. The fact that humans are not divisible into neat compartments results in agencies providing many of the same services to the same customers under different sets of rules, definitions and procedures. The result has two very negative ramifications. First, it is wasteful of public resources and often pits systems against each other in "turf" battles and cost-shifting efforts. Second, it requires parents and families to deal with multiple, bureaucratic mazes to access the range of services they need and are available to them. The following actions must continue to be pursued to eliminate overlapping responsibilities and provide "wrap-around" services:

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

- Identify and recommend legislation and interagency policies to remove state-level barriers, improve the capacity and develop incentives to support and encourage local community efforts to provide interagency coordinated services to children, youth and their families;
- Recommend legislation and interagency policies to eliminate the multiple, overlapping, collaborative efforts to provide an integrated system of services for children and families that:
 - Achieves consumer-defined outcomes through focused, accessible services supporting family and community efforts to foster individual development for all children, youth and their families;
 - Is organized around an efficient and accountable structure of governance, funding and administration to facilitate access to and delivery of all services to children, youth and their families throughout Minnesota; and
 - Has the capacity to measure, report on and make decisions based on the results at the individual, community and state levels.
- Measure customer satisfaction with interagency services and use the data to more effectively target services and resources to improve customer satisfaction;
- Implement internal and external communication procedures to integrate agency programs both internally and externally. This will result in ongoing planning and coordination of services to meet customer needs.

B. Moving from system accountability based solely on organizational processes and inputs to include learner outcomes as a third and major accountability factor.

Minnesota is a leader in the move toward a results-oriented system. Minnesota's emerging graduation standards, mandated by the 1994 legislature, with development directed by the State Board of Education, require consistent leadership and direction to be fully implemented and to realize their full potential. Some of the major initiatives needed to continue the evolution of this transformation are:

- Continue to provide directed resources to help districts change and improve learning results and to help the system, as a whole, implement new and improved procedures;
- Identify indicators of system and student success and implement data collection, analysis and reporting procedures which are:
 - Indicators of individual student learning results on the graduation standards adopted into rule;
 - Indicators of individual student growth and development, such as social, emotional and physical development, while not established as standards, are public expectations of schools; and
 - Indicators relating to organizational processes and inputs and general school effectiveness.

- Continue to act on desegregation/integration policies necessary to improve learner awareness, understanding, and appreciation of human diversity, and to address cultural and language differences through the provision of a variety of learning opportunities;
- Continue to assure that students have the skills to make successful transitions to adult living, lifelong learning and employment;
- Continue to reduce state mandates to include only those that establish standards and require the reporting of results so schools have maximum flexibility in the design of the instruction and services they deliver;
- Continue to improve access to and use of technology for both instructional and management purposes;
- Continue to assure that school buildings and facilities are safe, accessible and conducive to learning;
- Continue to improve the efficiency and effectiveness of the management and the organization of all elements of the public education system in Minnesota. This includes continuation of department efforts to clarify who its customers are, services delivered to each and data required regarding customer satisfaction; and
- Identify core services focused on all customers, especially those with the greatest need.

C. Moving from a system that expects and accepts failure for some learners to a system that believes and acts on the belief that every student can learn and be successful.

Learning styles, family and cultural differences, aspirations and expectations, poverty and violence in the home and on the street are some of the factors that affect student learning. Public education systems must account for these factors by providing program options that enable all students to be successful and that gives student, parents and families choices in how they access education. Some of the major initiatives needed to address these issues are:

- Continue to review and revise, as appropriate, state policies and funding formulas and the use of federal grants and programs to provide the means for schools to close learning gaps caused by individual, familial and societal factors that negatively impact student performance in traditional instructional settings;
- Continue to increase the number of organization and program options available to learners as the means by which they achieve the learning results specified in the graduation standards. These include options such as service learning, work-based learning, magnet schools, area learning centers, charter schools, contract schools, private schools and other enrollment options so learners and their families are free to select schools and programs that meet their individual learning styles, demonstrated need and personal and family aspirations;
- Continue to improve violence prevention programs;
- Continue to improve adult education and family literacy to help parents be more involved with their children's education;
- Continue to improve parent involvement in both district planning and operating procedures and policies and in the decisions relating to their children's education;

1998-99 Biennial Budget

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

- Continue to modify the various "choice" options to ease bureaucratic timelines, appeal procedures, sponsorship requirements and increase resources to enhance the implementation of options; and
- Continue to improve the capacity of all parents and families to access information relating to the options available to them for their children's education.

D. Moving from a finance system designed around inputs to funding mechanisms designed to facilitate and reward achievement of results.

Work, on a number of fronts, over the past 3 years has positioned Minnesota to significantly improve coordinated results oriented funding, information management and performance measurement capacity. One of the keys to obtaining meaningful local information and efficiently expanding the scope of state performance measurement is development of mechanisms for bringing together diverse federal, state and local resources which address the same or closely related outcomes.

The department seeks to enhance capacity to measure the performance of a broad range of services funded with local, state and federal resources by developing local reporting systems and a vehicles for linking state and local performance reporting to funding. Specific goals are as follows:

- Improved understanding of desired and actual outcomes of a range of children and family services.
- Enhancement of an information framework which will enable the several disciplines and organizations involved in collaborative service delivery to effectively communicate.
- Facilitation of the citizen accountability role by establishing an understandable reporting process to which members of the community can relate.
- Improved capacity to match resource inputs to outcomes for a broad sector of the children and family delivery system.
- Improved capacity of the local, state and federal governments to shape policy and service delivery.

Minnesota's current education finance system is based on the "Minnesota Miracle" concept adopted in the 1970s which was effective for about 2 decades. Today, as the education system is going through a major transformation that emphasizes results-based services delivered through interagency collaborative efforts, a new system is needed to take Minnesota into the 21st century. Recommendations for a redesigned finance system will be made in consideration of the following factors:

- Rapid implementation of learning opportunities to help all students achieve all of the graduation standards;

- Achievement of the standards established for learner achievement and school effectiveness will, in part, dictate revenue;
- Districts need greater flexibility over the resources provided;
- Interagency service delivery will result in effective and efficient service delivery;
- Revenue should follow students wherever they choose to access learning;
- Emerging public policy changes such as revisions in the teacher compensation system and changes in federal funding policies;
- Recent and emerging court decisions may impact revenue distribution.

Performance reporting must be the culmination of ongoing planning and measurement processes to ensure that department programs and services meet customer needs. The department is working to create a coordinated accountability system that measures outcomes for the ultimate customers: children, families and students. In 1995, the Minnesota Legislature authorized a feasibility and design study to develop a statewide, student performance accountability report. The department contracted with the University of Minnesota to coordinate that study. This study is designed to assure that Minnesota, at the state and school district levels, produces useful education system reports. A final set of recommendations, due in late December 1996, will be based on the results of a statewide, consensus-building process to identify a core set of indicators related to student performance and demographic factors that strongly correlate with that performance. It is expected that this core set of indicators will also influence school district-level reporting under article 7 of the 1996 Omnibus K-12 Education Bill.

Once this information is collected, the department will then focus its goals, objectives and measures on supporting local service providers in improving outcomes on these indicators. In addition, the continuous improvement process that replaced the former PER (Planning, Evaluating and Reporting) law will provide school districts with a clear planning process to improve the services they provide to children, parents and communities. Leading quality indicators and local continuous improvement will provide the foundation for clear objectives and measures identified in the department's strategic plans. The outcomes of these objectives and measures will be reported in the agency's biennial performance report.

REVENUE SUMMARY:

The Department of Children, Families & Learning administers approximately 80 federal grants accounting for approximately 40% of the agency operating budget. Budget projections assume F.Y. 1997 levels for the 1998 and 1999 biennium unless the department is specifically aware of changes at the federal level. In some cases, special project funding will end. Increases are projected for Special Education, School-to-Work and Goals 2000. Uncertainty regarding federal funding levels continues to exist.

The department is not proposing any fee increases for the upcoming biennium.

1998-99 Biennial Budget

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

SUMMARY OF BUDGET REQUEST:

The plan includes a biennial reallocation of \$2 million of current funding from the Learner Improvement Activity to: Lifework Development - \$500,000; Community Services - \$200,000 and Information Technologies - \$600,000. These reallocations result in a net reduction of \$700,000 for the biennium.

The plan includes an increase of \$500,000 each year to provide additional resources in the Information Technologies Activity. The plan also includes an increase of \$850,000 each year in the Leadership & Administration Activity to provide the needed resources for expected litigation costs.

GOVERNOR'S RECOMMENDATION:

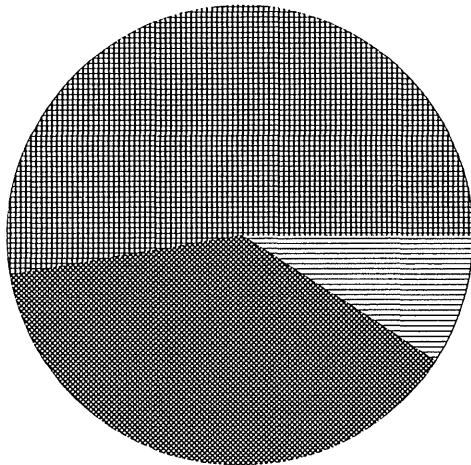
The Governor concurs with the agency's plan.

Minnesota Department of Children, Families & Learning
Fiscal Summary - Agency Budget
F.Y. 1998 Agency Plan

Total Resources

\$46.0 million

GENERAL FUND
53%



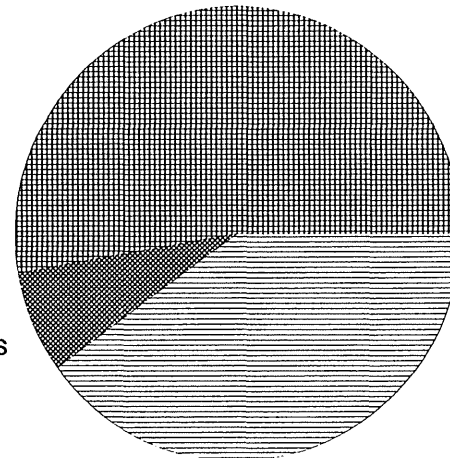
FEDERAL
38%

OTHER
9%

Total Expenditures

\$46.0 million

PERSONAL SERVICES
53%



GRANTS
7%

OPERATING EXPENSES
40%

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING

PROGRAM RESOURCE ALLOCATION:	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
TEACHING & LEARNING	15,781	24,442	20,406	20,031	20,031	20,456	19,331	19,331
COMMUNITY SERVICES	7,314	9,469	8,167	8,267	8,267	8,211	8,311	8,311
MANAGEMENT & SUPPORT SERVICES	14,000	17,391	16,071	17,721	17,721	16,345	17,995	17,995
TOTAL EXPENDITURES BY PROGRAM	37,095	51,302	44,644	46,019	46,019	45,012	45,637	45,637
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	19,941	29,134	22,964	24,339	24,339	23,332	23,957	23,957
TRUNK HIGHWAY	13	29	21	21	21	21	21	21
STATUTORY APPROPRIATIONS:								
GENERAL	131	232	41	41	41	41	41	41
SPECIAL REVENUE	2,799	3,189	3,055	3,055	3,055	3,055	3,055	3,055
FEDERAL	12,764	17,200	17,653	17,653	17,653	17,653	17,653	17,653
AGENCY	1,105	871	810	810	810	810	810	810
GIFT	342	647	100	100	100	100	100	100
TOTAL EXPENDITURES	37,095	51,302	44,644	46,019	46,019	45,012	45,637	45,637
FTE BY EMPLOYMENT TYPE:								
REGULAR	391.1	439.1	438.1	456.1	456.1	438.1	454.1	454.1
TEMP/SEAS/PART_TIME	12.7							
OVERTIME	.4	.2	.2	.2	.2	.2	.2	.2
TOTAL FTE	404.2	439.3	438.3	456.3	456.3	438.3	454.3	454.3

**F.Y. 1998-99 Biennial Budget
Federal Funds Summary
Department of Children, Families & Learning**

Federal Program	SFY 1996 Revenues	SFY 1997 Revenues	Estimated SFY 1998 Revenues	Estimated SFY 1999 Revenues
Nutrition (5 Grants)	\$2,879	\$4,129	\$3,992	\$3,992
Consolidated Admin (9 Grants)	1,901	2,743	2,486	2,486
Special Education (7 Grants)	4,368	5,870	6,870	6,870
All Other (23 Grants)	<u>3,616</u>	<u>4,458</u>	<u>4,305</u>	<u>4,305</u>
Total	\$12,764	\$17,200	\$17,653	\$17,653

The Department of Children, Families & Learning relies heavily on federal funding to support the agency operating budget. The agency administers approximately 80 separate federal grants including 50 grants in the operating budget. These grants account for approximately 40% of the total operating budget. Federal funding is projected at the current level of funding unless the department is specifically aware of decreases and/or increases at the federal level. The majority of federal grants included in the operating budget are categorical in nature and do not permit the transfer of funding from designated or federally approved activities. When possible, the department utilizes all available sources of funding, including federal grants to assist in accomplishing our objectives. Three grant categories supporting agency operations represent the majority of funding. These include Nutrition grants, Special Education grants and a Consolidated Administration grant. While federal allocations reflect an increase in F.F.Y. 1997, the longer term federal funding levels are uncertain.

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

STATE OF MINNESOTA - DEPARTMENT OF FINANCE
BIENNIAL BUDGET SYSTEM - BASE RECONCILIATION REPORT
BY SEC SEQ

AGENCY: CHILDREN, FAMILIES & LEARNING

	ALL FUNDS		GENERAL FUND		OTHER STATE FUNDS		FEDERAL FUNDS	
	F.Y.98	F.Y.99	F.Y.98	F.Y.99	F.Y.98	F.Y.99	F.Y.98	F.Y.99
F.Y.97 APPROPRIATIONS	48,574	48,574	26,935	26,935	3,986	3,986	17,653	17,653
BASE ADJUSTMENTS								
ONE-TIME APPROPRIATIONS	<4,395>	<4,395>	<4,395>	<4,395>				
BIENNIAL APPROPRIATIONS	<267>	<342>	<267>	<342>				
TRANSFERS BETWEEN AGENCIES	212	212	212	212				
1998-99 COMPENSATION INFLATIO	391	794	391	794				
DOC SPACE RENT/LEASE INCR/DEC	129	169	129	169				
SUBTOTAL BASE ADJ.	<3,930>	<3,562>	<3,930>	<3,562>				
BASE LEVEL	44,644	45,012	23,005	23,373	3,986	3,986	17,653	17,653

PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

PROGRAM DESCRIPTION:

The Teaching and Learning program provides leadership and service in the design and implementation of results-oriented learning opportunities for Minnesota residents. Activities in the Teaching and Learning program provide assistance to institutions serving learners at the preschool and kindergarten through twelfth grade levels and adults. Focusing on learning, this program serves a wide spectrum of clients, including school districts and other organizations with direct and indirect education missions. Teaching and Learning program efforts are directed toward learning, leadership and service in general education and special needs.

Within the context of a broad education mission to serve all learners in Minnesota, learning programs target leadership and service efforts to segments of the population that have unmet social, economic, or educational needs. For example, education assistance and opportunities are provided for minorities, including those in need of basic English language skills and learners with handicapping conditions or disabilities. For a growing number of Minnesotans, the special programs provided by or facilitated through the Minnesota Department of Children, Families & Learning provide real hope for success in life.

Teaching and Learning is organized into 7 major activities: Learner Improvement, Learner Options, Special Education, Indian Education, Lifework Development, Board of Teaching, and Minnesota Academic Excellence Foundation. The activities in this program area contribute to the following agency goals:

- **Learner Success:** The department will manage the design of and help schools to implement graduation standards to increase learning and support teaching.
- **Lifework Development:** The department will build the capacity of the state and its schools and communities to create a lifework development system that provides youth and adults with the knowledge and skills to be productive workers and citizens in a global economy.
- **Learning Readiness:** The department will build the capacity of the state and its schools and communities to prepare children to start school ready to learn.
- **Information Technologies:** The department will build the capacity of the state and its schools and communities to use current and emerging information technologies to increase learning and support teaching.

PROGRAM STATUS:

The legislature has established policies and has taken first steps in the transformation of the public education system from an input-based system to a results oriented system. The system currently includes 365 operating school districts, which provide learning opportunities at more than 1,500 sites and employ more than 47,500 staff, multiple support organizations, such as regional and intermediate units and 136 public library jurisdictions. Full realization of the transformation of a system composed of that many elements will take at least a decade and will require leadership that is consistent, focused, creative and coordinated. Primary Department of Children, Families & Learning initiatives to complete this transformation are centered in the Teaching and Learning program. The Teaching and

Learning program directs its efforts toward providing leadership to the transformation of public education and improving the quality of learning opportunities for Minnesota residents. Several of the activities have responsibilities to address issues specific to categorical populations of students or programs and many of the initiatives of those activities are in addition to, but supportive of, the transformation. However, all 7 activities focus their efforts toward improved learning results.

The range of demands placed on the public education system is endless. Consideration for all of these diverse demands on every aspect of change, at every decision point, is essential and requires staff who have a broad and common vision and a deep commitment to all learners. The most obvious drivers and the most consistent sources of direction for the initiatives of the Teaching and Learning program include:

- **Development of the Graduation Standards.** The State Legislature directed the State Board of Education to develop rigorous, results-oriented graduation standards for all Minnesota public school students beginning with ninth graders in the 1996-1997 school year. The standards will define the requirements students must achieve in 2 categories, basic standards and the high standards of the profile of learning. Rules have been adopted to provide direction for the basic standards in reading and mathematics and apply to students in the ninth grade in the fall of 1997. Rules regarding the basic standard in written composition will be adopted to apply to ninth graders in 1998. Rule-making for the High Standards will commence in the spring of 1997 as the schools follow a three year system implementation schedule. The Graduation Standards are at the core of all initiatives including school-to-work, special education, Chapter 1, Migrant Education, bilingual education, mathematics and science.
- **Goals 2000: Educate America Act.** Goals 2000 is a major federal initiative which calls for sustained statewide reform to improve every facet of learning. A comprehensive state plan has been developed which describes the coordination of state initiatives in programs funded categorically by the federal government and specific state efforts.
- **The reauthorization of federal categorical programs and other changes in federal policies, laws and rules.** All federal categorical programs, as they come up for reauthorization, are revised to align with Goals 2000. This results in changes in funding levels and formulas, procedural requirements, and program priorities. In addition to the Goals 2000 program alignment, Congress directs other changes in laws, rules and policies that dictate activities in each existing categorical program and have an effect on instruction and services provided for all students.
- **Accountability.** The need for increased accountability and the most efficient use of resources by the education system is driving the move to a results-oriented system and impacts every decision and initiative in this program. The need for graduates to be better prepared to face their future, to have had an opportunity to learn in context, the need for the education system to adopt a continuous, data driven, improvement mode and the ever-growing range of educational needs of an increasingly diverse society are all forces that must be considered in every decision and initiative addressed by this program.
- **Involvement of parents in the establishment of district policies and in the education of their children.** The involvement of parents of all children in local initiatives to improve learning results is essential. The staggering dropout rate of American Indian students will not be improved until their parents are actively involved. The parents of students with disabilities have a specific set of rights established in the federal Individual with Disabilities Education Act (IDEA) and those rights must be honored. Parents of color must become more directly involved in the education of their children. Providing opportunities for parents to develop the necessary skills is paramount.

1998-99 Biennial Budget

PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of
(Continuation)

- **Desegregation/Diversity.** Due to demographic changes and the increased emphasis on improved student learning, policies regarding desegregation are receiving renewed attention. In both Minneapolis and St. Paul, no race is the majority. The policies currently being debated concentrate on how to assure the success of all learners, how to close the learning gap between learners living in high concentrations of poverty (frequently learners of color) and their peers, improving student understanding and acceptance of the varied rich cultures and, through parent choice, enhancing racial balance.
- **Restructuring Teacher and Administrator Preparation and Licensure.** The emphasis on a restructured learning system, brought about by the focus on improved learning, the direction of the graduation standards and Goals 2000, will require different skills and competencies by teachers and administrators than those currently included in the licensure and preparation models. The focus of licensing will become increasingly oriented to performance, requiring changes in preparation, development of performance assessments, and the development of residency sites to improve the clinical component.

Additional information regarding this program can be found in the Teaching and Learning program Summary, pages 11-15 of the 1996 Agency Performance Report.

PLANNED RESULTS:

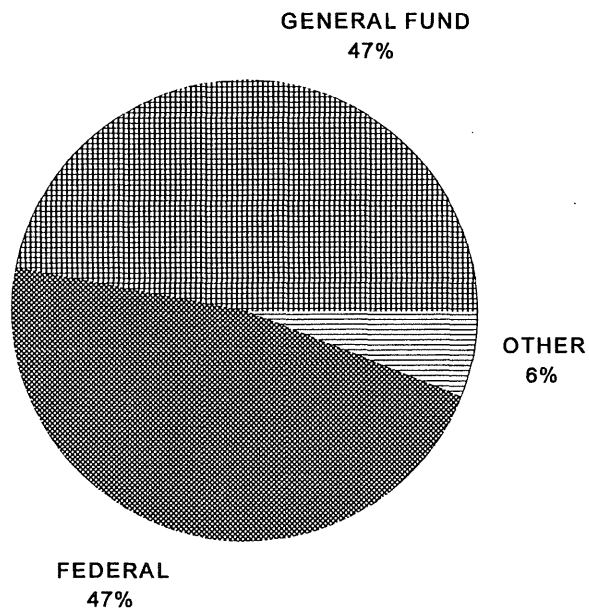
During the F.Y. 1998-99 biennium, with the exception of the planned reallocations, the Teaching and Learning program anticipates continued work toward achieving the performance measures identified on pages 11-45, 50-54 and 120-123 of the 1996 Agency Performance Report with the same funding level.

BUDGET AND REVENUE SUMMARY:

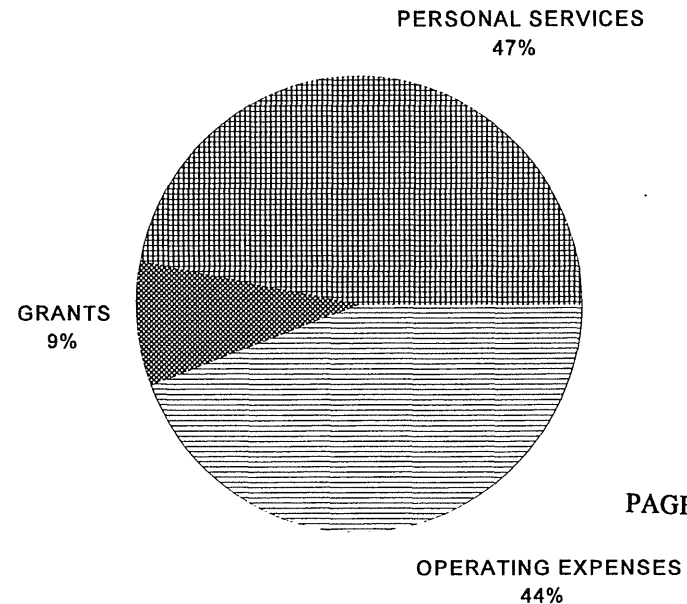
The Agency Plan includes the reallocation of \$2.0 million for the biennium from the Learner Improvement Activity. These funds are allocated as follows: \$250,000 per year to the Lifework Development Activity in this program, \$100,000 per year to the Community Services Program and \$300,000 per year to the Management & Support Services Program to support information technology improvements. These reallocations result in a net reduction of \$700,000 for the biennium.

Minnesota Department of Children, Families & Learning
Fiscal Summary - Teaching and Learning Program
F.Y. 1998 Agency Plan

Total Resources
\$20.0 million



Total Expenditures
\$20.0 million



1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING

ACTIVITY RESOURCE ALLOCATION:	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
LEARNER IMPROVEMENT	6,747	13,114	8,562	7,937	7,937	8,637	7,262	7,262
LEARNER OPTIONS	2,093	2,649	2,364	2,364	2,364	2,298	2,298	2,298
SPECIAL EDUCATION	2,884	4,040	5,000	5,000	5,000	5,011	5,011	5,011
INDIAN EDUCATION	507	558	549	549	549	559	559	559
LIFEWORk DEVELOPMENT	2,610	2,991	2,917	3,167	3,167	2,928	3,178	3,178
BOARD OF TEACHING	225	237	236	236	236	240	240	240
MN ACADEMIC EXCELLENCE FND	715	853	778	778	778	783	783	783
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES BY ACTIVITY	15,781	24,442	20,406	20,031	20,031	20,456	19,331	19,331
=====	=====	=====	=====	=====	=====	=====	=====	=====
AGENCY PLAN ITEMS:		FUND						
=====	=====	=====						
TECHNICAL REALLOCATIONS		GEN		<375>			<1,125>	
=====	=====	=====		=====			=====	
TOTAL AGENCY PLAN ITEMS				<375>			<1,125>	
=====	=====	=====						
EXPENDITURES BY FUND:								
=====	=====	=====						
DIRECT APPROPRIATIONS:								
GENERAL	8,061	14,025	9,735	9,360	9,360	9,785	8,660	8,660
TRUNK HIGHWAY	13	29	21	21	21	21	21	21
STATUTORY APPROPRIATIONS:								
GENERAL	82	157	30	30	30	30	30	30
SPECIAL REVENUE	1,019	1,201	1,068	1,068	1,068	1,068	1,068	1,068
FEDERAL	6,320	8,862	9,452	9,452	9,452	9,452	9,452	9,452
AGENCY	157	2						
GIFT	129	166	100	100	100	100	100	100
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	15,781	24,442	20,406	20,031	20,031	20,456	19,331	19,331
=====	=====	=====	=====	=====	=====	=====	=====	=====
FTE BY EMPLOYMENT TYPE:								
=====	=====	=====						
REGULAR	150.3	169.2	169.2	172.2	172.2	169.2	170.2	170.2
TEMP/SEAS/PART_TIME	4.7							
OVERTIME	.1							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	155.1	169.2	169.2	172.2	172.2	169.2	170.2	170.2

1998-99 Biennial Budget

BUDGET ACTIVITY: 1301 Learner Improvement
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Learner Improvement activity focuses on increasing the capacity for all PK-12 learners to achieve Minnesota learning standards by reporting and monitoring student and system success, increasing the capacity of local educational agencies (LEA's) staff to improve learning, and establishing a data-driven, standards-based, accountability system supported by the continuous-improvement process. Customers of this activity include federal and state agencies and organizations as well as local LEA's, teachers and administrators, students and parents/guardians, State Board of Education, executive & legislative branches and the greater Minnesota community.

Services are delivered through a variety of regulatory, consultative, informational and educational programs to ensure that Minnesota learning standards are clearly and explicitly articulated, deployed in every school district, and reported results are published for the public.

This activity provides policy development for setting student learning standards and system standards, desegregation, educator licensing, staff development and educational diversity; provides technical consultation to all LEAs, educational policy makers, post-secondary institutions, public and other state agencies to design and deploy a data driven system; designs, administers, collects assessment data on student learning and system success; monitors and seeks district compliance with graduation standards, system standards and desegregation/integration rules; and provides materials concerning student and system standards, training and implementation activities.

Policy Development & Reporting coordinates the development of legislation and rule so that an aligned, comprehensive system of education is created and maintained; coordinates the procedures for reporting of student and system success; directs the monitoring and compliance of policies on desegregation, educational diversity, graduation standards and system standards; and coordinates policy deployment with statewide implementation activities. Teams within the Policy Development & Reporting Division include:

- **Graduation Standards** (M.S. 121.11, 7c) develops statewide learning standards; designs tests and other assessment tools for statewide accounting of student learning; regulates state testing and reporting procedures for all students and LEA's; and designs professional development content for all LEA's implementation of effective education.
- **Desegregation and Educational Diversity** (M.S. 121.1601); State Board Rule 3500.000 & Chap. 3535) designs policy for desegregation and educational diversity with other state agencies, community councils, boards and organizations and state policy makers for all LEA's; monitors, investigates complaints and reports LEA compliance; designs and delivers technical assistance and staff development; and disburses categorical aids related to this function.

System Services Division mobilizes and coordinates a statewide regional delivery system of curriculum, instruction and assessment services; provides monitoring of system accountability reports (M.S. 121.115, subd. 1) and staff development reports (M.S. 126.70, subd. 1) and provides direct technical service to all LEA's. Teams within the System Services Division include:

- **Minnesota Educational Effectiveness Program (MEEP)** provides regional coordination of the state's technical assistance and staff development efforts for implementing the graduation standards; facilitates data-driven change in districts and school sites; assists district staff in applying knowledge of effective education practice; facilitates district and school site teams to create environments which support excellence and growth; and assists districts to develop open and collaborative relationships with parents and their communities.
- **Best Practice Networks (BPN)** provides a coordinated, statewide, regionally-based network of "best practice" educators in reading, writing, math and science who have been trained to implement the Minnesota learning standards with effective practice; provides a technology-based on-going dialogue of assistance to all LEA's teachers statewide; and provides education in the classroom as well as direct technical assistance at host- LEA's desiring staff training.
- **Sci/Math MN** provides statewide improvement in teaching and learning of mathematics and science aligned with national standards and Minnesota graduation standards; develops curriculum frameworks with state and corporate support; assists in developing assessments for student learning; conducts a yearly Sci/Math MN Teacher Academy aligning training with teacher training programs; underwrites the costs of the Best Practice Networks in Science and Mathematics; and collaborates directly with Department of Children, Families & Learning training efforts with MEEP and Graduation Standards.
- **Personnel Licensing** in coordination with the State Board of Teaching and the State Board of Education sets standards and policy for all teacher and educational administrator licenses; conducts background checks, licensure renewal reviews and certification checks on all licensed Minnesota education personnel; issues licenses; reviews post-secondary preparation programs; and disburses related categorical aids.

Refer to pages 17-25 and 30-32 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

The Agency Plan includes the reallocation of \$2.0 million for the biennium from the Learner Improvement Activity. These funds are allocated as follows: \$250,000 per year to the Lifework Development Activity in this program, \$100,00 per year to the Community Services program and \$300,000 per year to the Management & Support Services Program to support information and technology improvements. These reallocations result in a net reduction of \$700,000 for the biennium.

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

REVENUE:

The Board of Teaching generates non-dedicated revenue from teacher licensure fees set by the board. See Budget Activity 1306 for further information.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: LEARNER IMPROVEMENT

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	3,400	3,402	3,479	3,479	3,479	3,554	3,414	3,414
OPERATING EXPENSES	2,312	7,647	4,566	3,941	3,941	4,566	3,331	3,331
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	5,712	11,049	8,045	7,420	7,420	8,120	6,745	6,745
LOCAL ASSISTANCE	1,035	2,065	517	517	517	517	517	517
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	6,747	13,114	8,562	7,937	7,937	8,637	7,262	7,262
=====								
AGENCY PLAN ITEMS:		FUND						
-----		-----						
TECHNICAL REALLOCATIONS		GEN		<625>			<1,375>	
=====		=====		=====			=====	
TOTAL AGENCY PLAN ITEMS				<625>			<1,375>	
=====								
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	5,393	11,112	6,738	6,113	6,113	6,813	5,438	5,438
TRUNK HIGHWAY	13	29	21	21	21	21	21	21
STATUTORY APPROPRIATIONS:								
GENERAL	30	30	30	30	30	30	30	30
SPECIAL REVENUE	288	482	351	351	351	351	351	351
FEDERAL	1,016	1,459	1,422	1,422	1,422	1,422	1,422	1,422
AGENCY	4	1						
GIFT	3	1						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	6,747	13,114	8,562	7,937	7,937	8,637	7,262	7,262
=====								
FTE BY EMPLOYMENT TYPE:								

REGULAR	54.0	62.5	62.5	60.5	60.5	62.5	58.5	58.5
TEMP/SEAS/PART_TIME	1.7							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	55.7	62.5	62.5	60.5	60.5	62.5	58.5	58.5

1998-99 Biennial Budget

BUDGET ACTIVITY: 1302 Learner Options
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Learner Options activity guides and directs school districts and serves their priority needs as they develop and operate the integrated state and federally funded programs: Title I, Migrant Education, Even Start, Title II, Title VI, Limited English Proficiency, Assurance of Mastery, Homeless, Title VII, Neglected and Delinquent Youth, Enrollment Options Programs, Low Income Concentration Grants, and Emergency Immigrant Education. Specifically, this activity:

- Provides guidance to school districts in policy development, implementation of state and federal programs, and coordination of resources.
- Authorizes disbursements of resources to districts that will address the needs and improve education services for all learners.
- Implements continuous quality school wide improvement systems relying on student performance and updated data collection and analysis.
- Prepares state plans, grants and/or applications for the acquisition of resources to carry out program and agency policies and priorities.
- Provides technical assistance, training, and consultations to assist customers in delivering quality education services to targeted populations.
- Provides active support for the needs of target populations through publications, parent involvement, representation on advisory committees, and intra- and inter-state activities.

Key programs organized under this activity provide the following:

Title I - Funds and support for supplemental services to students who are most at risk of not meeting the state content and performance standards. The target population is students, PK through 12, who are below grade level, in greatest need of service, and who live in areas of high concentration of poverty.

Migrant Education - Education and support services to the children of migratory agricultural workers. The target population is preschool children, and those persons up through age 21 who are entitled to a free public education through grade 12.

Even Start - Assistance to districts and other eligible entities (e.g., community based organizations) in providing family-centered education programs by integrating early childhood education and adult education for parents into a unified family literacy program. The target population is children ages 0-7, living in a Title I attendance area, with at least one parent who is in need of adult basic education. The goal is to involve parents and children in a cooperative effort to help parents become full partners in the education of their children.

Title II - Improves the skills of teachers and quality of instruction in mathematics and science. Fundable activities include: pre-service and in-service of teachers and other instructional personnel, recruitment or retraining of minority teachers, telecommunication technologies, integration of higher-order thinking skills into math and science.

Title VI - Supports innovative education programs in eight targeted areas: technology, acquisition and use of instructional materials, education reform, higher-order thinking skills for disadvantaged

students, literacy programs, gifted and talented, school reform consistent with Goals 2000, and school improvement/school wide activities under Title I.

Title VII - Technical assistance to school districts to improve services to students of limited English proficiency. The target population is students of limited English proficiency, preschool through grade 12, as well as their parents.

Limited English Proficiency Programs - Financial aid to school districts for staff to serve the language needs of limited English proficient students. The target population is students, K-12, who are declared by a parent or guardian as having first learned a language other than English, come from a home where the language usually spoken is other than English, or usually speak a language other than English and score significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test.

Assurance of Mastery - Financial aid for direct, supplemental instruction to eligible students, grades K-8, who have not demonstrated mastery of learner outcomes in communication and/or math.

Homeless Children and Youth - Assures that each homeless child or youth will have access to a free appropriate education. Provides tutoring, remedial education services, and other educational services as needed. The targeted population is 3 through 18.

Neglected and Delinquent Youth - Provides instructional support services to these students through institutions operated by local school districts. The targeted population is K-12.

Enrollment Options Programs - Allows learners to choose the school or education program in their district or a district in which the learner does not reside. The programs are designed to encourage students who are not succeeding in the current educational system or who have dropped out of school before completing their high school education to choose from a variety of education options to complete their high school education: alternative programs, area learning centers, charter schools, open enrollment, post-secondary enrollment options, and adult basic education. The targeted population is ages 5 through 20, or 21 for students with disabilities.

Low Income Concentration Grants - Additional resources to school buildings in which there is a high concentration of children from low income families and high concentrations of minority students.

Emergency Immigrant Education - Assist with high quality instruction to immigrant children and youth as they transition into American society and to assist them with meeting the educational performance standards. The targeted population is ages 3 through 21, who were not born in any state, and have not been attending one or more schools in any one or more states for more than 3 full academic years.

Refer to pages 27-29, 50 and 54-55 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report with the same funding level.

REVENUE:

None

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: LEARNER OPTIONS

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,513	1,631	1,536	1,536	1,536	1,545	1,545	1,545
OPERATING EXPENSES	580	781	828	828	828	753	753	753
SUBTOTAL STATE OPERATIONS	2,093	2,412	2,364	2,364	2,364	2,298	2,298	2,298
LOCAL ASSISTANCE		237						
TOTAL EXPENDITURES	2,093	2,649	2,364	2,364	2,364	2,298	2,298	2,298
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	634	467	553	553	553	487	487	487
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	74	11	13	13	13	13	13	13
FEDERAL	1,384	2,171	1,798	1,798	1,798	1,798	1,798	1,798
GIFT	1							
TOTAL EXPENDITURES	2,093	2,649	2,364	2,364	2,364	2,298	2,298	2,298
FTE BY EMPLOYMENT TYPE:								
REGULAR	29.9	30.0	30.0	30.0	30.0	30.0	30.0	30.0
TEMP/SEAS/PART_TIME	.5							
OVERTIME	.1							
TOTAL FTE	30.5	30.0	30.0	30.0	30.0	30.0	30.0	30.0

1998-99 Biennial Budget

BUDGET ACTIVITY: 1303 Special Education
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of the Division of Special Education (DSE) is to:

- Provide advocacy and leadership to assure appropriate learning for each student who has a disability that requires special instruction and services;
- Focus technical assistance, resource allocation, and monitoring of schools in their efforts to design and implement a full array of programs and services for students with disabilities and their families as defined in M. S. 120.03;
- Collaborate with all stakeholders to create an inclusive education system in Minnesota schools;
- Actively research, design, support, and implement promising practices to improve the effectiveness of education for students whose needs are not being met by the current system; and
- Collaborate with other agencies to develop a unified system of services.

Special education exists to assure the availability of specially designed instruction and related services for students (ages birth through 21) with disabilities. Special Education instruction and services are state and federally funded and are governed by state laws M.S. 120.03; 120.17 and 124.32, State Board of Education Rules Chapter 3525 and the Federal Individuals with Disabilities Education Act (IDEA) P.L. 101-476 laws and rules, affording students with disabilities and their families specific rights.

Recognition of student and parent rights gives impetus to much of DSE's work. In this regard, DSE:

- Assists the legislature and the State Board of Education (SBE) to establish policies, standards, and funding formulas required by the federal government and that are effective and efficient for Minnesota;
- Assists the Division of Monitoring and Compliance to monitor district compliance with state and federal requirements;
- Prepares and submits plans and reports to the U. S. Office of Special Education Programs (OSEP) to demonstrate Minnesota's compliance with federal law and to maintain Minnesota's eligibility for federal funding;
- Provides technical assistance and professional development opportunities for district staff on issues of compliance and funding;
- Works with parent and advocate organizations to provide open communications and information flow; and
- Hosts a federally mandated advisory panel of parents, advocates, consumers, administrators, and teachers to obtain recommendations related to the Minnesota state plan, the use of federal discretionary funds, and the adoption of state rules.

The responsibility to disburse the state and federal funds under very specific conditions gives rise to a second major area of work. In this regard, the DSE:

- Reviews and approves district program applications as a prerequisite to approving payment of state and federal aids;
- Authorizes the disbursement of state and federal special education aids;
- Monitors district expenditures to assure compliance with state and federal funding requirements; and

- Provides data reports and summaries to policy makers, program administrators, advisory groups, and other interested persons and groups.

Special education includes both traditional and nontraditional instructional services and a wide range of related services necessary for the students to benefit from the specially designed instruction. Specially designed instruction includes options for instruction and support ranging from full-time placement in general education classes to instruction and support delivered in residential settings. Fifty-four percent of all students with disabilities spend more than one-half of the school day in general education classes. The related services provided for students with disabilities include services such as: social work; psychological and counseling services; medical referrals; occupational and physical therapy; and special transportation. A third major area of activity comes from the range of options open to school districts for meeting the needs of students with disabilities. In this regard, DSE:

- Assists the legislature and the SBE to adopt policies and standards for general education that address the needs of students with disabilities so that a single, blended system of education can evolve to meet the needs of all students;
- Encourages and assists school districts to develop and maintain evaluation procedures that provide effectiveness data for decision making relating to continuous improvement;
- Provides professional development opportunities in promising educational practices;
- Provides technical assistance to districts considering changes in the design of their special education program;
- Facilitates regional support systems and procedures to assist schools in addressing the needs of students with low-incidence disabilities (autism, deaf-blindness, hearing, physical and other health impairments, traumatic brain injury, and vision);
- Provides a comprehensive system of personnel development (CSPD) for school staff to increase their capacity to meet the needs of students with disabilities;
- Studies and evaluates various aspects of special education to gather data necessary for decisions relating to continuous improvement.
- Applies for federal funding for projects to meet specific needs identified by and for service providers; and
- Works collaboratively with other state agencies to reduce state level barriers to local collaboration in the delivery of instruction and services for students with disabilities and their families.

Refer to pages 30-32, 35-36 and 120-123 of the 1996 Agency Performance Report for additional information, objectives and measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same level of state administrative funding. The department anticipates an increase in federal funding, primarily for additional grants to schools.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: SPECIAL EDUCATION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,711	1,773	1,878	1,878	1,878	1,889	1,889	1,889
OPERATING EXPENSES	1,149	2,247	2,502	2,502	2,502	2,502	2,502	2,502
SUBTOTAL STATE OPERATIONS	2,860	4,020	4,380	4,380	4,380	4,391	4,391	4,391
LOCAL ASSISTANCE	24	20	620	620	620	620	620	620
TOTAL EXPENDITURES	2,884	4,040	5,000	5,000	5,000	5,011	5,011	5,011
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	398	418	428	428	428	439	439	439
STATUTORY APPROPRIATIONS:								
GENERAL	50	50						
SPECIAL REVENUE	29	9	9	9	9	9	9	9
FEDERAL	2,407	3,563	4,563	4,563	4,563	4,563	4,563	4,563
TOTAL EXPENDITURES	2,884	4,040	5,000	5,000	5,000	5,011	5,011	5,011
FTE BY EMPLOYMENT TYPE:								
REGULAR	29.3	31.0	31.0	31.0	31.0	31.0	31.0	31.0
TEMP/SEAS/PART_TIME	.6							
TOTAL FTE	29.9	31.0	31.0	31.0	31.0	31.0	31.0	31.0

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BUDGET ACTIVITY: 1304 Indian Education
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of the Indian Education activity is to improve the educational status of American Indians (15,675 in public schools and approximately 1,500 in tribal and alternative schools) in the state of Minnesota. The programs and services of the Indian Education activity provide American Indian learners (K through graduate school) with greater access to educational opportunities and supportive environments. The enhanced opportunities and environment provided by these programs are designed to facilitate learning appropriate for and supportive of the Indian learners unique educational and culturally related academic needs. The Indian Education activity is also a source of technical assistance and referral for public school districts, other educational institutions, state agencies, the business sector and social service agencies.

The Indian Education activity consists of six grant programs:

- American Indian Language and Culture
- Post Secondary Preparation Program
- Minnesota Indian Teacher Training Program
- Minnesota Indian Scholarship Program
- Support for Indian Education
- Tribal Equalization - Tribal Early Childhood Family Education (ECFE) portion is done in collaboration with Office of Community Services.

The Indian Education activity provides to schools, learners and communities, programs or technical assistance in the following areas:

- Indian Adult Basic Education - in collaboration with Adult Education
- Home School Liaisons - in collaboration with Special Education
- Parent Advisory Committee
- Positive Indian Parenting Program - funding from the Blandin Foundation

Consultations and meetings are held to promote community involvement and partnerships in the Indian Education activity. Those involved are:

- The American Indian Education and Minnesota Indian Scholarship Committee
- Minnesota Indian Affairs Council
- Minnesota Chippewa Tribe
- Education directors from the 11 tribal nations and public schools

The activity also administers provisions of the Indian Education Act of 1988, including the requirement that school boards provide for the involvement of Indian parents in their children's education programs through parent advisory committees. By December 1 of each school year, all school boards are required to submit to the Department of Children, Families & Learning, a resolution adopted by the parent committee stating whether the parent committee concurs with the district's education program for American Indian children.

While public policy and programs in Minnesota have made a positive impact on educational opportunities for Indian students, the dropout rate, low achievement scores and lack of participation in school activities are generally the highest of any group in Minnesota. To be successful, the Indian Education activity must provide not only its current programs but it must continue to collaborate with the agency, parents, communities and LEAs in working for systemic change.

Refer to pages 26 and 35-36 of the 1996 Agency Performance Report for additional information, objectives and measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same level of administrative funding.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: INDIAN EDUCATION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	417	444	455	455	455	465	465	465
OPERATING EXPENSES	90	114	94	94	94	94	94	94
SUBTOTAL STATE OPERATIONS	507	558	549	549	549	559	559	559
TOTAL EXPENDITURES	507	558	549	549	549	559	559	559
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	470	502	513	513	513	523	523	523
STATUTORY APPROPRIATIONS:								
FEDERAL	28	36	36	36	36	36	36	36
GIFT	9	20						
TOTAL EXPENDITURES	507	558	549	549	549	559	559	559
FTE BY EMPLOYMENT TYPE:								
REGULAR	8.8	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TEMP/SEAS/PART_TIME	.1							
TOTAL FTE	8.9	9.0	9.0	9.0	9.0	9.0	9.0	9.0

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BUDGET ACTIVITY: 1305 Lifework Development
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Office of Lifework Development will continue building a lifework development system by serving school districts and other community agencies through school-based learning, service learning, work-based learning, and connecting activities. Aligned with these agency efforts is the Governor's Workforce Development Council and the Minnesota Commission on National Service that provide policy advice to the collaborative efforts of the Department of Children, Families & Learning, Department of Economic Security, and the Minnesota State Colleges and Universities (MnSCU) as well as other state agencies concerned with workforce issues. Included in this activity are 4 teams:

School-Based Learning

- Provides opportunities for all students to pursue career paths and meet graduation standards through applied learning.
- Provides technical assistance to school districts which results in all students having career path/life goals, applied learning, and job entry technical skills.
- Provides leadership and training in the use of Labor Market Information (LMI) to better enable students to select their career path.
- Promotes student interest in technical careers and articulates high school and higher education programs.
- Promotes the integration of career awareness, career exploration, and career counseling into the K-12 curriculum. Promotes selection of career path no later than the beginning of the 11th grade and career portfolios beginning in the 8th grade.
- Enrolls 89,000 students, 55% of the 10-12 grade students, in approved programs such as agricultural science; business, marketing and entrepreneurship; family and consumer sciences; health occupations; service occupations; technical studies; and work experience programs for students with special needs (disadvantaged, disabled and Work Experience/Career Exploration Program).
- Manages the following Carl D. Perkins Federal Vocational Education grants:
 - Basic Grant - 49 grants, 317 districts, \$4.1 million
 - Teen Parent - 18 grants, \$269,000
 - Sex Equity - 15 grants, \$225,009
- Manages \$1.6 million in grants to 27 Tech Prep Consortia.
- Conducts regularly scheduled evaluations to identify academic strengths and weaknesses, academic progress, workplace knowledge and goals of students and the need for additional learning opportunities to master core academic and technical skills.
- Funds 7 regional organizations (6 Initiative Funds in greater Minnesota and the Metropolitan Service Cooperative) to develop youth entrepreneurship education programs in their respective regions through small grants to schools.

Service-Based Learning

- Collaborates with the Minnesota Commission on National and Community Service to administer state funded Youth Works and federally funded AmeriCorp and Learn and Serve America grants for school-age youth and young adults.

- Involves 290 school districts in service learning programs along with most public and private institutions of higher education.
- Includes 433 Youth Works AmeriCorps members that provide community service throughout Minnesota through 9 programs located in public and nonprofit agencies.
- State Mentor Network provides training and technical assistance to mentor programs in Greater Minnesota; is developing a directory of mentor programs designed to assist children and families; and is organizing a state conference for providers of mentor programs.
- Minnesota Youth Advisory Council is establishing a statewide youth advisory council for the Department of Children, Families & Learning (replaces the Action for Children Youth Advisory Council); is providing a sounding board for state government regarding policies that have an impact on children and families; and is organizing a state conference with members of the Youth Works AmeriCorps on issues that have an impact on children and families and preparing a report from the conference.

Work-Based Learning

- Promotes the formation of local/regional partnerships dedicated to linking school and work.
- Provides a planned program of job training and work experiences, including pre-employment and employment skills to be mastered at progressively higher levels, which are relevant to a student's career pathway.
- Includes such programs as: job shadowing, mentoring, internships, cooperative education placements, entrepreneurship, and youth apprenticeship.
- Provides instruction in general workplace competencies and graduation standards task management skills.
- Provides for Interagency Office on Transition Services to train parents, students, and adult service providers to work together to plan for and accomplish transitions for students with disabilities.

Connecting Activities

- Provides technical assistance which results in all Minnesota school districts becoming active members of multi-sector partnerships that develop school-to-work initiatives.
- Provides for a match of students and their career path with employers and work-based learning experiences available.
- Provides technical assistance to employers in designing work-based learning components which match learner needs; and training teachers, workplace mentors and counselors.
- Provides technical assistance to schools, employers and multi-sector partnerships to integrate school-based and work-based learning and to integrate academic and occupational learning.
- Collects and analyze information regarding post-program outcomes of students who participate in School-to-Work programs through the High School Follow-Up System.
- Links School-to-Work youth development activities with employer and industry strategies for upgrading the skills of their workers.

Minnesota Career Information System:

- A subscriber supported, computer-based career and education information system;
- Available at more than 535 sites in Minnesota including high schools, public libraries; technical and community colleges, and vocational rehabilitation centers;
- Serves Minnesotans of all ages who need information on careers and the education needed to attain those careers.

School-to-Work Student Foundation provides statewide coordination and funding for the 11 student

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and \$1,136,000 will be available for technical assistance, evaluation and administration at both the state and local level.

BUDGET ACTIVITY: 1305 Lifework Development
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of
(Continuation)

School-to-Work Student Foundation provides statewide coordination and funding for the 11 student organizations that provide:

- Facilitating competitive events;
- Training student officers;
- Serving as a liaison between local chapters, state associations, and national associations; and
- Working with related curricular areas to integrate authentic learning techniques and leadership development into secondary and post secondary School-to-Work education programs.

This activity has 2 advisory bodies:

Governor's Workforce Development Council

- Created by the 1995 legislature to recommend policy and implementation strategies for School-to-Work.
- The membership, appointed by the Governor, represents business, education, labor and state agencies.

Minnesota Commission on National Service

- Created by the 1993 legislature to recommend policy and implementation strategies for Youth Works AmeriCorps and Service Learning.
- The membership represents business, education, labor, youth, community based nonprofit organizations and state agencies.

Refer to pages 27 and 37-45 of the 1996 Agency Performance Report for additional information, objectives and measures for this activity.

BUDGET ISSUES:

The Agency Plan includes a base level General Fund reallocation of \$250,000 per year to this activity. These funds will be used to supplement the additional federal grant. The funds will be used for additional staff for development and management of work-based learning projects, teacher retraining work based learning, school-based learning, school-to-work partnerships and other school-to-work projects.

The Office of Lifework Development, in collaboration with the Department of Economic Security and MN State Colleges and Universities, recently received a federal "School-To-Work" grant. These funds will complement state efforts to implement School-To-Work in all districts for all students.

During the life of the 5-year \$22.8 million grant, over \$19.1 million will be distributed to local/regional partnerships in planning, implementation and best practices grants. The balance is to be used for technical assistance, evaluation and administration at both the local and state levels. For example, of the \$3.8 million from Year 1, \$2,674,000 will be distributed to local/regional partnerships

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIFEWORK DEVELOPMENT

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,103	1,538	1,475	1,699	1,699	1,486	1,710	1,710
OPERATING EXPENSES	985	1,076	1,065	1,091	1,091	1,065	1,091	1,091
SUBTOTAL STATE OPERATIONS	2,088	2,614	2,540	2,790	2,790	2,551	2,801	2,801
LOCAL ASSISTANCE	522	377	377	377	377	377	377	377
TOTAL EXPENDITURES	2,610	2,991	2,917	3,167	3,167	2,928	3,178	3,178
AGENCY PLAN ITEMS:		FUND						
TECHNICAL REALLOCATIONS		GEN		250			250	
TOTAL AGENCY PLAN ITEMS				250			250	
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	381	641	651	901	901	662	912	912
STATUTORY APPROPRIATIONS:								
GENERAL	2	77						
SPECIAL REVENUE	535	634	633	633	633	633	633	633
FEDERAL	1,485	1,633	1,633	1,633	1,633	1,633	1,633	1,633
AGENCY	153	1						
GIFT	54	5						
TOTAL EXPENDITURES	2,610	2,991	2,917	3,167	3,167	2,928	3,178	3,178
REVENUE COLLECTED:								
NONDEDICATED:								
GENERAL	4							
TOTAL REVENUES COLLECTED	4							

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: LIFEWORK DEVELOPMENT

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====								
FTE BY EMPLOYMENT TYPE:								
REGULAR	20.8	27.7	27.7	32.7	32.7	27.7	32.7	32.7
TEMP/SEAS/PART_TIME	1.4							
=====								
TOTAL FTE	22.2	27.7	27.7	32.7	32.7	27.7	32.7	32.7

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BUDGET ACTIVITY: 1306 Board of Teaching
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Board of Teaching ensures that educators meet high standards which will enable them to provide the highest quality education throughout their professional career for all learners in our diverse, multicultural society. The Board of Teaching consists of 11 members appointed by the Governor for 4-year terms. Membership includes 6 classroom teachers, one higher education representative who must be a faculty member preparing teachers, one school administrator, and 3 members of the public, 2 of whom must be present or former members of school boards.

The Board of Teaching establishes and maintains standards for the preparation and licensure of teachers by assuring sound and relevant programs of teacher preparation, establishing and revising standards of licensure in instructional areas, approving licensure programs offered by teacher preparation institutions approved by the Board, implementing an assessment system for licensure and maintaining a system of continued professional growth through relicensure. The Board of Teaching provides leadership for improving teacher preparation and licensing through research and development on teacher licensure systems, beginning teacher programs, and the assessment of teaching skills. The Board of Teaching also addresses professional practice by suspending or revoking for cause any license issued by the Board, receiving complaints relative to M.S. 125.09 and the Code of Ethics for Minnesota Teachers, and conducting investigations and processing complaints related to licensed personnel. Additionally, the Board processes appeals resulting from denial of licensure and schedules contested case hearings.

BUDGET ISSUES:

We anticipate continued work toward Board of Teaching priorities and initiatives during the next biennium with the same level of funding.

REVENUE:

The Board of Teaching generates non-dedicated revenue from teacher licensure fees set by the Board. This revenue returns to the General Fund to recover the cost of the operations of the Board of Teaching. It also includes the operations of the Personnel Licensing section of the Department of Children, Families & Learning, which issues, as required by statute, all licenses granted under the authority of the Board of Teaching. Both activities receive General Fund appropriations.

	<u>Dollars in Thousands</u>				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Type of Revenue:					
Non-dedicated - Gen'l	\$1,051	\$1,077	\$1,299	\$1,252	\$1,275

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: BOARD OF TEACHING

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	124	132	135	135	135	139	139	139
OPERATING EXPENSES	101	64	60	60	60	60	60	60
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	225	196	195	195	195	199	199	199
LOCAL ASSISTANCE		41	41	41	41	41	41	41
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	225	237	236	236	236	240	240	240
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	223	231	230	230	230	234	234	234
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	2	6	6	6	6	6	6	6
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	225	237	236	236	236	240	240	240
FTE BY EMPLOYMENT TYPE:								

REGULAR	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

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BUDGET ACTIVITY: 1307 Minnesota Academic Excellence Foundation
PROGRAM: 13 Teaching and Learning
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Minnesota Academic Excellence Foundation (MAEF), by charter from the Minnesota Legislature and through private sector and community-based partnerships, is the primary advocate for recognizing and promoting the importance of academic excellence in Minnesota's pre-kindergarten, elementary and secondary students, schools and communities. The MAEF Board of Directors, appointed by the Governor, establishes the policies and procedures needed to implement MAEF's systematic improvement initiatives, program activities and legislative charge. Additionally, the Board must secure the resources required to accomplish MAEF objectives and impact goals.

MAEF has three strategic priorities to drive student learning toward achieving globally competitive standards:

- facilitating systemic improvement to increase student learning and to enhance educator practice;
- creating values in society that demand academic achievement by and for all learners; and
- facilitating innovative, high-performing, results-oriented partnerships.

For Minnesota to maintain its quality of life, the state must provide a world class education for all of its students. Students need more and different learning experiences and opportunities in all academic areas. Transforming our education system to utilize quality principles and practices to manage and continuously improve and measure the performance of the education delivery system is necessary.

Specific systemic initiatives include:

Academic League which coordinates more than 80 academic challenges to expand and extend student learning through real life applications and problem solving. The Academic League also assists communities in gaining local support for academic achievement. Student participation in Academic League activities has increased from 27% in 1994 to 35% in 1996, and many academic challenges now field more teams than some athletic activities such as hockey.

Partners for Quality (formerly Schools of Excellence) which directly assists schools and districts in continuously improving their learning, management and measurement systems to achieve world class competitiveness, customer responsiveness, stakeholder engagement and problem prevention. Partners for Quality is based on the principles established in the seven categories and 28 items of the Malcolm Baldrige National Quality Award. Participating sites have completed system assessments (12%) and improved performance (54-57%) in a variety of areas including student learning.

What Works? Ask the Students! A new initiative, which improves instruction and learning. It empowers students to increase responsibility for their own learning and assists teachers in improving their instructional delivery by using feedback from students.

Minnesota Governor's Scholars initiative which provides Minnesota with a team of young leaders trained to use culturally sensible approaches to improving their communities and Minnesota. Students learn and practice the principles of leadership, community service, continuous quality improvement, community development and organization, problem and policy analysis, and cultural and personal awareness.

Statewide and Regional Events, Conferences, Rallies and Forums which focus public attention on academic achievement, assists families, communities and the private sector in developing partnerships to advance student learning, create increased expectations and opportunities for academic achievement and foster innovation in stakeholder collaboration and directly assists the media in reporting academic accomplishment. This type of advocacy and outreach includes the Gathering of Champions, which annually recognizes Minnesota's top student achievers, "academic all-stars," at the Minnesota State Fair. The 1996 event involved 10,000 students plus their families and teachers.

BUDGET ISSUES:

We anticipate continued work toward achievement of Minnesota Academic Excellence Foundation priorities and initiatives in the next biennium with the same funding level.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: TEACHING & LEARNING
ACTIVITY: MN ACADEMIC EXCELLENCE FND

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	229	257	254	254	254	259	259	259
OPERATING EXPENSES	321	385	314	314	314	314	314	314
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	550	642	568	568	568	573	573	573
PAYMENTS TO INDIVIDUALS		1						
LOCAL ASSISTANCE	165	210	210	210	210	210	210	210
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	715	853	778	778	778	783	783	783
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	562	654	622	622	622	627	627	627
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	91	59	56	56	56	56	56	56
GIFT	62	140	100	100	100	100	100	100
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	715	853	778	778	778	783	783	783
FTE BY EMPLOYMENT TYPE:								

REGULAR	5.5	7.0	7.0	7.0	7.0	7.0	7.0	7.0
TEMP/SEAS/PART_TIME	.4							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	5.9	7.0	7.0	7.0	7.0	7.0	7.0	7.0

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PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning, Department of

PROGRAM DESCRIPTION:

The primary role and function of the Community Services program is to maximize collaborative efforts of communities, school districts and family service providers in support of lifelong learning and safe and healthy lifestyles for all Minnesotans.

Community Services is an office within the newly created Department of Children, Families & Learning. Community Services brings together programs from the Department of Education, Department of Human Services, Department of Corrections, Department of Public Safety, Department of Economic Security, and Minnesota Planning. The transfers include programs such as: Head Start, Child Care, Family Services Collaboratives, Abused Children, Children's Trust Fund, Drug Policy and Violence Prevention, Energy Assistance, Weatherization, Food Assistance, Housing Assistance and the Community Action Program. As a result of the program transfers, a total of 71.5 positions transferred into the new agency.

The integration of the selected programs is a logical move to coordinate programs that serve families, children and communities, and fulfill the department's mission to increase the capacity of Minnesota communities to measurably improve the well-being of children and families. Through the integration of these programs at the state level, the department encourages state education professionals and social service advocates to work together to meet the needs of Minnesota's children and families. Specifically, by bringing these programs together in one agency, the state will be better able to:

- Coordinate and integrate family and children programs;
- Improve efficiency and flexibility in the design, funding and delivery of programs affecting children and families;
- Provide greater focus on strategies designed to prevent problems affecting the well-being of children and families;
- Enhance local decision making, collaboration, and the development of new decision-making models;
- Increase the capacity of communities to respond to the whole child by improving the ability of families to gain access to services;
- Encourage all members of a community to nurture all the children in the community; and
- Support parents in their dual roles as breadwinners and parents.

For administrative purposes, the program is divided into 4 budget activity areas: Early Childhood, Family & Community Support; Prevention; Library Development and Services; and Self-Sufficiency/Lifelong Learning. Specific information about each activity area can be found in their respective narratives.

Activities in the Community Services program contribute to the following agency goals:

- **Learning Readiness:** The department will build the capacity of the state and its communities to prepare children to start school ready to learn.
- **Safe, Caring Communities:** The department will build the capacity of the state and its communities to provide safe, accessible, violence-free, caring environments in which to raise children.

- **Healthy Children:** The department will build the capacity of the state and its local communities to ensure that children are physically and emotionally healthy.
- **Stable Families:** The department will build the capacity of the state and its local communities to support individuals in poverty and help all families provide a stable environment for their children.
- **Lifelong Learning:** The department will build the capacity of the state and its schools and communities to provide lifelong learning and quality library services and opportunities to Minnesotans of all ages.

PROGRAM STATUS:

Self-Sufficiency/Welfare Reform. The 1996 federal welfare reform bill, (The Personal Responsibility and Work Opportunity Reconciliation Act of 1996), will have an impact on a variety of activities within the Community Services program and affect achievement of the program's goals. The areas that are expected to feel the effects of reform are child care, food and nutrition, adult basic education, energy and economic opportunity. The program will need to focus its efforts on providing assistance to programs such as child care, energy, housing, food, family literacy, and General Education Development (GED) Diploma and English as a Second Language classes to individuals and families.

Child Care. As welfare reform moves more families from welfare to work, there will be an increasing need to improve the quality, availability and affordability of child care for infants, preschoolers and school age children. There will also be an increase in the need for more child care during non-traditional work hours, e.g., evening and flexible shift hours. Finally, as a result of the increased need for child care programs, there will be a need for more training of child care staff and family child care home providers. The state, the federal government and the private sector will need to work together to ensure that there is affordable quality child care for these people.

Early Childhood, Family & Community Support. As the population ages and diversifies in the years ahead, new types of programs will need to be developed to meet changing needs and demands. The costs per capita for programs and services are expected to increase due to inflation as well as the costs associated with meeting more intensive needs. At the same time, the ability of some participants to pay fees for programs will diminish. This will be especially true for families with young children, who are increasingly falling below the poverty line. Because children of working poor families or those in poverty are at greatest risk of "rotten outcomes" (Lizabeth Schorr, Within Our Reach), additional resources need to be invested in programs such as Learning Readiness, Early Childhood Family Education and Family Literacy. The focus on prevention and early intervention will require up-front investments to save much greater costs of remediation later. Current public concern about taxes and the economy is another program driver that will be difficult to reconcile with the need to invest in prevention and early intervention.

Collaboratives. The redesign of services and the resulting influence on important child and family health, social and educational outcomes are long term issues. The Family Services Collaboratives' success will depend on the will and capacity of community-based service providers, state and local government workers, policy makers and elected officials to remove local, state and federal barriers and change how and where services are provided for children and families. The success of these efforts depends on continued funding from the legislature, leadership at the state and local levels and persistence of efforts at the local level.

PROGRAM: Community Services
AGENCY: Children, Families & Learning
(Continuation)

Health Promotion and Violence Prevention. Specifically, in the area of prevention, the combination of federal limitations on the use of funds and the soft-funded state programs with little or no administrative funds make it difficult to operate comprehensive programs. These programs usually involve interagency collaboration at the state and local level. An additional factor is the large number of interagency groups, task forces and commissions requesting/requiring participation. The federal programs usually adequately provide for administration of the program. State resources, on the other hand, have been somewhat limited to meet administrative needs. The program will need to focus on promoting programs that focus on interagency collaboration.

Information Technologies. In the area of library services, there will be increasing use and changing customer expectations. Public library use in Minnesota has reached an all-time high and continues to grow at the rate of at least 3% per year. Use of the Minnesota Library for the Blind and Physically Handicapped also has reached an all-time high and continues to grow at a rate of approximately 3% per year. Customers increasingly expect libraries to be responsive, capable of providing information in a variety of formats, and capable of linking electronically with other libraries and with remote databases. Information technology and electronic networking will also have a impact on Library Development and Services.

Youth/Minnesota Student Survey. The Minnesota Student Survey provides a comprehensive picture of Minnesota youth. Data is collected in a variety of areas, such as tobacco, alcohol and drug use, antisocial behavior, suicide attempts, sexual and physical abuse, and sexual activity. The 1997 survey results will have implications for effective prevention efforts and help guide program decisions.

Additional information regarding the status of this program can be found in the Community Services Program Summary, pages 46-49 of the 1996 Agency Performance Report.

PLANNED RESULTS:

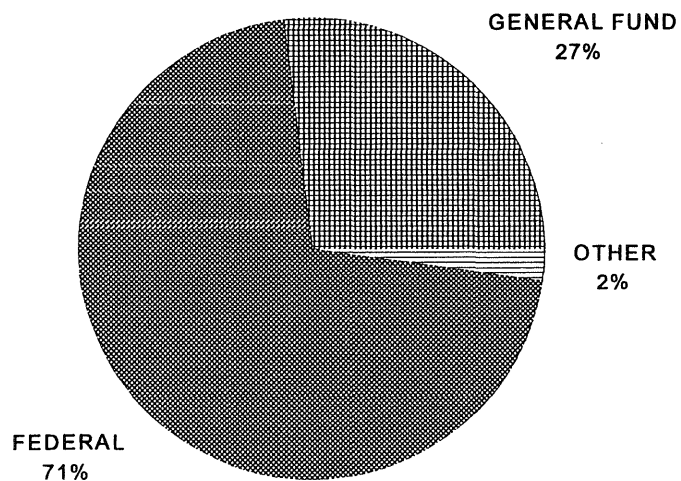
During the F.Y. 1998-99 biennium, with the exception of the planned reallocation, the Community Services program anticipates continued work toward achieving the performance measures identified on pages 27, 46-115 and 134 of the 1996 Agency Performance Report with same level of funding.

BUDGET AND REVENUE SUMMARY:

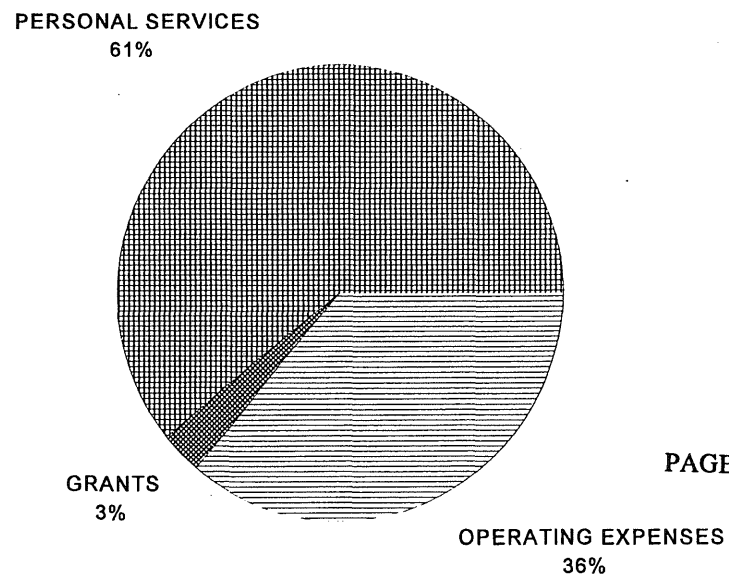
The Agency Plan includes the reallocation of \$100,000 per year in base funds for this program. Funds will be used to study the feasibility of and to develop a plan for implementation of recommendations in the "Seamless Child Care Report," provide for continued support for a GED coordinator position, and provide additional staff support for the Education Resource Center.

Minnesota Department of Children, Families & Learning
Fiscal Summary - Community Services Program
F.Y. 1998 Agency Plan

Total Resources
\$8.3 million



Total Expenditures
\$8.3 million



1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: COMMUNITY SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EARLY CHILDHOOD & FAMILY & COM	1,812	1,719	1,271	1,322	1,322	1,284	1,335	1,335
PREVENTION	3,854	5,820	5,040	5,040	5,040	5,048	5,048	5,048
LIBRARY DEVELOPMENT & SERVICES	1,215	1,325	1,292	1,325	1,325	1,314	1,347	1,347
SELF SUFFICIENCY/LIFELONG LRNG	433	605	564	580	580	565	581	581
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES BY ACTIVITY	7,314	9,469	8,167	8,267	8,267	8,211	8,311	8,311
=====	=====	=====	=====	=====	=====	=====	=====	=====
AGENCY PLAN ITEMS:		FUND						
=====	=====	=====						
TECHNICAL REALLOCATIONS		GEN		100			100	
=====	=====	=====		=====			=====	
TOTAL AGENCY PLAN ITEMS				100			100	
=====	=====	=====						
EXPENDITURES BY FUND:								
=====	=====	=====						
DIRECT APPROPRIATIONS:								
GENERAL	2,421	2,824	2,170	2,270	2,270	2,214	2,314	2,314
STATUTORY APPROPRIATIONS:								
GENERAL	17	29						
SPECIAL REVENUE	225	180	179	179	179	179	179	179
FEDERAL	4,428	5,955	5,818	5,818	5,818	5,818	5,818	5,818
AGENCY	10							
GIFT	213	481						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	7,314	9,469	8,167	8,267	8,267	8,211	8,311	8,311
=====	=====	=====	=====	=====	=====	=====	=====	=====
FTE BY EMPLOYMENT TYPE:								
=====	=====	=====						
REGULAR	91.7	104.2	103.2	103.2	103.2	103.2	103.2	103.2
TEMP/SEAS/PART_TIME	1.9							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	93.6	104.2	103.2	103.2	103.2	103.2	103.2	103.2

1998-99 Biennial Budget

BUDGET ACTIVITY: 1401 Early Childhood, Family & Community Support
PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of the Early Childhood, Family & Community Support activity is to provide statewide leadership for child and family programs, child care services and community collaboration. This activity:

- Maintains familiarity with challenges and problems that may cause barriers to learning and to satisfying, productive living; provides leadership in clarifying issues related to learning; and identifies recommendations and alternatives for policy makers.
- Collaborates with state agencies and organizations to free local and regional cooperative efforts from "system barriers" such as duplication, repetition, and cumbersome regulation.
- Conceptualizes relationships among various state and federal initiatives, assisting practitioners and policy makers to build appropriate connections among issues and programs so that fragmentation is minimized, resources are used effectively, and long term benefits are achieved by using a wide variety of resources.
- Fosters local cooperation and collaboration and helps communities work together to improve results for Minnesota's children and families.
- Promotes broad systemic change in the service delivery system.
- Works to improve the quality of early childhood care and education services.
- Provides training opportunities for child care staff, family child care providers, early childhood, parent and community educators and others who work with young children and families.
- Assists with the development of special child care services such as care for infants, school-age children, sick children and children with special needs.
- Helps families access appropriate child care arrangements.
- Helps low and moderate income families pay for child care so that parents may pursue employment or education leading to employment.

This activity administers many state and federal programs. For purposes of administration, the programs within this activity are clustered into three teams: Early Childhood and Family Initiatives, Child Care, and Community and Systems Change. Substantial interaction occurs among the three teams.

- Early Childhood and Family Initiatives includes: Early Childhood Family Education (ECFE), Learning Readiness, Way to Grow, Tribal Schools ECFE, Early Childhood Screening, Interagency Early Intervention/Part H, Early Childhood Special Education and Parent Involvement.

- Child Care includes: Extended Day, Child Care Assistance, Child Care-Migrant, Child Care Cultural Dynamics, Child Care Apprenticeship and Child Care Services.
- Community and Systems Change includes: Family Collaboratives, Community Education, Youth Development/Youth Service, Adults with Disabilities and Hearing Impaired Adults.

Refer to pages 27, 50-65, 76-84, 91-92 and 103-106 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

The Agency Plan reallocates \$51,000 per year of base level funding to this activity to study feasibility, develop a plan for implementation and begin implementation of recommendations in the "Seamless Child Care Report."

With the exception of the reallocation, we anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

REVENUE:

None

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: COMMUNITY SERVICES
ACTIVITY: EARLY CHILDHOOD & FAMILY & COM

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,208	1,111	940	940	940	953	953	953
OPERATING EXPENSES	475	404	306	357	357	306	357	357
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	1,683	1,515	1,246	1,297	1,297	1,259	1,310	1,310
LOCAL ASSISTANCE	129	204	25	25	25	25	25	25
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	1,812	1,719	1,271	1,322	1,322	1,284	1,335	1,335
=====								
AGENCY PLAN ITEMS:		FUND						
-----		-----						
TECHNICAL REALLOCATIONS		GEN		51			51	
=====		=====		=====			=====	
TOTAL AGENCY PLAN ITEMS				51			51	
=====								
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	761	530	543	594	594	556	607	607
STATUTORY APPROPRIATIONS:								
GENERAL		29						
SPECIAL REVENUE	62	27	27	27	27	27	27	27
FEDERAL	899	701	701	701	701	701	701	701
GIFT	90	432						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	1,812	1,719	1,271	1,322	1,322	1,284	1,335	1,335
=====								
FTE BY EMPLOYMENT TYPE:								

REGULAR	22.9	21.5	20.5	20.5	20.5	20.5	20.5	20.5
TEMP/SEAS/PART_TIME	.3							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	23.2	21.5	20.5	20.5	20.5	20.5	20.5	20.5

1998-99 Biennial Budget

BUDGET ACTIVITY: 1402 Prevention
PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Prevention activity seeks to support, strengthen and sustain the lives of all children and families by promoting safe and healthy lifestyles through community, school and law enforcement programs and activities. For purposes of administration, the programs within this activity are clustered in 3 teams: Safe and Healthy Communities, Comprehensive School Health, and Food and Nutrition.

Safe and Healthy Communities

This activity focuses on the prevention of child abuse, violence, crime and drug abuse through the following components:

- **Abused Children:** The program administers grant funds for services to victims of child abuse and their families, adolescent victims of non-familial physical or sexual assault and juvenile primary and secondary victims of crime.
- **The Children's Trust Fund:** This program provides funding to community-based entities that are designed to help prevent child abuse and provides education, leadership and resources to local prevention organizations.
- **The Office of Drug Policy and Violence Prevention:** This office is responsible for establishing drug abuse and violence prevention policy for Minnesota, coordinating violence and drug abuse prevention activities and administering federal and state grants to state, local and nonprofit agencies.
- **Violence Prevention Education:** This program is responsible for development and implementation of a violence prevention program for students in grades kindergarten through 12th grade which can be integrated into existing curriculum. The focus is to help students learn how to resolve conflicts within their school, families and communities in nonviolent ways.
- **Safe & Drug Free Schools:** This program assists districts in establishing, operating and improving programs for violence and drug abuse prevention and education to eliminate the use of drugs and alcohol by youth and to reduce violence. These programs are coordinated with related community efforts and resources.
- **Prevention and Intervention Funding:** This process allows community non-profit groups and local government agencies the ability to apply for a variety of state and federal funds through a single application. Funds are made available for comprehensive community-wide activities focusing on drug, crime and violence prevention activities.

Comprehensive School Health

The main goal of this interagency initiative with the Minnesota Department of Health is to prevent important health problems and improve educational outcomes of Minnesota children.

- **HIV/AIDS, Sexually Transmitted Diseases (STDs) and Unintended Pregnancy Prevention:** This program works with schools through training and technical assistance to ensure that schools are meeting the requirements of M.S. 121.203. In addition, the program works in collaboration with state and community teen pregnancy preventive efforts.
- **Infrastructure Development:** This program provides coordination between the Minnesota Department of Children, Families & Learning and the Department of Health in order to establish

and strengthen comprehensive school health programs. Activities include planning, organizing and developing statewide or district wide policies, personnel, and resources to help schools implement comprehensive school health programs designed to prevent important health-risk behaviors and health problems among youth.

- **Comprehensive School Health:** This program works to support comprehensive school health education at the local level and to increase the integration of all health efforts in schools to better achieve health and education improvements for children. The 8 components that require integration include: health and physical education, health/nursing services, nutrition services, counseling/social services, healthy environment, health promotion for faculty and staff and parent and community involvement.
- **Minnesota Student Survey:** This program works to provide valid and reliable information to state policymakers and local school districts regarding student health risk behaviors for purposes of resource allocation and program improvement.

Food and Nutrition:

This activity administers six federal U.S. Department of Agriculture (USDA) programs. State funds complement several of the USDA sources and the Minnesota Kindergarten Milk Program. This activity uses administrative, consultative, informational and educational approaches to enable learners of all ages to have access to nutrition programs which contribute to learning, health and success.

- **Child and Adult Care Food Program:** Provides nutritious meals and snacks to children, infants and eligible adults in nonresidential child and adult care settings.
- **School Breakfast and National School Lunch Program:** Provides an opportunity for children to eat a nourishing breakfast and lunch at school.
- **Special Milk Program:** Milk is served during milk breaks or with meals to provide an opportunity to obtain 1 of the 4 glasses of milk needed daily to meet the recommended dietary intake.
- **Summer Food Service Program:** Provides nutritionally adequate meals to economically disadvantaged children during breaks from their school schedule.
- **Food Distribution Program:** Receives, allocates, stores and distributes USDA donated food to schools, charitable institutions, summer camps and summer food programs.

Refer to pages 54-55, 66-67, 70-73, and 85-90 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: COMMUNITY SERVICES
ACTIVITY: PREVENTION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,960	2,717	2,626	2,626	2,626	2,634	2,634	2,634
OPERATING EXPENSES	1,216	2,291	2,264	2,264	2,264	2,264	2,264	2,264
SUBTOTAL STATE OPERATIONS	3,176	5,008	4,890	4,890	4,890	4,898	4,898	4,898
LOCAL ASSISTANCE	678	812	150	150	150	150	150	150
TOTAL EXPENDITURES	3,854	5,820	5,040	5,040	5,040	5,048	5,048	5,048
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	673	1,140	503	503	503	511	511	511
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	19	4	5	5	5	5	5	5
FEDERAL	3,068	4,669	4,532	4,532	4,532	4,532	4,532	4,532
GIFT	94	7						
TOTAL EXPENDITURES	3,854	5,820	5,040	5,040	5,040	5,048	5,048	5,048
FTE BY EMPLOYMENT TYPE:								
REGULAR	42.1	54.3	54.3	54.3	54.3	54.3	54.3	54.3
TEMP/SEAS/PART_TIME	1.1							
TOTAL FTE	43.2	54.3	54.3	54.3	54.3	54.3	54.3	54.3

1998-99 Biennial Budget

BUDGET ACTIVITY: 1403 Library Development and Services
PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

Library Development and Services (LDS) encourages, supports, and provides quality library and information services.

This activity includes statewide library development and library grant programs, the Minnesota Library for the Blind and Physically Handicapped (MLBPH) in Faribault, and the Education Resource Center (ERC).

The customers of this activity include state executive and legislative policy makers, local library board members, local, regional and other library staff and administrators, city administrators, county auditors, other state government agencies, higher education systems and institutions, professional library organizations, federal agencies, visually impaired Minnesotans and the general public.

Specifically this activity:

- Prepares long range plans for development of public library services and cooperation among all types of libraries to guide library development in the state and to qualify for federal funds.
- Provides information and technical assistance on all aspects of library organization, operation, and finance to state and local elected and other government officials, library personnel, library board members and the general public.
- Provides training to enhance and update the skills of library staff.
- Calculates and certifies to local government the minimum level of financial support required for public library services.
- Administers 12 separate and unique state and federal grant programs for: regional public library systems; multi-type library systems; collaborative children's library services; family service collaborative library services; training and recruitment of librarians of color; public library construction; removal of architectural barriers in public libraries; telecommunications in libraries; loan of materials between public libraries; cooperative programs of sharing materials among academic, public, school and special libraries.
- Provides reference information and lends material from a library of print and electronic resources to library and school media staff, library trustees, public officials and the general public.
- Contracts with the Minnesota State Colleges and Universities System (MnSCU) to provide the online catalog and other automated services for 15 state agency libraries. This catalog enables resource sharing by linking the holdings of state government, state university, and community college libraries.
- Lends books in Braille, large print and other recorded media to more than 12,000 people who are blind and physically handicapped. Materials are mailed postage-free to readers at their home or in institutions such as hospitals, nursing homes and schools.

- Provides reference services and cost-effective utilization of information resources, and at the request of Minnesota Department of Children, Families & Learning staff specialists, develops collections in specific subject areas. The database of 13,000 records of specialized and unique resources are included in national, state and local databases, and materials are shared through library networks to make them available throughout the state.

Refer to pages 107-115 and 134 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

The Agency Plan reallocates \$33,000 per year of base level funding to this activity to provide additional resources for the Education Resource Center. Among other things, this will permit enhanced database access for users.

With the exception of the reallocation, we anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: COMMUNITY SERVICES
ACTIVITY: LIBRARY DEVELOPMENT & SERVICES

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	890	988	1,009	1,042	1,042	1,031	1,064	1,064
OPERATING EXPENSES	325	337	283	283	283	283	283	283
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	1,215	1,325	1,292	1,325	1,325	1,314	1,347	1,347
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	1,215	1,325	1,292	1,325	1,325	1,314	1,347	1,347
=====	=====	=====	=====	=====	=====	=====	=====	=====
AGENCY PLAN ITEMS:								

TECHNICAL REALLOCATIONS				33			33	
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL AGENCY PLAN ITEMS				33			33	
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	939	1,062	1,073	1,106	1,106	1,095	1,128	1,128
STATUTORY APPROPRIATIONS:								
GENERAL	17							
SPECIAL REVENUE	144	149	147	147	147	147	147	147
FEDERAL	76	72	72	72	72	72	72	72
AGENCY	10							
GIFT	29	42						
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	1,215	1,325	1,292	1,325	1,325	1,314	1,347	1,347
=====	=====	=====	=====	=====	=====	=====	=====	=====
FTE BY EMPLOYMENT TYPE:								

REGULAR	20.0	21.5	21.5	21.5	21.5	21.5	21.5	21.5
TEMP/SEAS/PART_TIME	.5							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	20.5	21.5	21.5	21.5	21.5	21.5	21.5	21.5
=====	=====	=====	=====	=====	=====	=====	=====	=====

1998-99 Biennial Budget

BUDGET ACTIVITY: 1404 Self-Sufficiency/Lifelong Learning
PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of the Self-Sufficiency/Lifelong Learning activity is to support individuals in poverty, help all families provide a stable environment for their children, and provide basic academic skills and lifelong learning opportunities to Minnesotans of all ages. For purposes of administration the programs within this activity are clustered into 3 teams: Energy, Economic Opportunity, and Adult Basic Education (ABE).

Energy: This activity addresses the affordability of home energy for low income households through Energy Assistance and Weatherization programs.

- Energy Assistance provides funding to local agencies to help low income households cope with the high costs of heat, preserve their winter heating service through household heating assistance grants and provides emergency furnace repairs.
- Weatherization provides funding to local agencies so that they may provide long term conservation structural assistance to a family's dwelling unit and improvements for furnace energy efficiency in order to reduce the household's heating costs.

Economic Opportunity: Economic opportunity programs provide Minnesota low income citizens the opportunity to obtain the skills, knowledge and motivation to become self-sufficient, help remove the causes of poverty in communities and alleviate the effects of poverty in Minnesota.

- The Minnesota Economic Opportunity Grant and the Community Services Block Grant are both used to fight poverty and the effects of poverty through locally designed programs.
- Head Start helps families break the cycle of poverty by providing comprehensive services to over 12,000 low income children and their families annually. Limited state funds are also available for the purchase or renovation of facilities.
- The Emergency Food Assistance Program provides for the distribution of surplus commodities through the state food bank and food shelf network. Over 3 million pounds of food is distributed annually. The Minnesota Food Shelf Program (MFSP) provides funds to food shelves to purchase nutritious food items for distribution to people in need.
- The Transitional Housing Program assists homeless families and individuals to become self sufficient by providing a stable place to live and the support services necessary to learn how to live independently.

Antipoverty programs including Head Start, food and shelter programs, and services to seniors are delivered through a statewide network of Community Action Agencies and Indian Reservation Governments. Local delivery agencies design programs to meet area needs and assist low income families and individuals to become more self-sufficient.

Adult Basic Education. Adult Basic Education funding helps undereducated adults deal more effectively with their own and their families' lives by establishing, improving and maintaining adult learning options that:

- Empower individual adults to solve problems, think creatively, continue learning, and develop their potential for leading productive, fulfilling lives as citizens;
- Provide adult education and risk reduction support services that enable adults to identify, plan for, and achieve their personal learning and living goals;
- Stimulate adults to explore career choices, master basic educational levels and obtain and retain productive employment; and
- Assist adults, regardless of their age, national origin, prior educational level, family status or other unique needs, to continue their education to at least the secondary school completion level.

The ABE program provides educational alternatives including English as a Second Language, General Education Development (GED) Diploma, Adult Diploma, Family Literacy and Workplace Education which meet the academic and social needs of adult learners.

Refer to pages 93-102 of the 1996 Agency Performance report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

The Agency Plan reallocates \$16,000 of base level General Fund dollars to this activity for continuation of a GED coordinator position.

With the exception of the reallocation, we anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: COMMUNITY SERVICES
ACTIVITY: SELF SUFFICIENCY/LIFELONG LRNG

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	363	405	404	420	420	405	421	421
OPERATING EXPENSES	70	128	88	88	88	88	88	88
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	433	533	492	508	508	493	509	509
LOCAL ASSISTANCE		72	72	72	72	72	72	72
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	433	605	564	580	580	565	581	581
=====								
AGENCY PLAN ITEMS:								

TECHNICAL REALLOCATIONS				16			16	
=====				=====			=====	
TOTAL AGENCY PLAN ITEMS				16			16	
=====								
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	48	92	51	67	67	52	68	68
STATUTORY APPROPRIATIONS:								
FEDERAL	385	513	513	513	513	513	513	513
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	433	605	564	580	580	565	581	581
=====								
FTE BY EMPLOYMENT TYPE:								

REGULAR	6.7	6.9	6.9	6.9	6.9	6.9	6.9	6.9
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	6.7	6.9	6.9	6.9	6.9	6.9	6.9	6.9

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1998-99 Biennial Budget

PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

PROGRAM DESCRIPTION:

The primary role and function of this program and its related activities is to provide general support and management services for the instructional mission of the agency as described under the Teaching and Learning and Community Services programs. Activities under the Management & Support Services program are essential for the efficient and effective delivery of services to Minnesota school districts and other educational agencies and clients served by the agency.

Activities in the Management & Support Services program include: Program Finance & Management Assistance, Monitoring and Compliance, Information Technologies, Leadership & Administration, and State Board of Education. The activities direct their efforts toward providing leadership in support of the Teaching and Learning and Community Services programs. While these activities also deal with various components of the learning system, all operate with improved learning as their focus.

The activities in this program area contribute to the following department goals:

- **Safe, Caring Communities:** The department will build the capacity of the state and its communities to provide safe, accessible, violence-free, caring environments in which to raise children.
- **Learner Success:** The department will manage the design of and help schools implement graduation standards to increase learning and support teaching.
- **Information Technologies:** The department will build the capacity of the state and its schools and communities to use current and emerging information technologies to increase learning and support teaching.
- **Finance and Management:** The department will design funding processes and build the capacity of schools, community groups, and other local units of government to manage fiscal resources for the most effective and efficient delivery of services.

PROGRAM STATUS:

Minnesota's education and human services systems are undergoing substantive change. It is leaving the usual way of doing business behind and creating a transformed system. This change concentrates on improved student performance as the desired result. In order to achieve such results, competent support systems such as appropriate levels of funding, adequate facilities, and other management components are crucial. Compliance with laws and rules also remains crucial to assure equal educational opportunities, but with an awareness that flexibility is also needed by school districts to accommodate local needs.

Education is being driven by numerous factors. Some directly impacting this program include:

Finance System Change. The finance system for education is being adjusted to give districts and agencies greater flexibility over the use of resources.

Education Facilities. As Minnesota's education system changes to address the goals of the graduation standards and to assure success for all learners, the delivery system, including school facilities, will need to be structured so that maximum learning will result. Learning sites must be safe, healthy, accessible, and conducive to learning.

District Organization. As Minnesota's demographics change, schools and agencies need to reorganize to deliver the necessary programs and services. Student and family needs coupled with population shifts will continue to require changes in terms of how education and services are provided to learners and their families.

Use of technology. Improvements in information technology enable us to store student performance information in a way which is useful for teachers to improve instruction. In addition, we will be able to aggregate such data at the state and local level for management decision making. Utilization of technology such as the Internet, satellite programming, and interactive TV systems will significantly improve the instructional capacity for learners of all ages.

Due Process and Accountability. School districts are becoming increasingly accountable for equal educational opportunities for learners, and similarly responsible for due process, which may be quite legalistic in nature. Local school personnel have a corresponding need for guidance and training regarding their responsibilities, as well as flexibility from state laws and rules to allow for local decision making whenever possible.

Additional information regarding the status of this program can be found in the Management & Support Services Program Summary, pages 116-140 of the 1996 Agency Performance Report.

PLANNED RESULTS:

During the F.Y. 1998-99 biennium, with the exception of the planned reallocation, the Management & Support Services program anticipates continued work toward the performance measures identified on pages 33-34, 68-69, 74-75 and 116-140 of the 1996 Agency Performance Report with the same funding level.

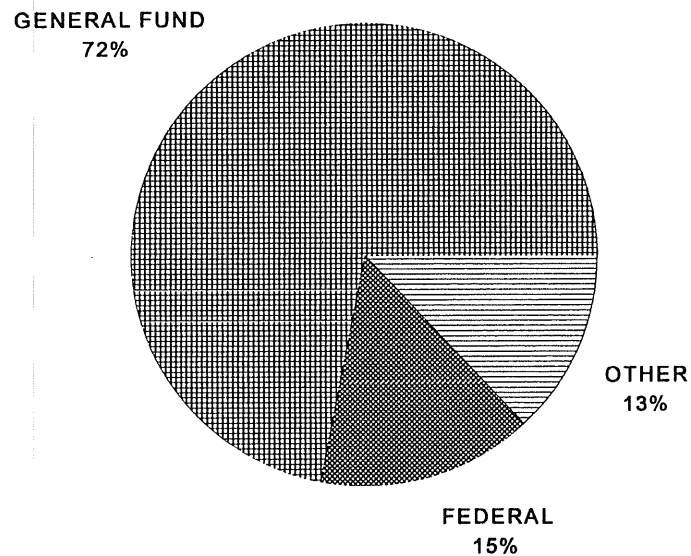
BUDGET AND REVENUE SUMMARY:

The Agency Plan includes reallocation of \$300,000 per year in base level funding to the Information Technologies Activity in this program.

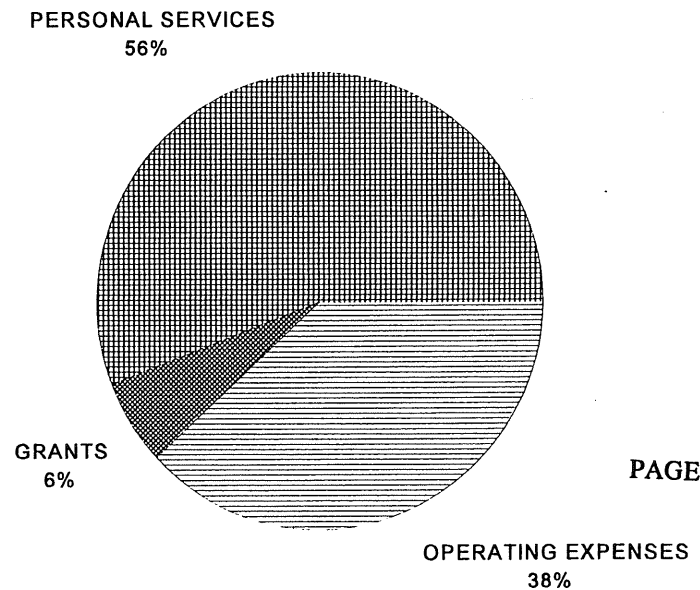
The Agency Plan includes an increase of \$500,000 each year to provide additional resources in the Information Technologies activity and \$850,000 each year in the Leadership & Administration activity to provide the needed resources for expected litigation costs. See the Budget Initiative sheet following the fiscal page for the respective activity.

Minnesota Department of Children, Families & Learning
Fiscal Summary - Management & Support Services Program
F.Y. 1998 Agency Plan

Total Resources
\$17.7 million



Total Expenditures
\$17.7 million



1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES

ACTIVITY RESOURCE ALLOCATION:	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
PROG FINANCE & MANAGEMENT ASST	2,625	2,824	2,810	2,810	2,810	2,861	2,861	2,861
MONITORING & COMPLIANCE	2,441	2,826	2,830	2,830	2,830	2,834	2,834	2,834
INFORMATION & TECHNOLOGY	2,466	3,009	2,586	3,386	3,386	2,634	3,434	3,434
LEADERSHIP & ADMINISTRATION	6,269	8,523	7,638	8,488	8,488	7,806	8,656	8,656
STATE BOARD OF EDUCATION	199	209	207	207	207	210	210	210
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES BY ACTIVITY	14,000	17,391	16,071	17,721	17,721	16,345	17,995	17,995
=====	=====	=====	=====	=====	=====	=====	=====	=====
AGENCY PLAN ITEMS:		FUND						
=====	=====	=====						
TECHNICAL REALLOCATIONS		GEN		300			300	
LITIGATION COSTS		GEN		850			850	
TECHNOLOGY IMPROVEMENT		GEN		500			500	
=====	=====	=====		=====			=====	
TOTAL AGENCY PLAN ITEMS				1,650			1,650	
=====	=====	=====						
EXPENDITURES BY FUND:								
=====	=====	=====						
DIRECT APPROPRIATIONS:								
GENERAL	9,459	12,285	11,059	12,709	12,709	11,333	12,983	12,983
STATUTORY APPROPRIATIONS:								
GENERAL	32	46	11	11	11	11	11	11
SPECIAL REVENUE	1,555	1,808	1,808	1,808	1,808	1,808	1,808	1,808
FEDERAL	2,016	2,383	2,383	2,383	2,383	2,383	2,383	2,383
AGENCY	938	869	810	810	810	810	810	810
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	14,000	17,391	16,071	17,721	17,721	16,345	17,995	17,995
=====	=====	=====	=====	=====	=====	=====	=====	=====
FTE BY EMPLOYMENT TYPE:								
=====	=====	=====						
REGULAR	149.1	165.7	165.7	180.7	180.7	165.7	180.7	180.7
TEMP/SEAS/PART_TIME	6.1							
OVERTIME	.3	.2	.2	.2	.2	.2	.2	.2
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	155.5	165.9	165.9	180.9	180.9	165.9	180.9	180.9

1998-99 Biennial Budget

BUDGET ACTIVITY: 1501 Program Finance & Management Assistance
PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to:

- provide leadership and support to policy makers in developing and evaluating finance policy;
- implement finance programs;
- provide financial management assistance to local agencies and school sites;
- provide leadership to assure facilities are safe and accessible;
- provide management assistance in the evaluation of organizational alternatives; and
- ensure accountability in the use of resources.

The customers of this activity include state executive and legislative policy makers, state agencies, local school board members, local agency and site administrators, county auditors, private auditors and financial consulting firms serving schools, professional organizations, federal agencies, the media and the general public.

This activity is composed of 2 divisions. Together, they provide the range of necessary finance and management services to support the development, implementation, and accountability of Minnesota's system of providing services to children, families and learners through the local agencies and sites. Those agencies and sites provide direct programs and services to Minnesota children, families and learners.

The Program Finance Division focuses on:

- analyzing finance systems for policy makers;
- managing the preparation of the Governor's Children, Families & Learning Aids Budget document;
- supporting the legislative process;
- translating the laws into funding formulas and administrative procedures;
- administering numerous finance programs;
- setting the property tax levy limitations totaling about \$2 billion annually and administering the school district levy process;
- disbursing and reporting for about \$3 billion in annual state aid and tax credits through a metered payment system; and
- providing finance expertise and consultation to a wide range of customers through a variety of materials and means.

The Management Assistance Division focuses on:

- providing management assistance to regional and local agencies and sites in the areas of long-range planning, financial management, transportation, facilities and cooperation, organization and collaboration;
- providing state administration of the required school district accounting and financial management systems;
- providing individualized management assistance to districts with excess operating debt, and approving plans for removing excess debt;

- administering the pupil transportation system, including eligibility and reporting for transportation revenue, and training for school bus safety;
- administering the post-secondary enrollment options, federal impact aid, and credit enhancement programs;
- conducting audits of school district revenues, especially for pupil units and transportation expenses;
- administering the federal single audit system on use of federal funds;
- reporting on the financial health of school districts;
- providing financial data for state aid and other purposes;
- assisting with planning for new school facilities, reviewing all major construction plans, and commenting on appropriateness before bond issues are submitted for voter approval;
- assisting school districts in developing consolidation agreements and facilitating school district consolidation;
- managing state funding programs for health and safety in schools and for capital loan construction projects;
- managing all state grants for school district facilities and organization/facilities planning; and
- coordinating state Fire Marshall inspections of schools.

Refer to pages 33-34, 74-75, 128-133 and 135-140 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: PROG FINANCE & MANAGEMENT ASST

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,885	2,056	2,063	2,063	2,063	2,114	2,114	2,114
OPERATING EXPENSES	474	471	465	465	465	465	465	465
SUBTOTAL STATE OPERATIONS	2,359	2,527	2,528	2,528	2,528	2,579	2,579	2,579
LOCAL ASSISTANCE	266	297	282	282	282	282	282	282
TOTAL EXPENDITURES	2,625	2,824	2,810	2,810	2,810	2,861	2,861	2,861
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	2,617	2,819	2,805	2,805	2,805	2,856	2,856	2,856
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	8	5	5	5	5	5	5	5
TOTAL EXPENDITURES	2,625	2,824	2,810	2,810	2,810	2,861	2,861	2,861
FTE BY EMPLOYMENT TYPE:								
REGULAR	34.2	36.0	36.0	36.0	36.0	36.0	36.0	36.0
TEMP/SEAS/PART_TIME	.6							
TOTAL FTE	34.8	36.0	36.0	36.0	36.0	36.0	36.0	36.0

1998-99 Biennial Budget

BUDGET ACTIVITY: 1502 Monitoring and Compliance
PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Monitoring and Compliance activity administers programs that focus on parent and student rights, including:

- Monitoring for compliance with special education and civil rights rules and regulations.
- Administering mandated conflict resolution systems such as complaint investigations, mediation, and hearings.
- Assisting school districts with necessary corrective actions.
- Providing leadership and services to school districts to promote gender equity in athletics and other aspects of equal educational opportunities.
- Approving programs of instruction in Minnesota educational institutions -- secondary and post-secondary, public and private -- in accordance with the federal G.I. Bill, Title 38, U.S. Code.
- Conducting monitoring visits to determine program compliance and indicate required corrective action for the 5 federal nutrition programs.
- Monitoring veterans' programs for compliance with federal and state statutes, rules and regulations, and providing technical assistance to appropriate staff.

Refer to pages 33-34 and 68-69 in the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same funding level.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: MONITORING & COMPLIANCE

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,731	1,842	1,846	1,846	1,846	1,850	1,850	1,850
OPERATING EXPENSES	702	984	984	984	984	984	984	984
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	2,433	2,826	2,830	2,830	2,830	2,834	2,834	2,834
LOCAL ASSISTANCE	8							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,441	2,826	2,830	2,830	2,830	2,834	2,834	2,834
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	128	170	174	174	174	178	178	178
STATUTORY APPROPRIATIONS:								
SPECIAL REVENUE	308	346	346	346	346	346	346	346
FEDERAL	2,005	2,310	2,310	2,310	2,310	2,310	2,310	2,310
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	2,441	2,826	2,830	2,830	2,830	2,834	2,834	2,834
FTE BY EMPLOYMENT TYPE:								

REGULAR	32.0	33.4	33.4	33.4	33.4	33.4	33.4	33.4
TEMP/SEAS/PART_TIME	2.1							
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	34.1	33.4	33.4	33.4	33.4	33.4	33.4	33.4

1998-99 Biennial Budget

BUDGET ACTIVITY: 1503 Information Technologies
PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The Information Technologies activity ensures accurate, timely and comparable management of information as required by local school boards, the Minnesota Department of Children, Families & Learning, the State Board of Education, the executive and legislative branches of Minnesota government, and the federal government. A major effort of this activity for the next biennium is to convert Children, Families & Learning systems to an in-house computer, which will eliminate the need to contact with Metro II for computer resources. Customers of this activity include department staff, school district administrative staff, ESV Region staff, Minnesota Legislature, U.S. Department of Education, Office of Civil Rights and the public.

The Information Technologies activity has three components: Data Management, System Development and Support, and School and Community Technology.

Data Management coordinates the department's data collection and automated reporting systems. The System Development and Support team provides for mainframe computer system development for levy calculations, student accounting, teacher licensure, financial accounting and other department operations. The School and Community function provides a framework for implementation of technology for schools and communities. This unit also administers the legislative technology program.

Refer to pages 119-127 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity

BUDGET ISSUES:

The Agency Plan includes reallocation of \$300,000 each year of base level General Funds to this activity to provide sufficient staffing in the systems development area. The department needs appropriate staffing to continue its ability to make uninterrupted aid payments and maintain over 45 systems for data reporting and aid payments. The reallocated funds will also be used in the School and Community Technology Team to provide for the increased emphasis on school technology, technology infrastructure in the schools and the application of technology support of teaching and instruction.

The plan includes a requested increase of \$500,000 per year in the Information Technologies activity. Additional staff is needed for school district technology program support including serving as the clearing house for standards and information for schools on the application of technology for teaching and learning. Additional support is also needed for systems support and programming. Substantial increases in staffing and funding are required to reduce the risk of failure to provide accurate and timely information including tax levy, school aid and other high priority information. See the Budget Initiative sheet following the fiscal page for the Information Technologies activity.

1998-1999 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: INFORMATION & TECHNOLOGY

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	1,656	2,130	1,957	2,757	2,757	2,005	2,805	2,805
OPERATING EXPENSES	714	879	629	629	629	629	629	629
SUBTOTAL STATE OPERATIONS	2,370	3,009	2,586	3,386	3,386	2,634	3,434	3,434
LOCAL ASSISTANCE	96							
TOTAL EXPENDITURES	2,466	3,009	2,586	3,386	3,386	2,634	3,434	3,434
AGENCY PLAN ITEMS:		FUND						
TECHNICAL REALLOCATIONS		GEN		300			300	
TECHNOLOGY IMPROVEMENT		GEN		500			500	
TOTAL AGENCY PLAN ITEMS				800			800	
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	2,166	2,663	2,223	3,023	3,023	2,271	3,071	3,071
STATUTORY APPROPRIATIONS:								
GENERAL	21	<17>						
SPECIAL REVENUE	272	328	328	328	328	328	328	328
FEDERAL	7	35	35	35	35	35	35	35
TOTAL EXPENDITURES	2,466	3,009	2,586	3,386	3,386	2,634	3,434	3,434
FTE BY EMPLOYMENT TYPE:								
REGULAR	31.1	37.7	37.7	52.7	52.7	37.7	52.7	52.7
TEMP/SEAS/PART_TIME	1.3							
TOTAL FTE	32.4	37.7	37.7	52.7	52.7	37.7	52.7	52.7

F.Y. 1998-99 BUDGET INITIATIVE

AGENCY: Children, Families & Learning, Department of
PROGRAM: Management & Support Services
ACTIVITY: Information Technologies

ITEM TITLE: Information Technologies Support

	<u>1998-99 Biennium</u>		<u>2000-01 Biennium</u>	
	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$500	\$500	\$250	\$250
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding for the following:

1. Additional staffing for school district technology program support including serving as a clearinghouse for standards and information for schools in the application of technology for teaching and learning.
2. Additional systems support and programming. Increases in staffing and funding are required to reduce the risk of failure to provide accurate and timely information including Tax Levy, School State Aid and other high priority information.

RATIONALE:

The Governor's budget recommends major new initiatives related to school district technology. New programs include the Learning Network of Minnesota, Learning Resource Network, and Learning Academies and Learning Site Challenge Grants. The Information Technologies Division also provides support and manages over 43 enterprise server and 23 client/server based application systems that support the mission of the Department of Children, Families & Learning. Additional support functions have been transferred into the department which were not supported within the old Department of Education. The current staffing levels within the systems support area are not adequate to meet customer demands and support all aid payment processes within the department. The Information Technologies Division has recently received a staffing study report and is developing a staffing plan for the division. This study was completed by an outside, independent consultant which has provided an unbiased view of the current staffing situation. Additional positions would aid in the systems support area which has chronic shortages of systems staff.

PROGRAM OUTCOMES:

The adoption of new technologies and new school technology initiatives in the department while maintaining and supporting critical tax levies, aid programs and monitoring programs. The addition of new staff will aid the Division of Information Technologies to support current customer needs and also help eliminate the risk of failure to provide system support for school aid payments and tax levies in a timely manner. Funding is requested as follows:

(\$ in 000s)	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Mission Critical Staffing for School District Aid Payment	\$400.0	\$400.0
Critical Staffing for School District Technology	\$100.0	\$100.0

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1998-99 Biennial Budget

BUDGET ACTIVITY: 1504 Leadership & Administration
PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The purpose of this activity is to provide statewide policy leadership for the Minnesota education system and in the efforts of communities, school districts and family service providers collaboratively to support lifelong learning and safe and healthy lifestyles for all Minnesotans.

Office of the Commissioner and Executive Team:

- Serves as the spokesperson for public education in Minnesota, advocates on behalf of all Minnesota learners and stakeholders, and ensures implementation of all state education policies.
- Provides leadership for the development and delivery of services to Minnesota's public school system in the areas of curriculum instruction, funding, school district management, and programs and services for students with special needs.
- Provides general direction to all education program areas including early childhood and family education, elementary secondary education, secondary vocational education, special education, choice, alternative programs, co-location of services, risk prevention, community education, and adult education programs.
- Ensures that programs required by the federal and state governments are provided to all students in the state.
- Provides leadership in building and using collaborative working relationships with other service delivery agencies, including all public and private post-secondary education providers.
- Provides statewide leadership for child and family programs, child care services and community collaboration.
- Serves as a spokesperson to support, strengthen and sustain the lives of children and families by promoting safe and healthy lifestyles through community, school and law enforcement programs and activities.
- Gives direction to help all families provide a stable environment for their children and provide basic academic skills and lifelong opportunities to Minnesotans of all ages.

Public Information:

- Communicates state-level policy and priorities to public school leadership, other children and family services leadership, department clients, the media, and the public.
- Produces *Connection*, the agency's major newspaper which has a circulation of 62,000 and is mailed to teachers and administrators in every school district in the state plus an extensive list of organizations and individuals who are interested in Minnesota's policies and programs for children and families.
- Prepares reports, brochures and other materials for distribution to all ages that communicate information about Minnesota's educational opportunities and in support of lifelong learning and safe and healthy lifestyles.

Intergovernmental Affairs:

- Coordinates legislative relations at both the state and federal levels.
- Provides guidance and assistance to the Governor's office in the development of the children, families and learning agenda.
- Coordinates intra and inter-departmental development of policy and budget for legislative action to ensure consistency with administration and department goals.
- Provides information and guidance to the Washington office and the congressional delegation to maximize funding for the state's program and service delivery.

- Works with local governments and interest groups year round to assure appropriate understanding and implementation of legislative initiatives.
- Promotes the successful legislative enactment of executive branch initiatives.
- Works year round with legislators on their individual priorities for children, families and learning to achieve consistent policy formulation and implementation.

Finance and Management Services:

- Manages the financial and business affairs of the department; manages preparation of the annual spending plan and the biennial budget process for agency operations; provides reimbursement to education agencies and service providers; provides financial oversight and reporting for federal programs including school or local agency reimbursement and cash management; processes employee and vendor payments; manages the contract and grant agreement process.
- Provides office support services for the department including facilities, use of office space, copy services and mail distribution services.
- Arranges for purchase of equipment, printing, supplies, purchased services for agency operation, and materials for educational programs or training conducted by department staff. Receives incoming shipments and deliveries, handles inventory records, supply distribution, and department storage space.

Human Resources:

- Provides personnel services, including recruitment and selection of employees, job classifications, compensation and employee benefit administration.
- Interprets and administers statutes, rules, policy and procedures related to affirmative action/diversity, ADA/reasonable accommodation, Conflict of Interest/Code of Ethics, Family Medical Leave Act, harassment and violence in the workplace.
- Provides programs and other opportunities for professional development of all members of the department, including acculturation and job-specific training.
- Provides employee assistance, health and wellness, health and safety, and other related employee activities.
- Provides labor relations services including contract negotiations, contract and plan interpretation and administration, and grievance processing.

Refer to pages 135-136 of the 1996 Agency Performance Report for additional information, objectives and performance measures for this activity.

BUDGET ISSUES:

The plan includes an \$850,000 increase each year in the Leadership & Administration Activity to provide the needed resources for expected litigation costs. Because of the difficulty in estimating the timeline for litigation, litigation funds are requested to be made available for either year of the biennium. See the Budget Initiative sheet following the fiscal page for the Leadership & Administration activity.

We anticipate continued work toward achievement of the performance measures detailed in the 1996 Agency Performance Report in the next biennium with the same level of administrative funding.

REVENUE:

None

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: LEADERSHIP & ADMINISTRATION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
EXPENDITURES:								

DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	2,709	3,144	3,073	3,073	3,073	3,201	3,201	3,201
OPERATING EXPENSES	2,801	4,609	3,805	4,655	4,655	3,845	4,695	4,695
=====	=====	=====	=====	=====	=====	=====	=====	=====
SUBTOTAL STATE OPERATIONS	5,510	7,753	6,878	7,728	7,728	7,046	7,896	7,896
LOCAL ASSISTANCE	17	20	10	10	10	10	10	10
OTHER EXPENSES	742	750	750	750	750	750	750	750
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	6,269	8,523	7,638	8,488	8,488	7,806	8,656	8,656
=====								
AGENCY PLAN ITEMS:								

LITIGATION COSTS				850			850	
=====				=====			=====	
TOTAL AGENCY PLAN ITEMS				850			850	
=====								
EXPENDITURES BY FUND:								

DIRECT APPROPRIATIONS:								
GENERAL	4,349	6,424	5,650	6,500	6,500	5,818	6,668	6,668
STATUTORY APPROPRIATIONS:								
GENERAL	11	63	11	11	11	11	11	11
SPECIAL REVENUE	967	1,129	1,129	1,129	1,129	1,129	1,129	1,129
FEDERAL	4	38	38	38	38	38	38	38
AGENCY	938	869	810	810	810	810	810	810
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL EXPENDITURES	6,269	8,523	7,638	8,488	8,488	7,806	8,656	8,656
=====								
REVENUE COLLECTED:								

DEDICATED:								
GENERAL	115	196	41	41	41	41	41	41
SPECIAL REVENUE	2,588	2,527	2,886	2,886	2,886	2,886	2,886	2,886
FEDERAL	13,780	16,137	17,653	17,653	17,653	17,653	17,653	17,653

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: LEADERSHIP & ADMINISTRATION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
=====	=====	=====	=====	=====	=====	=====	=====	=====
AGENCY	868	810	810	810	810	810	810	810
GIFT	267	300	100	100	100	100	100	100
NONDEDICATED:								
CAMBRIDGE DEPOSIT FUND	1,105	1,354	1,377	1,377	1,377	1,330	1,330	1,330
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL REVENUES COLLECTED	18,723	21,324	22,867	22,867	22,867	22,820	22,820	22,820
FTE BY EMPLOYMENT TYPE:								
=====								
REGULAR	49.8	56.6	56.6	56.6	56.6	56.6	56.6	56.6
TEMP/SEAS/PART_TIME	2.1							
OVERTIME	.3	.2	.2	.2	.2	.2	.2	.2
=====	=====	=====	=====	=====	=====	=====	=====	=====
TOTAL FTE	52.2	56.8	56.8	56.8	56.8	56.8	56.8	56.8

F.Y. 1998-99 BUDGET INITIATIVE

AGENCY: Children, Families & Learning, Department of
PROGRAM: Management & Support Services
ACTIVITY: Leadership & Administration

ITEM TITLE: Litigation Costs

	<u>1998-99 Biennium</u>		<u>2000-01 Biennium</u>	
	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Expenditures: (\$000s)				
General Fund				
- State Operations	\$850	\$850	\$-0-	\$-0-
Revenues: (\$000s)				
General Fund	\$-0-	\$-0-	\$-0-	\$-0-

Statutory Change? Yes ___ No X

If yes, statutes(s) affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$850,000 each year of the biennium to provide resources for expected litigations.

1998-99 Biennial Budget

BUDGET ACTIVITY: 1505 State Board of Education
PROGRAM: 15 Management & Support Services
AGENCY: Children, Families & Learning, Department of

ACTIVITY DESCRIPTION:

The State Board of Education (SBE) is a layperson governing and policymaking body appointed by the governor and confirmed by the Senate. The State Board is comprised of 9 citizen members--one from each congressional district and one at-large member. In addition there is one non-voting student member, elected annually by the State Student Council Association. By statute, the Commissioner is an ex-officio member and serves as secretary of the State Board of Education.

The primary activities of the State Board of Education include:

1. Providing statewide policy leadership for the Minnesota educational system. This includes assuring a quality educational program for more than 830,000 Minnesota public school students, 47,500 teachers and administrators, and 365 school districts and other education delivery agencies.
2. Providing governance for Minnesota's 365 public school districts and other educational delivery agencies by adopting statutorily based rules and promulgating guidelines by which the Minnesota Department of Children, Families & Learning and the local school districts carry out statutory responsibilities.
3. Serving as a decision maker regarding sponsorship of charter schools, various grant programs and appeal processes.
4. Promoting local decision-making and flexibility, accountability and innovation at the local level by granting waivers to current SBE rules.
5. Serving as a citizen bridge between state policymakers and the educational system's stakeholders by providing year-around public forums to gain on-going public input and engage in consensus building on key education initiatives and reform efforts.
6. Serving as the governing board for and thereby providing policy direction, guidelines, standards and program evaluation for the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind (MSAD/MSAB).
7. Establishing priorities and policy statements to guide the development of the biennial legislative package and its adoption and submission to the Governor and the legislature.
8. Providing lay governance and direction for the Minnesota Department of Children, Families & Learning through establishment of priorities, development of annual and long-range goals, and through the process of approving and adopting major initiatives with the department.

The State Board of Education continues to improve and extend its leadership role as the primary policymaking body in the executive branch for pre K-12 education. In doing so, the State Board has increased its efficiency by which it accomplishes its goals and objectives.

The following are some examples of efficiency measures that the State Board has initiated or improved upon in recent years:

- planned and held several series of public meetings around the state to gain extensive public input on major SBE initiatives;
- held regularly scheduled meetings with other state agencies, advisory councils and key educational organizations to discuss important issues;
- developed a more streamlined board meeting agenda to more efficiently carry out SBE responsibilities;
- convened monthly study sessions at the board meeting to provide a regular public forum for examining critical education issues with major stakeholders and experts in the field;
- established a more coordinated team approach to policymaking with the Department of Children, Families & Learning management to provide more consistent state level leadership;
- altered committee meeting schedule for Faribault Residential Academies to make it more efficient and conducive to site-based decision-making;
- fully implemented a coordinated systematic process for granting rule waivers to promote flexibility, allow innovation and increase the efficiencies and effectiveness of the educational system; and
- established a rulemaking process within the Department of Children, Families & Learning.

BUDGET ISSUES:

We anticipate continued work toward achievement of the State Board of Education priorities and initiatives during the next biennium with the same funding level.

1998-1999 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY: CHILDREN, FAMILIES & LEARNING
PROGRAM: MANAGEMENT & SUPPORT SERVICES
ACTIVITY: STATE BOARD OF EDUCATION

ACTIVITY SUMMARY	FY 1996	Est. FY 1997	FY 1998			FY 1999		
			Base Level	Agency Plan	Governor Recomm.	Base Level	Agency Plan	Governor Recomm.
EXPENDITURES:								
DETAIL BY CATEGORY:								
STATE OPERATIONS:								
PERSONAL SERVICES	134	146	149	149	149	152	152	152
OPERATING EXPENSES	65	63	58	58	58	58	58	58
SUBTOTAL STATE OPERATIONS	199	209	207	207	207	210	210	210
TOTAL EXPENDITURES	199	209	207	207	207	210	210	210
EXPENDITURES BY FUND:								
DIRECT APPROPRIATIONS:								
GENERAL	199	209	207	207	207	210	210	210
TOTAL EXPENDITURES	199	209	207	207	207	210	210	210
FTE BY EMPLOYMENT TYPE:								
REGULAR	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
TOTAL FTE	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0

CHILDREN, FAMILIES & LEARNING AIDS

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F.Y. 1998-99 BIENNIAL BUDGET
STATE GENERAL FUND APPROPRIATION SUMMARY
CHILDREN, FAMILIES AND LEARNING AIDS

(\$ in 000s)

		Estimated Expenditures			Governor's Recommendations		
		F.Y. 1996	F.Y. 1997	F.Y. 1996-97	F.Y. 1998	F.Y. 1999	F.Y. 1998-99
GENERAL EDUCATION							
0101	General Education	2,461,224	2,674,083	5,135,307	2,447,317	2,489,440	4,936,757
0103	Permanent School Fund Restructuring	0	4,405	4,405	13,840	13,018	26,858
0104	Transportation	145,031	22,001	167,032	0	0	0
0105	Targeted Needs Transportation	0	64,890	64,890	75,728	24,251	99,979
0107	Enrollment Options Transportation	60	102	162	102	102	204
0108	Interdistrict Desegregation Transportation	100	630	730	800	970	1,770
0109	Transportation Safety	1,580	1,388	2,968	1,430	1,458	2,887
0110	Capital Expenditure - Health & Safety	10,123	13,079	23,202	12,281	12,179	24,460
0114	Debt Service Equalization	30,053	29,827	59,880	35,452	37,680	73,132
0115	Parental Choice Tax Credit	[73,000]	[77,000]	[150,000]	[81,000]	[85,000]	[166,000]
0116	Unallocated Funds	0	0	0	0	0	0
0117	Wide Area Transportation Program	149	101	250	100	50	150
General Education Subtotal		2,648,320	2,810,505	5,458,825	2,587,051	2,579,147	5,166,198
SPECIAL PROGRAMS							
0201	Special Education - Regular	195,452	248,547	443,999	282,508	381,302	663,810
0202	Special Education - Special Pupil	510	552	1,062	586	644	1,230
0203	Travel for Home-Based Services	97	90	187	107	111	218
0204	Special Education - Excess Cost	3,977	8,178	12,155	16,835	29,127	45,962
0205	Special Education Equalization Aid	24,357	19,965	44,322	10,985	5,612	16,597
0207	Secondary Vocational; Students with Disabilities	4,936	6,329	11,265	7,044	7,985	15,029
0208	Targeted Needs: Limited English Proficiency	7,168	9,477	16,645	13,127	1,355	14,482
0209	Targeted Needs: Assurance of Mastery	13,379	14,233	27,612	13,619	1,362	14,981
0210	Targeted Needs: Integration Grants	18,844	18,844	37,688	18,844	26,124	44,968
0211	Integration Programs	1,000	1,000	2,000	1,000	1,000	2,000
0213	Magnet School and Program Grants	1,500	1,500	3,000	1,750	1,750	3,500
0214	American Indian Language and Culture Programs	591	620	1,211	591	591	1,182
0215	American Indian Education	175	184	359	175	175	349
0216	American Indian Post-Secondary Prep. Grants	857	857	1,714	857	857	1,714
0217	American Indian Scholarships	1,600	1,600	3,200	1,600	1,600	3,200
0218	Indian Teacher Preparation Grants	190	190	380	190	190	380
0219	Tribal Contract Schools	0	669	669	2,593	2,908	5,501
0220	Early Childhood Programs at Tribal Schools	68	68	136	68	68	136
0221	Basic Skills Summer School	0	0	0	3,395	4,549	7,944
0222	ASL: Teacher Ed. Hearing Impaired	13	12	25	13	12	25
0223	Mexican Origin Education Grants	50	25	75	50	25	75
0224	Lay Advocates	10	0	10	10	0	10
0225	Options Plus Pilot Grants	150	0	150	150	0	150
0226	Low-Income Concentration Grants	1,150	1,300	2,450	1,000	0	1,000
0227	First Grade Preparedness Program	0	3,500	3,500	3,150	3,500	6,650
Special Programs Subtotal		276,074	337,739	613,813	380,247	470,846	851,093

F.Y. 1998-99 BIENNIAL BUDGET
STATE GENERAL FUND APPROPRIATION SUMMARY
CHILDREN, FAMILIES AND LEARNING AIDS

(\$ in 000s)

		Estimated Expenditures			Governor's Recommendations		
		F.Y. 1996	F.Y. 1997	F.Y. 1996-97	F.Y. 1998	F.Y. 1999	F.Y. 1998-99
COMMUNITY AND SCHOOL SERVICES							
0301	Adult Basic Education	8,374	11,526	19,900	9,319	9,424	18,743
0302	Adult Graduation Aid	2,476	2,449	4,925	2,245	2,245	4,489
0303	GED Test	113	137	250	125	125	250
0306	Violence Prevention Grants	1,500	1,500	3,000	1,500	1,500	3,000
0307	Male Responsibility Grants	623	375	998	375	375	750
0308	After School Enrichment	0	5,000	5,000	5,000	5,000	10,000
0309	Early Intervention, Ages 6-12	0	0	0	1,500	1,500	3,000
0310	Abused Children Program	0	1,022	1,022	1,048	1,079	2,127
0311	Drug Policy and Violence Prevention	0	2,202	2,202	2,912	2,980	5,892
0312	Children's Trust Fund	0	247	247	247	247	494
0313	Minnesota Economic Opportunity Grants	0	0	0	9,000	9,000	18,000
0314	Transitional Housing	0	0	0	935	935	1,870
0315	Emergency Food Assistance Program	0	0	0	97	97	194
0316	Food Bank/Food Shelves	0	0	0	700	700	1,400
0317	Oil Program	0	0	0	[588]	[588]	[1,176]
0318	Liquid Propane (LP) Program	0	0	0	[500]	[500]	[1,000]
0319	State Weatherization	0	0	0	[190]	[190]	[380]
0320	State Energy Assistance	0	0	0	[810]	[810]	[1,620]
0322	Head Start	0	0	0	13,506	13,506	27,012
Community & School Services Subtotal		13,086	24,458	37,544	48,509	48,713	97,221
CHILDREN AND FAMILY SUPPORT							
0401	Community Education	2,805	2,539	5,344	1,819	1,611	3,430
0402	Extended Day	349	389	738	347	304	651
0404	Adults with Disabilities Program	695	695	1,390	670	670	1,340
0405	Hearing Impaired Adults	70	70	140	70	70	140
0406	Early Childhood Family Education	13,990	14,358	28,348	14,554	13,638	28,192
0407	Health & Developmental Screening	1,550	1,627	3,176	1,550	1,550	3,100
0408	Part H	0	400	400	400	0	400
0409	Way to Grow	475	475	950	475	475	950
0410	Learning Readiness	9,506	9,980	19,486	10,316	10,405	20,721
0412	Family Collaboratives	4,018	7,982	12,000	7,500	7,500	15,000
0413	Child Care Assistance	0	41,922	41,922	67,065	97,664	164,729
0414	Child Care Development	0	1,930	1,930	2,865	1,865	4,730
Children & Family Support Subtotal		33,458	82,366	115,824	107,631	135,752	243,383
LIFE WORK DEVELOPMENT							
0501	Secondary Vocational	13,218	12,744	25,962	11,617	11,596	23,213
0502	Ed. & Employment Transitions/School-to-Work	1,308	3,692	5,000	4,000	4,000	8,000
0503	Youth Works	1,782	1,844	3,626	1,813	1,813	3,626
0504	Youth Works Administration	44	56	100	50	0	50
Life Work Development Subtotal		16,352	18,336	34,688	17,480	17,409	34,889

F.Y. 1998-99 BIENNIAL BUDGET
STATE GENERAL FUND APPROPRIATION SUMMARY
CHILDREN, FAMILIES AND LEARNING AIDS

(\$ in 000s)

		Estimated Expenditures			Governor's Recommendations		
		F.Y. 1996	F.Y. 1997	F.Y. 1996-97	F.Y. 1998	F.Y. 1999	F.Y. 1998-99
EDUCATION ORGANIZATION/COOPERATION							
0601	Cooperation and Combination Revenue	3,451	2,105	5,556	562	42	604
0602	District Cooperation Revenue	12,829	12,558	25,387	9,766	954	10,720
0603	Consolidation Transition Revenue	995	765	1,760	1,254	1,151	2,405
0605	Special Consolidation Aid	98	45	143	3	0	3
0606	Interagency Collaboration Grants	0	0	0	500	0	500
Educ. Organization/Coop. Subtotal		17,373	15,473	32,846	12,086	2,146	14,232
EDUCATION EXCELLENCE							
0701	Adv. Placement/Int'l Baccalaureate Prog.	814	936	1,750	875	875	1,750
0702	School Restructuring Grants	300	300	600	300	300	600
0703	Science - Mathematics Grant (SciMath MN)	1,086	1,558	2,644	1,322	1,322	2,644
0704	Family Connections Aid	125	125	250	0	0	0
0705	Education Performance Improvement Grants	505	295	800	0	0	0
0706	School Enrichment Partnerships	500	0	500	500	0	500
0707	Teacher Education Improvement (BdT)	309	591	900	450	450	900
0708	Community-Based Charter School (Wilder Grant)	0	300	300	1,000	1,000	2,000
0709	Charter School Building Lease Aid	0	0	0	1,078	1,577	2,655
0710	Charter School Start-Up	0	0	0	3,922	3,423	7,345
0711	Laboratory Schools	0	0	0	10,000	0	10,000
0712	Site Performance Pay	0	0	0	22,500	25,000	47,500
0713	State Accountability System	0	0	0	2,500	2,500	5,000
Education Excellence Subtotal		3,639	4,105	7,744	44,447	36,447	80,894
NUTRITION AND OTHER EDUCATION PROGRAMS							
0801	Abatement Revenue	32,583	12,312	44,895	6,844	6,844	13,688
0802	Nonpublic Pupil Aid	8,362	9,422	17,784	9,415	9,688	19,103
0804	PSEO Replacement Aid	154	145	299	12	0	12
0806	School Lunch and Food Storage Program	7,204	7,254	14,458	7,254	7,254	14,508
0807	Summer Food Service	15	15	30	15	15	30
0808	School Breakfast Aid	419	456	875	456	456	912
Nutrition and Other Ed. Progs. Subtotal		48,737	29,604	78,341	23,996	24,257	48,253
LIBRARIES							
1001	Basic Support Grants for Libraries	7,819	8,210	16,029	7,819	7,819	15,638
1002	Multicounty, Multitype Library Systems	527	554	1,081	527	527	1,054
1003	Librarians of Color	55	55	110	55	55	110
1004	Children's Library Services Grants	50	50	100	50	50	100
Libraries Subtotal		8,451	8,869	17,320	8,451	8,451	16,902

F.Y. 1998-99 BIENNIAL BUDGET
STATE GENERAL FUND APPROPRIATION SUMMARY
CHILDREN, FAMILIES AND LEARNING AIDS

(\$ in 000s)

		Estimated Expenditures			Governor's Recommendations		
		F.Y. 1996	F.Y. 1997	F.Y. 1996-97	F.Y. 1998	F.Y. 1999	F.Y. 1998-99
TECHNOLOGY							
1101	INFORMS Grants	400	400	800	0	0	0
1102	Regional Library Telecommunications Aid	800	0	800	0	0	0
1103	Interactive Television (ITV) Revenue	4,038	3,871	7,909	4,030	4,051	8,081
1104	Telecommunication Access Grants	5,500	10,000	15,500	13,000	5,250	18,250
1105	Instructional Trans. through Tech. Grants	2,700	2,700	5,400	0	0	0
1106	Education Tech. Clearinghouse & Upgrade Syste	0	250	250	250	250	500
1107	Learning Academy	0	0	0	1,000	1,000	2,000
1108	Learning Resource Network	0	0	0	7,000	0	7,000
1109	Library Site Grants	0	0	0	4,650	0	4,650
1110	Technology Site Grants	0	0	0	50,000	0	50,000
Technology Subtotal		13,438	17,221	30,659	79,930	10,551	90,481
DISCONTINUED/NON-RECURRING PROGRAMS							
	Rural Computerized Routing	25	0	25	0	0	0
	Special Education - Summer School	4,310	2,610	6,920	0	0	0
	Vocational School Study	35	65	100	0	0	0
	School Interpreters	136	114	250	0	0	0
	Early Intervention Grant (White Bear Lake)	98	292	390	0	0	0
	Violence Prevention Education	0	100	100	0	0	0
	Violence Prevention Councils	75	75	150	0	0	0
	Milan Grant	36	36	72	0	0	0
	Capital Facility Grants	0	408	408	0	0	0
	Crow River Coop	0	100	100	0	0	0
	Capital Expenditure - Facilities	76,492	11,530	88,022	0	0	0
	Capital Expenditure - Equipment	43,920	6,748	50,668	0	0	0
	South Central Planning Grant	21	0	21	0	0	0
	Preston - Fountain - Harmony Grant	70	70	140	0	0	0
	Joint Elementary Facility	0	200	200	0	0	0
	Year-Round School	948	852	1,800	0	0	0
	Pilot Breakfast Program	86	106	192	0	0	0
	Montevideo Grant	100	0	100	0	0	0
	Nett Lake Unemployment	25	62	87	0	0	0
	Mankato Truancy Project	15	15	30	0	0	0
	Angle Inlet Grant	30	25	55	0	0	0
	Aquila Community Together Project	50	0	50	0	0	0
	New Moon Girls Program	20	0	20	0	0	0
	Nett Lake Community Center	0	74	74	0	0	0
	West St. Paul Graduation Standards	0	20	20	0	0	0
	St. Paul Local Accountability	0	100	100	0	0	0
	Floodwood Technology Grant	125	0	125	0	0	0
	Cromwell Technology Grant	125	0	125	0	0	0
	After School Technology	0	1,000	1,000	0	0	0
	Instructional Software	0	860	860	0	0	0
	Technology Integration Grants	0	3,500	3,500	0	0	0
	Student Suspension Study	14	0	14	0	0	0
	Multicultural - Red Lake	69	0	69	0	0	0
Discontinued Subtotal		126,825	28,962	155,787	0	0	0
Children, Families and Learning Aids Total		3,205,751	3,377,639	6,583,390	3,309,828	3,333,718	6,643,546

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F.Y. 1998-99 BIENNIAL BUDGET
SCHOOL DISTRICT GROSS CERTIFIED LEVIES SUMMARY
CHILDREN, FAMILIES & LEARNING AIDS
(\$ in 000s)

		<u>F.Y. 1996</u> <u>(PAY 1995)</u>	<u>F.Y. 1997</u> <u>(PAY 1996)</u>	<u>F.Y.1996-97</u>	<u>F.Y. 1998</u> <u>(PAY 1997)</u>	<u>F.Y. 1999</u> <u>(PAY 1998)</u>	<u>F.Y. 1998-99</u>
01	GENERAL EDUCATION						
01	General Ed	1,054,267.7	1,358,222.1	2,412,489.8	1,351,621.0	1,442,002.0	2,793,623.0
01	Referendum	187,487.6	219,125.6	406,613.2	238,288.5	261,720.2	500,008.7
01	Training & Experience	44,824.7	0.0	44,824.7	0.0	0.0	0.0
01	Supplemental	2,240.4	2,678.8	4,919.2	2,309.7	2,439.0	4,748.7
01	Facilities	42,980.8	0.0	42,980.8	0.0	0.0	0.0
01	Transition	0.0	6,430.4	6,430.4	9,708.4	7,879.6	17,588.0
01	Facilities & Equipment	23,026.8	0.0	23,026.8	0.0	0.0	0.0
04	Basic Transportation	65,666.0	0.0	65,666.0	0.0	0.0	0.0
04	Targeted Needs Transportation	0.0	17,220.4	17,220.4	19,441.9	0.0	19,441.9
04	Nonregular	29,111.0	0.0	29,111.0	0.0	0.0	0.0
04	Excess	26,466.5	0.0	26,466.5	0.0	0.0	0.0
04	Contracts	8,148.1	0.0	8,148.1	0.0	0.0	0.0
04	Bus Purchase	6,086.2	0.0	6,086.2	0.0	0.0	0.0
04	Late Activity Transport	2,999.1	3,014.7	6,013.8	0.0	0.0	0.0
04	Bus Purchase	0.0	0.0	0.0	0.0	900.0	900.0
04	Post-Secondary	124.5	0.0	124.5	0.0	0.0	0.0
10	Hazardous/ Health & Safety	30,825.7	35,828.3	66,654.0	50,573.3	67,844.0	118,417.3
13	Building Lease	12,111.8	16,724.3	28,836.1	20,000.4	24,000.4	44,000.8
13	Disabled Access	7,506.7	5,918.5	13,425.2	6,052.5	4,539.4	10,591.9
13	Alternate Facilities	0.0	0.0	0.0	8,520.3	8,520.3	17,040.6
13	Down Payment	785.8	830.7	1,616.5	1,089.1	1,089.1	2,178.2
13	Technology	0.0	0.0	0.0	681.8	681.8	1,363.6
13	Other Capital	108.8	0.0	108.8	298.2	0.0	298.2
14	Basic Debt Levy (No Equal.)	271,106.0	303,617.9	574,723.9	331,419.2	361,384.5	692,803.7
14	Debt Equalization	(30,053.1)	(32,200.0)	(62,253.1)	(34,092.0)	(38,000.0)	(72,092.0)
14	Lease Purchase	12,178.6	12,178.6	24,357.2	20,416.0	21,000.0	41,416.0
14	Alt Facilities Debt	13,748.0	15,515.8	29,263.8	16,456.2	17,415.5	33,871.7
14	Energy Loan	3,985.6	3,985.6	7,971.2	3,419.3	3,400.0	6,819.3
14	Debt Facilities & Equipment	650.6	650.6	1,301.2	1,933.1	3,900.0	5,833.1
14	Alternate Facilities	5,900.0	6,500.0	12,400.0	0.0	0.0	0.0
14	Secondary Coop Facilities Debt	1,714.2	1,714.2	3,428.4	289.1	0.0	289.1
	Limitation Adjustments	<u>(22,077.4)</u>	<u>(16,960.6)</u>	<u>(39,038.0)</u>	<u>(21,918.0)</u>	<u>(23,628.1)</u>	<u>(45,546.1)</u>
	TOTAL	1,801,920.7	1,960,995.9	3,762,916.6	2,026,508.0	2,167,087.7	4,193,595.7
02	SPECIAL PROGRAMS						
01	Special Educ Current Year	133,954.2	92,528.8	226,483.0	67,549.4	42,700.0	110,249.4
12	Desegregation	19,936.7	20,628.9	40,565.6	21,340.7	24,726.0	46,066.7
26	Osseo at Risk	0.0	407.4	407.4	800.0	0.0	800.0
	Limitation Adjustments	<u>8,600.5</u>	<u>(12,425.9)</u>	<u>(3,825.4)</u>	<u>7,030.5</u>	<u>6,014.1</u>	<u>13,044.6</u>

		<u>F.Y. 1996</u> <u>(PAY 1995)</u>	<u>F.Y. 1997</u> <u>(PAY 1996)</u>	<u>F.Y. 1996-97</u>	<u>F.Y. 1998</u> <u>(PAY 1997)</u>	<u>F.Y. 1999</u> <u>(PAY 1998)</u>	<u>F.Y. 1998-99</u>
	TOTAL	162,491.4	101,139.2	263,630.6	96,720.6	73,440.1	170,160.7
03	COMMUNITY AND SCHOOL SERVICES						
	01 Adult Basic Education	<u>3,398.3</u>	<u>3,702.1</u>	<u>7,100.4</u>	<u>4,041.3</u>	<u>4,438.2</u>	<u>8,479.5</u>
	TOTAL	3,398.3	3,702.1	7,100.4	4,041.3	4,438.2	8,479.5
04	CHILDREN AND FAMILY SUPPORT						
	01 Basic Community Education	28,101.3	28,433.1	56,534.4	29,400.7	30,081.3	59,482.0
	01 Levy Equity	5,707.0	6,525.5	12,232.5	7,936.8	9,678.9	17,615.7
	01 Grandfather	590.3	575.8	1,166.1	576.6	576.6	1,153.2
	02 Extended Day--Disabled	2,311.8	2,577.5	4,889.3	2,975.0	3,100.1	6,075.1
	04 Adults with Disabilities	637.8	650.1	1,287.9	649.8	670.0	1,319.8
	06 ECFE	18,071.5	18,791.3	36,862.8	20,248.6	23,333.0	43,581.6
	06 ECFE Home Visiting	440.0	451.9	891.9	460.1	465.1	925.2
	Limitation Adjustments	<u>45.8</u>	<u>(893.7)</u>	<u>(847.9)</u>	<u>(306.4)</u>	<u>(209.1)</u>	<u>(515.5)</u>
	TOTAL	55,905.5	57,111.5	113,017.0	61,941.2	67,695.9	129,637.1
06	EDUCATION ORGANIZATION/COOPERATION						
	01 Coop & Combination	2,065.5	1,375.0	3,440.5	1,046.6	789.4	1,836.0
	02 District Coop	47,236.3	51,061.1	98,297.4	53,491.6	555.0	54,046.6
	04 Reorganization Severance	1,083.6	847.9	1,931.5	720.5	720.5	1,441.0
	04 Consolidation	449.1	597.9	1,047.0	487.3	550.0	1,037.3
	Limitation Adjustments	<u>17,867.7</u>	<u>0.0</u>	<u>17,867.7</u>	<u>146.6</u>	<u>0.0</u>	<u>146.6</u>
	TOTAL	68,702.2	53,881.9	122,584.1	55,892.6	2,614.9	58,507.5
08	NUTRITION AND OTHER EDUCATION PROGRAMS						
	01 Abatements	35,327.3	23,314.9	58,642.2	4,416.2	26,850.8	31,267.0
	05 School Restructuring	399.3	0.0	399.3	0.0	0.0	0.0
	05 Operating Debt	1,156.9	1,177.1	2,334.0	1,103.0	658.0	1,761.0
	05 Crime	3,638.5	3,712.8	7,351.3	3,806.0	3,882.1	7,688.1
	05 Ice Arena	188.4	182.1	370.5	292.1	292.1	584.2
	05 Reorganization Oper Debt	621.9	776.6	1,398.5	813.9	820.0	1,633.9
	05 Health Benefits	7,761.1	6,895.9	14,657.0	5,978.4	5,201.2	11,179.6
	05 Outplacement	18.4	0.0	18.4	0.0	0.0	0.0
	05 Statutory Operating Debt	53.6	37.0	90.6	38.0	40.5	78.5
	05 Reemployment Insurance	5,068.0	5,170.3	10,238.3	5,987.8	0.0	5,987.8
	05 Health Insurance	5,899.0	5,618.1	11,517.1	5,141.2	5,141.2	10,282.4
	05 Consolidation/Retirement	37.6	156.1	193.7	156.1	450.0	606.1
	05 Mpls Retirement	1,159.2	959.1	2,118.3	759.0	558.9	1,317.9
	05 St. Paul Severance	0.0	374.5	374.5	391.0	415.0	806.0
	05 Staff Development	5.0	5.4	10.4	8.4	0.0	8.4

		F.Y. 1996 <u>(PAY 1995)</u>	F.Y. 1997 <u>(PAY 1996)</u>	F.Y. 1996-97 <u>(PAY 1997)</u>	F.Y. 1998 <u>(PAY 1997)</u>	F.Y. 1999 <u>(PAY 1998)</u>	F.Y. 1998-99 <u>(PAY 1998)</u>
05	Additional Retirement	2,350.0	3,600.0	5,950.0	3,962.0	3,962.0	7,924.0
05	Judgments	326.2	856.8	1,183.0	685.5	700.0	1,385.5
	Limitation Adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	TOTAL	64,010.4	52,836.7	116,847.1	33,538.6	48,971.8	82,510.4
11	TECHNOLOGY						
03	Interactive Television	1,713.9	2,098.1	3,812.0	2,534.5	2,755.3	5,289.8
	Limitation Adjustments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
	TOTAL	1,713.9	2,098.1	3,812.0	2,534.5	2,755.3	5,289.8
OTHER							
	Technical College Building Const	67.4	0.0	67.4	0.0	0.0	0.0
	Taconite	<u>(10,916.6)</u>	<u>(10,942.6)</u>	<u>(21,859.2)</u>	<u>(11,259.9)</u>	<u>(11,259.9)</u>	<u>(22,519.8)</u>
	TOTAL	<u>(10,849.2)</u>	<u>(10,942.6)</u>	<u>(21,791.8)</u>	<u>(11,259.9)</u>	<u>(11,259.9)</u>	<u>(22,519.8)</u>
	TOTAL CERTIFIED LEVY BEFORE HACA	2,147,293.2	2,220,822.8	4,368,116.0	2,269,916.9	2,355,744.0	4,625,660.9
	FORMULA-BASED CERTIFIED LEVIES	1,691,026.3	1,706,256.8	3,397,283.1	1,702,932.7	1,737,718.6	3,440,651.3
	REFERENDUM-BASED CERTIFIED LEVIES	456,266.9	514,566.0	970,832.9	566,984.2	618,025.4	1,185,009.6
	TOTAL	2,147,293.2	2,220,822.8	4,368,116.0	2,269,916.9	2,355,744.0	4,625,660.9
	HACA	<u>(145,688.6)</u>	<u>(117,498.5)</u>	<u>(263,187.1)</u>	<u>(90,764.7)</u>	<u>(64,014.0)</u>	<u>(154,778.7)</u>
	TOTAL CERTIFIED LEVY AFTER HACA	2,001,604.6	2,103,324.3	4,104,928.9	2,179,152.2	2,291,730.0	4,470,882.2
	TOTAL SCHOOL DISTRICT REVENUE LEVIES:						
	TOTAL CERTIFIED LEVY BEFORE HACA	2,147,293.2	2,220,822.8	4,368,116.0	2,269,916.9	2,355,744.0	4,625,660.9
	HOMESTEAD CREDIT ADJUSTMENT - PERA	(2,762.2)	(3,000.0)	(5,762.2)	(2,944.9)	(2,943.7)	(5,888.6)
	INT-HOMESTEAD CREDIT ADJUSTMENT - PERA	(61.7)	0.0	(61.7)	0.0	0.0	0.0
	TECHNICAL COLLEGE BUILDING CONSTRUCTION	(67.4)	0.0	(67.4)	0.0	0.0	0.0
	TACONITE	10,916.6	10,942.6	21,859.2	11,259.9	11,259.9	22,519.8
	STATUTORY OPERATING DEBT	<u>(53.6)</u>	<u>(37.0)</u>	<u>(90.6)</u>	<u>(38.0)</u>	<u>(40.5)</u>	<u>(78.5)</u>
	TOTAL:	2,155,264.9	2,228,728.4	4,383,993.3	2,278,193.9	2,364,019.7	4,642,213.6
	SUBTOTAL - OPERATING LEVIES	1,768,628.2	1,869,877.5	3,638,505.7	1,949,498.2	2,007,714.5	3,957,212.7
	SUBTOTAL - NONOPERATING LEVIES	386,636.7	358,850.9	745,487.6	328,695.7	356,305.2	685,000.9

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F.Y. 1998-99 BIENNIAL BUDGET
FEDERAL FUNDS SUMMARY
CHILDREN, FAMILIES & LEARNING

FEDERAL PROGRAM	CFDA	STATE	RELATED PRIMARY	SFY 96	ESTIMATED SFY 97	ESTIMATED SFY 98	ESTIMATED SFY 99
	NUMBER	SPENDING	PURPOSE	REVENUES	REVENUES	REVENUES	REVENUES
CACFP Commodities	10558		Nutrition Program	448	500	500	500
CACFP Sponsor Admin	10558		Nutrition Program	6,494	6,750	6,750	6,750
Breakfast	10553	Yes	Nutrition Program	9,902	10,080	10,080	10,080
Summer Food Sponsor Admin	10559	Yes	Nutrition Program	208	250	250	250
National School Lunch	10555	Yes	Nutrition Program	58,427	60,040	60,040	60,040
Special Milk	10556	Yes	Nutrition Program	847	852	852	852
CACFP Child Care Food Service	10558		Nutrition Program	57,816	60,000	58,000	57,000
Summer Food	10559		Nutrition Program	1,935	2,300	2,300	2,300
School to Work	17249	Yes	Job Training		3,800	7,600	5,700
NEH Articulating Language	45155		Language Education	24	87	87	87
Adult Education Basic Grant	84002	Yes	Adult Education	2,600	2,743	2,743	2,743
ESEA I Handicapped	84009		Special Education	24	37	0	0
Title I Grants to LEAS	84010		Basic Skills	74,602	80,724	80,721	80,721
Migrant Education	84011		Basic Skills	1,600	2,077	2,077	2,077
Neglected and Delinquent	84013		Special Education	199			
Minnesota Deaf - Blind	84025		Special Education	161	193	193	193
Special Education (IDEAS)	84027	Yes	Special Education	32,236	36,377	49,377	49,377
CSPD Personnel Prep	84029		Special Education	162	18	18	18
LSCA Title I	84034	Yes	Libraries	1,342	1,540	1,540	1,540
LSCA Title III	84035		Libraries	404	308	308	308
Vocational Education Section 120	84048	Yes	Vocational Education	2,614	4,830	4,830	4,830
Vocational Education Section 150	84049		Vocational Education	19	133		
Inclusive School Communities	84086		Special Education	227	190	190	190
FIPSE Articulating Language	84116		Language Education	71	101	101	101
Block Grant	84151			4,859			
LSCA Title II	84154		Libraries	22	595	595	595
Transition Services	84158		Special Education	326	236	117	117
Emergency Immigrant Education	84162		Special Education	190			
EESA Math & Science	84164	Yes	Teacher Training	1,692			
Internet into SCI/MATH	84168		Technology	69			
Preschool Grant	84173	Yes	Special Education	6,626	6,721	6,721	6,721
Infants & Toddlers Part H	84181	Yes	Special Education	3,317	5,748	4,848	4,848
Byrd Scholarships	84185		Scholarships	526	533	533	533
Drug and Violenced Programs	84186	Yes	Drug Education	3,490	6,362	7,224	7,224

F.Y. 1998-99 BIENNIAL BUDGET
FEDERAL FUNDS SUMMARY
CHILDREN, FAMILIES & LEARNING

FEDERAL PROGRAM	CFDA	STATE	RELATED PRIMARY	SFY 96	ESTIMATED SFY 97	ESTIMATED SFY 98	ESTIMATED SFY 99
	NUMBER	SPENDING	PURPOSE	REVENUES	REVENUES	REVENUES	REVENUES
Homeless Children	84196		Homeless Education	346	220	220	220
Even Start	84213		Basic Skills	752	1,801	1,801	1,801
FACS - ARTS Education	84215		Arts Education	256			
Capital Expense/private Schools	84216		Basic Skills	975	742	742	742
Program Improvement	84218		Basic Skills	24	302	302	302
Child Youth Educ Disturb	84237		Special Education	47			
Foreign Language Assistance	84249		Language Educ	52			
Title III Goals 2000	84276		Graduation Standards	1,970	3,206	3,206	3,206
Title II Eisenhower	84281		Teacher Training		3,072	3,072	3,072
Public Charter Schools	84282	Yes	Charter Schools	374	103	103	103
Title VI	84298		Block Grant		4,213	4,250	4,250
Child Care	93560		CHILDCARE	386	302		
School Age Child Care	93673		CHILDCARE	96	34		
AIDS Prevention & Health	93118		Health Education	3	156	156	156
Americorps	94003		Job Skills	2,304	3,025	3,011	3,011
Serve America	94004		Job Skills	271	399	399	399
Helath System Development CC	93110	Yes	Childcare			108	108
AFDC Child Care	93560	Yes	Childcare		21,977	21,977	21,977
Jobs at Risk CC BSFCC	93574	Yes	Childcare		5,305	5,305	5,305
CCDBG	93575	Yes	Childcare		18,047	16,547	16,547
Child Trust Fund	93672	Yes	Childcare		599	599	599
TXX Migrant Day Care	93667		Childcare		397	397	397
BJA	16579	Yes	Drug Awareness		13,332	8,241	8,241
VIC SVCS VOCA	16575	Yes	Drug Awareness		484	484	484
Block Grant Prog Law Enforce	16592	Yes	Drug Awareness		624	624	624
Drug Resistance Prisons	16593	Yes	Drug Awareness		191	191	191
Energy Assistance	93568	Yes	Energy Assistance			44,414	44,414
Weatherization	82042	Yes	Weatherization			7,950	7,950
Head Start	93600	Yes	Basic Skills			100	100
Community Action/Self Sufficiency	93569	Yes	Self Help			5,916	5,916
Food and Shelter/Self Sufficiency	14235	Yes	Self Help			3,093	3,093

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Article 1: GENERAL EDUCATION - OVERVIEW

The general education revenue program provides basic support to school districts supplying more than 80 percent of district operating revenues for general education, pupil transportation and capital outlay programs and services. The general education program ensures that districts receive equivalent revenues per pupil and the associated taxes on real property are levied at a rate that is uniform across districts. Since equivalent tax efforts result in equivalent funding per pupil, the general education program is said to be fully equalized.

To better understand the diversity of programs and services funded with general education program revenue, the following categories will be presented in this overview:

1. Student Achievement
2. Funding
3. Transportation
4. School Facilities
5. Education Choice

GOALS

Because the general education program provides basic, general purpose revenue to districts, this program contributes to all nine system and department goals:

Learning Readiness:

- Department Goal: The Department will build the capacity of the state and its schools and communities to prepare children to start school ready to learn.
- System Goal: Children will start school ready to learn.

Safe, Caring Communities:

- Department Goal: The Department will build the capacity of the state and its communities to provide safe, accessible, violence-free, caring environments in which to raise children.
- System Goal: Children will live in safe, accessible, violence-free, caring environments.

Healthy Children:

- Department Goal: The Department will build the capacity of the state and its local communities to ensure that children and physically and emotionally healthy.
- System Goal: Children will be physically and emotionally healthy.

Stable Families:

- Department Goal: The Department will build the capacity of the state and its local communities to support individuals in poverty and help all families provide a stable environment for their children.
- System Goal: Individuals in poverty will be supported and all families will provide a stable environment for their children.

Learner Success:

- Department Goal: The Department will manage the design of and help schools to implement graduations standards to increase learning and support teaching.
- System Goal: Students of all ages and abilities will attain the level of learning provided for in the graduation standards.

Information Technologies:

- Department Goal: The Department will build the capacity of the state and its schools and communities to use current and emerging information technologies to increase learning and support teaching.
- System Goal: Schools and communities will use current and emerging information technologies to increase learning and support teaching.

Lifework Development:

- Department Goal: The Department will build the capacity of the state and its schools and communities to create a lifework development system that provides youth and adults with the knowledge and skills to be productive workers and citizens in a global economy.
- System Goal: Youth and adults will have the knowledge and skills to be productive workers and citizens in a global economy.

Lifelong Learning:

- Department Goal: The Department will build the capacity of the state and this schools and communities to provide lifelong learning and quality library services and opportunities to Minnesotans of all ages.
- System Goal: Minnesotans of all ages will have lifelong learning and quality library services and opportunities.

Finance and Management:

- Department Goal: The Department will design funding processes and build the capacity of schools, community groups, and other local units of government to manage fiscal resources for the most effective and efficient delivery of services.
- System Goal: The State will provide sufficient funding of services for children, families and learners while encouraging fairness, accountability, and incentives toward quality improvement. Schools, community groups, and other units of local government will manage fiscal resources for the most effective and efficient delivery of services for children, families and learners.

TRENDS

I. STUDENT ACHIEVEMENT

- The 1995-96 school year was the first year school districts were able to use the basic standards tests. Because the tests were optional, not all eighth graders in the state were tested. This first attempt at testing students in basic skills showed that the majority of students in eighth grade were able to pass the basic skills requirements for graduation from high school. In addition, the test data and information indicated that educators need to provide instruction and learning opportunities to students who did not perform as well as expected.

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- Minnesota school districts are learning to use the Basic Requirements and the Profile of Learning in the proposed graduation rule to describe student learning in a valid and reliable way. The K-8 benchmarks supporting these graduation requirements will allow districts to track demonstrated competency for individual students and make generalizations about their system's success. The benchmarks will allow teachers to identify areas of concern earlier and to provide assistance to students in the elementary grades.
- Minnesota fourth grade students National Assessment of Educational Programs reading assessment scores were higher than the national averages in both 1992 and 1994. However, the ranking of Minnesota students when compared to other states had decreased from tenth in 1992 to 14 in 1994.
- The number and percentage of Minnesota high school graduates taking the ACT test has increased from 31 percent in 1985 to 62 percent in 1994. The ACT composite test scores from Minnesota students has consistently been above average. In 1994-95, the mean ACT composite score for Minnesota students was 21.9 compared to the national average of 20.8.
- The cumulative dropout rate has increased fairly steadily over the years shown. (The apparent improvement after 1992-93 was largely the result of a change in the federal dropout definition).
- All ethnic groups experienced increased dropout rates--the largest were experienced by Hispanics and Asian Americans. These groups have also experienced particularly large growth in their first-generation immigrant population over the years shown.

A. Graduation Standards

Background

For more than six years, the State Board of Education and the Minnesota Department of Children, Families & Learning have been working to define what students should know, understand and be able to do before they graduate from high school in Minnesota. This process began when the State Board initiated development of results-focused graduation requirements for Minnesota students. In 1993, the state legislature supported that direction when they established a law (M.S. 121.11 Subd. 7c), directing the State Board and the Department of Education to develop results-oriented Graduation Rules to be implemented starting with ninth graders in the 1996-97 school year.

Developing the Graduation Standards has been a lengthy and thorough process. Hundreds of content area experts, teachers, employers and other education professionals throughout Minnesota have contributed to the development of the Graduation Standards. Public input was gathered during a series of meetings in 1994-95, involving employees, the military, post-secondary parents and other citizens.

Minnesota's Graduation Standards are focused on results

Under current state policy, Minnesota public school students are not required to demonstrate competency in core subject areas to receive a diploma. They are required to "successfully complete" a designated number of hours in courses specified by their local boards of education. In most districts, "successfully complete" means earning a D- or better and is often related to attendance rather than any demonstrated skill or knowledge acquisition. As a result, some students graduate without the skills necessary to live and work in today's society. Under the Graduation Standards, which are focused on results rather than "seat time," students must demonstrate they have achieved

specific learning results before they receive a high school diploma.

Components

The Graduation Standards have two parts: the Basic Standards and the High Standards in the Profile of Learning. The Basic Standards are basic competencies in reading, mathematics and written composition that students must achieve in order to be eligible to graduate. They are a "safety net" to ensure that no students leave high school without learning basic life skills that every adult needs in order to live and work in today's society.

A. Basic Standards

The math and reading Basic Standards rule became effective on April 1, 1996. This means that all students who enter ninth grade in the 1996-97 school year will have to pass a Basic Standards test in math and reading in order to be eligible for a diploma. It is anticipated that the basic standards rule for written composition will be adopted by May 1997 and will apply to all students who enter ninth grade in 1997-98. To measure student achievement of the Basic Standards, districts can administer state tests, use the state test specifications to create their own tests, or have tests commercially developed.

Statewide, 70 percent of all students taking the Minnesota Basic Skills test scored at 70 percent or above. In urban Metropolitan districts, only 47 percent received 70 percent or above. 79 percent of students in the seven county metropolitan area scored at over 70 percent. In greater Minnesota, 80 percent of students received a score at or above 70 percent.

The 1995-96 school year was the first year school districts were able to use the basic standards tests. It was not mandatory that all eighth graders in the state be tested. This first attempt at testing students in basic skills showed that the majority of students in eighth grade were able to pass the basic skills requirement for graduation from high school. The rule for basic standards in math and reading requires a district to initiate testing in eighth, ninth or tenth grade.

- Although Minnesota's reading proficiency remains above that of the U.S., it dropped from tenth to 14th between 1992 and 1994.

B. High Standards - Profile of Learning

The High Standards in the Profile of Learning define what students should know, understand and be able to do to demonstrate a high level of achievement. All Minnesota students must work toward achieving high standards in several areas in order to graduate. To earn credit for a high standard, students must successfully complete a series of activities, called "performance packages." The High Standards will be implemented in schools throughout the state according to a schedule approved by the State Board of Education. All of the High Standards will be implemented in schools by 1999.

Educators at 23 pilot sites have spent the last two years developing sample performance packages to measure student achievement of the High Standards in the Profile of Learning. While the standards are being implemented statewide, districts can use these model performance packages, adapt them to fit local needs, or develop their own. All tests and assessments that are not state-developed must be validated by the state to ensure consistency.

B. College Entrance Exams

SAT, PSAT, and ACT test results are event data, providing a test score for a given event: the taking of a college entrance exam. In the past, high SAT, PSAT, and ACT test results were thought to be predictors of a student's success in completing a college program for a degree. However, recent studies indicate that high SAT, PSAT, and ACT test results are predictors of a student's high socio-

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economic status. The SAT, PSAT, and ACT tests are undergoing revisions to report student achievement more accurately. SAT, PSAT, and ACT data are reported annually by the Minnesota Higher Education Coordinating Board.

The number and percentage of Minnesota high school graduates taking the ACT test has increased from 31 percent in 1985 to 62 percent in 1994. An important factor in making state by state comparisons is the percent of students taking tests.

It is important to note in using average SAT test scores from aggregated data to compare and draw conclusions based on average test scores, class rank should be considered. Because of the wide variability in the number of students in each state that take the SAT test, in the analysis of SAT test scores, the scores should be adjusted for class rank. In some states, only four percent of students take the SAT and in other states, 70 percent of students take the test. In the states where the percentage is small, the test is taken primarily by students with high class rank. Students in the lower half of their class are less likely to have as high SAT scores as students at the top of their class. It is inequitable to compare the top of the class in one state with the entire class in another. After adjustment of Minnesota SAT test scores for class rank, Minnesota SAT scores in 1994 ranked among the top three states in the nation. Utah was first and Minnesota and Iowa were tied for second place¹.

In the last decade of Minnesota students taking the SAT, verbal and mathematic test scores were significantly above the national average. In 1994-95 the average Minnesota SAT verbal score was 506, the national average was 428. The average Minnesota SAT mathematics score was 579, the national average was 482.

C. Graduation/Dropout Rates

Dropout and graduation rates are essential elements in tracking the progress of students as they go through the public educational system. These rates, however, are more like indicators than true measures because they do not follow a specific group of students. They show the status of one group of students at one point in time. Nevertheless, it is useful to look at these rates as they each measure a slightly different aspect of the success or failure of our students. Dropout rates are an indication of the proportion of students dropping out each year. Graduation rates are an indication of the proportion of ninth grade students who graduated three years later, thereby completing the prerequisites for entering the workforce, the military or to continue on in a formal post secondary education program.

Annual Dropout Rate: Annual rates measure the proportion of students in either grades 7 - 12 or 9 - 12 who drop out without completing high school. For purposes of this report, the annual dropout rate for grades 9 - 12 is used. This is not a grade cohort measure; i.e. it does not follow a specific group of learners through the public educational system. Students who drop out of school and who re-enter the following year and drop out again are counted as dropouts in both school years.

Graduation Rate: This rate is defined by the U.S. Department of Education as the percent of ninth grade public students to the number of students who graduate from high school four years later. This statistic does not include those students who earn a General Education Development (GED) certificate. This is not a true grade cohort measure; i.e. it does not follow a specific group of learners through the public educational system. It is affected by interstate migration and by learners who leave the public school system due to death, dropping out, or requiring more than four years to obtain a diploma.

■ *All categories show an increase in dropout rates for the years shown.*

1. Large Cities Central cities of 250,000 or greater population within a standard metropolitan statistical area (SMSA): e.g., Minneapolis, St. Paul.
2. Mid Size Cities: Cities between 25,000 and 249,999 population within an SMSA: e.g., Rochester, Bloomington.
3. Urban Fringe: Other places within an SMSA, defined as urban by the Census Bureau: e.g., Orono, White Bear Lake.
4. Towns: Towns and cities between 2,500 and 24,999 population and not within an SMSA: e.g., Stewartville, Fergus Falls.
5. Rural: Places with fewer than 2,500 population and coded rural by the Census Bureau: e.g., Fosston, Melrose.

Cohort Rates (Cumulative Four-Year Dropout Rate)

The cumulative cohort dropout rate is an attempt to predict what will happen to a ninth grade class as they move from ninth through twelfth grade. It is based on the annual dropout rate for grades 9, 10, 11 and 12 as experienced in a specific year. The cumulative cohort dropout rates also allow the calculation of how many students from the cohort will eventually complete high school within a four year period. This methodology assumes: 1) current annual dropout rates for grades 10, 11, and 12 will remain constant over several years and 2) students who drop out will not return to school.

For 1994-95, Minnesota's cumulative cohort dropout rate was 19.3 percent. This means that 19.3 percent of the ninth grade students in 1994-95 (Class of 98) are predicted to drop out over the next four year period (if they continue to drop out at the rates experienced during the 1994-95 school year). The inverse of this statistic is the percent who are estimated to complete high school by 1998. It is estimated that 80.7 percent of the Class of 98 will complete high school by 1998.

- *The cumulative dropout rate has increased fairly steadily over the years shown. (The apparent improvement after 1992-93 was largely the result of a change in the Federal dropout definition).*
- *All ethnic groups experienced increased dropout rates--the largest were experienced by Hispanics and Asian Americans. These groups have also experienced particularly large growth in their first-generation immigrant population over the years shown.*

The annual Dropout Rate is the proportion of students in grades 9-12 who drop out within a single year within a district. Annual percentages are computed by totaling the district's dropouts for a particular year and dividing that total by the district's October 1 enrollment for that year. (Dropouts/Fall Enrollment X 100=Annual Dropout Percentage)

¹Smith, Michael A. A Different Approach Network News & Views, July 1996.

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- All grade levels show an increase in dropout rates over the period shown.
- The highest dropout rates occur in twelfth grade followed by the eleventh, tenth and ninth grades.
- The growth in dropout rates for ninth grade has almost doubled from 1984-85 to 1994-95; lesser increases occurred in grades 10,11 and 12.

II. FUNDING

The Minnesota Constitution, Article 3, Section 1, makes it "the duty of the legislature to establish a general and uniform system of public schools," and requires the legislature to provide an education funding system that will "secure a thorough and efficient system of public schools throughout the state." The Minnesota Supreme Court, in *Skeen v. State of Minnesota*, held that "education is a fundamental right in Minnesota," and that the Minnesota Constitution "requires the state to provide enough funds to ensure that each student receives an adequate education and that funds are distributed in a uniform manner." The funding level for education is set by the legislature after reviewing the Governor's budget recommendations. The Governor has authority to line-item veto the appropriation bills passed by the Minnesota Legislature.

- Total school district revenue per student from state aid entitlement and property tax levies for school purposes has increased between F.Y. 1991 and F.Y. 1997. Between F.Y. 1991 and F.Y. 1995, total revenue per student, when adjusted for inflation, increased by 5.5 percent. F.Y. 1993 was the only year during the period when the increase in revenue per student fell below the rate of inflation. The projections for F.Y. 1996 and F.Y. 1997, based on funding levels at the end of the 1996 legislative session, when adjusted for inflation, show a cumulative percent increase over F.Y. 1991 of 6.0 percent and 4.4 percent respectively.
- A measure of funding fairness for students is based on the amount of general education revenue per pupil unit in each school district. The disparity in funding among districts is represented by a statistical ratio. This ratio has decreased from 1.40 in F.Y. 1993 to a projected 1.31 in F.Y. 1997 as a result of changes in the general education funding formula.
- A measure of funding fairness for taxpayers is based on the amount of property tax levy as a percent of the property tax base in each school district. The variation in school tax rates is represented by a statistical ratio. This ratio has decreased from 1.75 in F.Y. 1993 to a projected 1.57 in F.Y. 1997 as a result of partial equalization (with state aid) of the referendum, debt service and special education levies.
- Pupil-teacher ratios: Since F.Y. 1993, Minnesota's overall pupil-teacher ratios have declined from 17.3:1 to 17.1:1 and Minnesota's remained the same as the U.S. average. Since F.Y. 1992, elementary learner/instructor ratios have declined steadily, with the greatest improvement in kindergarten and first grade.
- Total school district expenditures for staff development have increased each year from F.Y. 1992 to F.Y. 1995. Expenditures totaled \$14.2 million or about \$18 per student in F.Y. 1992 and \$39.9 million, or about \$49 per student in F.Y. 1995. The F.Y. 1995 expenditure level is equal to 1.6 percent of the general education formula allowance for that year. The education literature suggests that 2 - 4 percent of revenue should be devoted to staff development.

A. State Decisions

Total revenue is the sum of all state aid entitlement and property tax levies for PK-12 education. Revenue amounts are reported on a per pupil in average daily membership (ADM) basis. Actual ADM are taken from summaries of school district year-end pupil accounting data submissions; estimated ADM data are from estimates determined by the Program Finance Division for state budget planning purposes.

The inflation rate used here is the percent change in the national consumer price index (CPI) as used for state forecasting purposes by the Minnesota Department of Finance. While not a perfect measure of changes in the price of resource inputs for education, the CPI provides a general indicator of the increase in revenue per student needed to maintain education programs in an inflationary environment.

Between F.Y. 1991 and F.Y. 1997, total revenue for pre K-12 education increased by 38.0 percent and total revenue per student, adjusted for inflation, increased by 4.4 percent. Most of the increase occurred in F.Y. 1994, F.Y. 1995 and F.Y. 1996. Factors accounting for the increase include the introduction of learning and development (class size reduction) aid, the phase-in of new formulas for compensatory revenue (AFDC) and teacher training and experience (T&E) and increases in special program and debt service revenues. In F.Y. 1993 and in F.Y. 1997, total revenue per student increased at less than the rate of inflation, resulting in a slight decrease in inflation-adjusted revenue per student.

The amount of general education revenue per pupil unit is used in determining a statistical measure of funding equity for students. Disparities among school districts are determined by computing this amount for each district, ranking the districts, and then computing the ratio of the 95th to fifth percentile for this statistic. The pupil unit data is based on district year-end pupil accounting data submissions to the Data Management Team.

The general education revenue ratio is an imperfect measure of funding fairness because it does not adjust for differences in the cost of serving students with different backgrounds and educational needs (e.g., special education, limited English proficiency, compensatory education), or the cost of delivering equivalent education services in different parts of the state (e.g., sparsity). Nonetheless, it does provide a basic yardstick of trends in funding fairness.

M.S. 124A.30 requires the Commissioner to annually compute the difference between the fifth and 95th percentiles of general education revenue per pupil unit and provide this information to all school districts. If the disparity between the fifth and 95th percentiles of general education revenue increases in any year, the Commissioner must propose a change in the general education formula that will limit the disparity to no more than the disparity for the previous year.

The disparity in the ratio of the 95th to fifth percentile of general education revenue declined significantly in F.Y. 1995 and F.Y. 1997. Factors contributing to these declines include:

1. Beginning in F.Y. 1995, the full equalization of referendum revenue up to ten percent of the general education formula allowance resulted in many low-property wealth (and previously low-revenue) districts increasing their operating revenue through voter approval of referendum levies.
2. Beginning in F.Y. 1995, the allowances for supplemental revenue and referendum revenue are reduced by 100 percent of any increase in the general education formula allowance, plus 25 percent of any increase in the allowances for the training and experience and compensatory education components. As a result, the overall gain in general education

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revenue between F.Y. 1994 and 1995 tended to be greater for low-revenue districts.

3. The statutory limit on referendum allowances prohibits districts with high referendum allowances from increasing their referendum allowances over F.Y. 1994 levels.
4. In F.Y. 1997, general education revenue includes revenue for transportation and for operating capital. Since these revenue sources are not highly correlated to other general education revenues, their inclusion tends to reduce the ratio of the 95th to fifth percentile.

The amount of school district property tax levy as a percent of the district property tax base (adjusted net tax capacity) is used in determining a statistical measure of funding fairness for taxpayers. Fairness for taxpayers is a major goal of Minnesota's education finance system, indicated by the fact that most school levies are equalized by the state. Disparities among school districts are determined by computing this amount for each district, ranking the districts, and then computing the ratio of the 95th to fifth percentile for this statistic. The data for adjusted net tax capacity is from Revenue Department data submissions to the Department of Children, Families & Learning.

The variation in school tax rates among districts has been reduced in recent years through partial equalization of the referendum, debt service, and special education levies. Referendum and debt service equalization were phased in over three years, beginning in F.Y. 1993. However, the debt service levy was not reduced for debt service equalization until the payable 1993 levy year, when a retroactive adjustment was made for fiscal 1993. Referendum equalization was increased from 50 percent of the equalizing factor to 100 percent of the equalizing factor, beginning in F.Y. 1995.

One of the factors driving the decreasing number of school districts in statutory operating debt is district consolidations. Many consolidations are the result of small districts in financial distress. Through consolidation with a neighboring district, many districts are able to solve financial problems and better serve the needs of students and their communities.

Minnesota's overall pupil-teacher ratios increased slightly from 17.1 in F.Y. 1992 to 17.3 in F.Y. 1993, but declined slightly to 17.2 in F.Y. 1994 and to 17.1 in F.Y. 1995. Pupil-teacher ratios are influenced by numerous factors, including the overall level of funding provided to school districts, teacher compensation levels, the portion of revenues devoted to non-instructional expenses, staffing decisions regarding the mix of licensed and non-licensed instructional staff to be employed, the availability of facilities to house growing enrollments, and the state requirement that districts must reserve a portion of general education revenue for class size reduction. The increase in the average pupil-teacher ratio between F.Y. 1992 and F.Y. 1993 may be due in part to the relatively small increase provided in education revenue that year. The decrease in the average pupil-teacher ratio for F.Y. 1994 and the projected decrease for F.Y. 1995 may be due in part to increases in education revenue per pupil which exceeded the rate of inflation for these years, together with the new requirements imposed by M.S. 124A.225 for class size reduction, and reduced levels of salary settlements for teachers for the F.Y. 1994-1995 biennium, compared with recent biennia.

Class size ratios are generally seen as useful measures because of the belief that smaller classes have a positive effect on student performance. While it is important to continue to monitor class size ratios

closely, changes in the education environment (such as greater use of instructional technology) may mean that increases or decreases in the ratio may not have a direct relationship to student performance. In the future, the department may want to propose measures that examine changes in this relationship more closely.

Minnesota Statutes, Section 124A.225, requires each school district to reserve a portion of its general education revenue for class size reduction, with a goal of reducing and maintaining learner to instructor ratios for kindergarten through 6th grade to an average level of 17 to 1.

The enhancement of staff skills for improving student achievement is critical to ensure the Minnesota districts can successfully implement the new graduation standards. Education literature suggests that between two and four percent of revenue should be devoted to staff development² (see Odden Report, 1993).

School districts were required by M.S. 124A.29 to reserve one percent of basic general education revenue for staff development in F.Y. 1994, and to reserve 2 percent of basic general education revenue for this purpose in F.Y. 1995. Beginning in F.Y. 1996, there is no specific requirement to reserve revenue for staff development, but school districts are required to report staff development expenditures and results to the Commissioner of Children, Families & Learning and the Commissioner must report the expenditure data to the education committees of the legislature.

School district staff development expenditures, as a percent of total operating expenditures, increased each year between F.Y. 1992 and F.Y. 1995, from 0.34 percent in F.Y. 1992 to 0.81 percent in F.Y. 1996. Data for F.Y. 1996 is not yet available.

III. TRANSPORTATION

The student transportation data measures included in this report indicate the following:

- 99.6 percent of students demonstrated knowledge and understanding of competencies for school bus safety.

School districts are required to provide transportation for public and non-public students residing two miles or more from school. However, transportation is usually provided for students living less than two miles because of the students' age and hazards they would encounter if they walked. Enrollment options students must provide their own transportation to the district boundary, but are eligible for school-provided transportation within their new district. There is no distance requirement for students requiring transportation because of a disability. The percent of enrollment transported increased from 83.1 percent in F.Y. 1992 to 87.2 percent in F.Y. 1995.

Beginning with the 1994-95 school year, every school district was required to provide school bus safety training for students transported by school bus. Students who were unable to understand the competencies because of their disabilities were exempted from the safety training requirements. Beginning in 1995-96, safety training was no longer required for students in eleventh and twelfth grades, and districts that did not provide and report student safety training could lose their state transportation safety aid.

School bus accidents are reported to the Department of Public Safety if the accident includes personal

²Unpublished report to the Department of Education. January, 1993. Minnesota Education Finance: Traditional Retrofit or Future Pacesetter

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injuries, fatalities or property damage over \$1,000 after that date. In response to law passed in F.Y. 1994, the Department of Public Safety developed a driver training curriculum for school bus drivers and tightened the licensing qualifications for school bus drivers. The Minnesota Department of Children, Families & Learning has distributed a student safety curriculum and works with school districts, non-public schools and school bus contractors to improve the level of student safety training so that students' behavior do not contribute to accidents.

IV. FACILITIES

Although it is not possible to make generalizations about public school buildings in Minnesota, it is possible to describe a typical building based upon averages. The building, when the age of the square footage is averaged, is about 30 years old. It has an original structure and two additions. The additions are not on the same level which creates accessibility problems. The fire marshal has orders which require some sprinkling, additional fire rated walls or doors and/or some additional alarm systems. The building is not yet fully wired for technology. Of course, many buildings do not meet the above description. Some parts of rural Minnesota, which have suffered decline in enrollment, have significantly more space per pupil than districts with high enrollment growth. In young, fast growing districts, the age of the buildings is younger than in mature districts, even though the mature districts may also be facing enrollment growth. Planning to manage enrollment growth and decline creates significant challenges for public schools in Minnesota. Unfortunately, we are unable to move under-utilized buildings to school districts that are overcrowded. It is critical that new construction be designed so spaces can be easily modified to be used for other purposes if enrollment decline occurs. Public agency must begin collaboration in facility planning and utilization to assure stable usage of facilities is also important.

The Department of Children, Families & Learning will be presenting a comprehensive report on the status of school facilities in Minnesota to the 1997 legislature. This report will include measures of the following:

- 1) the physical condition of education facilities;
- 2) the level of utilization relative to the capacity of education facilities;
- 3) the intensity of technological use in both administrative and instructional areas in educational facilities;
- 4) the alignment between educational programs in place and the structure of educational facilities; and
- 5) an estimate of facility construction over the next decade.

This report will provide statewide data as well as regional breakdowns of that data. In addition the report will provide current status of school buildings in accessibility, health and safety, projected new construction and code compliance expenditures.

The status of school buildings in the state is affected by a number of variables, so it is not easy to make generalizations about buildings based upon the age or location of a school. Many school buildings have multiple additions to the original structure. Most of those buildings have accessibility problems because the additions were not constructed on the same level as the original building. Making those buildings fully accessible is costly. In addition, the oldest section of the building is

often the center piece of the building and removal of that section creates additional problems during the construction of replacement space. Fire safety is an additional concern in these buildings. Many of them have varnished wooden floors, open stairwells and inadequate access and egress. Building age is determined by averaging the age of the square footage in the total building. We have some 50 year old building that are a single structure with no additions. Others may include the original building that is 80 years old and the most recent addition may be 10 years old with an average age of 50 years old. The problems that these buildings present are usually different.

Another variable that contributes to building status is how well the district has maintained the building. Some buildings have suffered from neglect due to shortage of funds or decisions not to invest in maintaining an older building. A lack of timely maintenance can result in increased expenditures at a later time. For example a leaky roof can cause high cost structural damage; therefore, timely roof repair can save money in the long run. Buildings constructed prior to the mid 1970's can be expected to have asbestos, leaded paint and accessibility problems. Those factors will clearly result in facility costs that are not found in newer buildings. In areas of declining enrollment it can be expected that heating costs are higher. Body heat from the students in a building operating at capacity results in decreased demands on the heating system and therefore lower costs.

There are differences in school building status when regional comparisons are made. Many of these differences are attributable to the demographic changes in the state. As shown on the first graphic Average Age of School Facilities By Region) Region 3 (Northeast Minnesota) has the oldest average building age. (44 years) Region 9 (South-Central - 37 years) and Region 6 and 8 (Southwest-West Central - 35 years) are the second and third oldest. Those regions have also experienced significant enrollment decline and do not have pockets of growth to offset the decline. Regions 1 and 2 (Northwest - 32 years) have buildings that are close to the statewide average in spite of experiencing decline. That may be explained by the fact that a few districts that are stable or showing slow growth have replaced their older structures. Region 7 (Central and East Central - 25 years) has the youngest buildings in the state. There may be two factors that contribute to the younger buildings. One is the growth corridor along Interstate 94 through the St. Cloud area and the other is that they have larger school districts on average than any other region in rural Minnesota. They are the only region in the state, including the Region 11 (Metropolitan Area), that does not have a school district with less than 400 students. This regional data is based upon Service Cooperative Regions. The Service cooperative offices are listed to assist in interpretation of the data:

As might be expected, those areas of the state that are suffering from the greatest enrollment decline also have the most square feet of school building space per student. Those regions are the same three with the oldest buildings as shown above. The state average square feet per student is 169. Region 06/08 has 218, Region 03 has 205 and Region 9 has 193. In contrast Region 11 is experiencing significant enrollment growth and averages 153 square feet per student. As school buildings are underutilized it is less likely that they will be upgraded to meet health and safety standards or to be made accessible. In most of rural Minnesota there is a strong commitment to maintaining a school in their community, but there is also a reluctance to replace those buildings through a bond referendum. Although many school districts are interested in co-locating other agencies in their school buildings, it is not occurring in many communities. County library boards are reluctant to locate their libraries in the school building. It would seem to be logical to bring the library and updated technology into the school for use by the students and the community. Apparently the library boards are fearful that older patrons will not go to the school building for library services. More frequently there are public health nursing services and county social services with offices in the school building. Given that rural Minnesota has an aging population, it would seem logical to convert unused school building space into senior centers. This does occur, but usually only after the building is no longer used for school purposes. A recommended strategy for gaining senior citizen support for public education is to bring them into school and involve them in the educational process. This seems to be more difficult to accomplish than it appears on the surface. County Facility Planning Groups

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have not been effective in assuring that public facilities are fully utilized.

Indications are that proposals will decline in dollar amount in 1996 as compared to 1995. Proposals on September 1, 1996 totaled slightly over \$500 million. This data represents projects over \$400,000 and have gone through the Department of Children, Families & Learning review and comment process. A significant number of these projects include health, safety and accessibility components. The largest proposals are submitted by school districts that are experiencing significant to moderate growth. As enrollment levels off it is anticipated that the total dollars in school district construction will also decline. Fast growing districts are devising strategies to assure that they do not overbuild and then have a need to vacate buildings in the future.

V. CHOICE PROGRAMS

Choice (Enrollment Options) Programs allow learners to choose the school or program in their district, another district and/or post-secondary institution which best meets their educational goals. Responsibility is placed on the learners and their families to be active in determining the goals they have for education, to acknowledge the needs and interest of the student and assess the educational program's ability to meet those needs. Participation in choice programs has shown a steady increase since their inception. Minnesota has a broad range of choice options for students and their families and those options are becoming more equitably available to all regions of the state.

Alternative Programs/Area Learning Centers

For the purpose of this report Alternative Programs (M.S. 124.19 Subd. 7) and Area Learning Centers (M.S. 124C.45) will be reported together. The most recent data on retention rates (students continuing in the program at least part-time) is for the 1994-95 school year. That data shows a retention rate of 73 percent. The Minnesota Automated Reporting Student System (MARSS) will soon have enough historical data to provide valid retention and completion data for school age and adult learners participating in Alternative Programs and Area Learning Centers.

Alternatives are established across the state so that the great majority of learners now have an alternative option within a reasonable distance from their home. During the 1994-95 school year there was a total of 125 approved programs. Many of those programs operated multiple sites. Total sites during that school year was 494. During that year 42,073 learners were served either full-time, part-time or through independent study. Of those, 2,876 were adults returning to complete their high school education and 2,000 were elementary age learners. In addition to expansion in the number of programs, there is also an increase in the age span of the participants. This data was collected from the program operators and may include some duplication of individuals. This would occur if an individual enrolled in more than one alternative program during the course of a year. Some of the students are transient and multiple enrollments for them is quite common. In other cases students find that a different approach in alternative education would better meet their needs and they transfer without changing residence. This information does not come from MARSS because MARSS does not count part-time students with dual enrollment in a regular education program.

Post-secondary/Enrollment Options

The Post-secondary Enrollment Options (PSEO) Program was evaluated by the Legislative Auditor and a report was delivered to the legislature on March 4, 1996. The Auditor stated that the "Post-secondary Enrollment Options Program satisfies participants and needs little change."

Key findings of the report were:

- Students, their parents, and post secondary administrators generally were satisfied with the program, but not high school administrators.
- The main reasons cited for students' participation were to get a head start on college credits and save money. (Distance from a post secondary school was important outstate.)
- Program participants generally met higher admission standards and earned higher grades than regular post-secondary students. (except technical colleges)

The Legislative Auditor's Office recommended the following changes:

- Secondary and post-secondary schools should better coordinate their efforts and direct students to the most appropriate schools and courses.
- The Minnesota State Colleges and Universities system should establish general, uniform policy for admitting secondary students who enroll in technical colleges.

For additional information, refer to the Department of Children, Families & Learning System Performance Measure Report, November 1996 and the Agency's Performance Report, November 1996.

STRATEGIES:

In order to support the implementation of high quality learning programs in Minnesota's schools, the Department of Children, Families, and Learning identified the following strategies in its 1996 agency performance report:

Complete graduation rulemaking: By F.Y. 1996, the Office of Teaching and Learning will complete 100 percent of graduation rulemaking.

Review and approve district plans to implement the graduation standards: By F.Y. 1997, the Office of Teaching and Learning will review all district plans for implementing the Basic Standards for reading and mathematics as well as plans for implementing the writing standards in the Profile of Learning.

Provide professional development on the new graduation standards: Annually, the department will provide professional development to teachers and administrators from all school districts throughout Minnesota.

Increase the number of choice programs: By F.Y. 1998, the department will increase by 20 percent the number of educational choice options as well as the number of students participating in these programs. These choice options include (a) charter schools, (b) alternative learning centers, (c) Alternative programs, (d) contracted learning like PSEO and Tech Prep, and (e) Assurance of Mastery.

Additional information can be obtained from the agency's full performance report and from the Department of Children, Families & Learning.

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CITATION: M.S. 124; 124A
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide Minnesota school districts with general operating revenues, thereby promoting an adequate and equitable system of elementary and secondary education for more than 800,000 students. More specifically, the General Education Program has the following objectives:

■ Equity for students.

The General Education Program formula provides equity for students by distributing a large base of funding on a uniform per pupil basis. The formula also provides additional revenues for variations in 1) the cost of delivering equivalent educational programs and services to students, and 2) the cost of educational programs to meet the unique needs of different student populations. Students have the ability to attend alternative educational programs through a variety of programs such as Open Enrollment and Post-secondary Enrollment Options.

■ Equity for taxpayers.

The General Education formula provides equity for taxpayers by imposing tax burdens for basic educational programs and services that are uniform throughout the state. In addition, school districts that provide discretionary programs and services have higher tax rates than school districts that do not provide these services.

■ Efficient use of resources.

The General Education formula encourages school districts to provide needed educational programs and services at the least possible cost by addressing only those cost factors that are beyond the control of the school districts.

■ Local control.

Minnesota school districts have a long history of local control. The General Education formula preserves local control of education by providing funding through a general purpose formula that does not significantly restrict local discretion.

■ Stability for students and taxpayers.

The General Education formula provides stable funding to ensure continuity of programs for students and stability in tax rates for taxpayers.

DESCRIPTION:

The General Education Revenue Program provides Minnesota school districts with approximately 80% of their operating fund revenues. The program ensures that districts receive equivalent revenues per pupil, and that the associated taxes on real property are levied at a rate that is uniform across districts. Since equivalent tax efforts result in equivalent funding per student, the system is said to be fully equalized.

A. OVERVIEW OF GENERAL EDUCATION REVENUE

General education revenue can be categorized along two dimensions: by funding component and by revenue source. First, the district's total revenue is determined for each funding component. Next, it is determined how much of this revenue will be generated by the local property tax levy. Finally, state aid is calculated by subtracting local revenue from total revenue.

B. CALCULATION OF REVENUE

The revenue components are:

Revenue Prior to Adjustment:

- | | |
|------------------------------------|-------------------------------------|
| 1. Basic Revenue | 5. Transition Revenue |
| 2. Compensatory Revenue | 6. Operating Capital Revenue |
| 3. Sparsity Revenue | 7. Supplemental Revenue |
| 4. Transportation Sparsity Revenue | 8. Operating Fund Balance Reduction |

Basic revenue is received by all districts. Compensatory revenue, sparsity revenue, transportation sparsity revenue, transition revenue, and operating capital revenue are based on extra costs that are difficult or impossible to control. Supplemental revenue and the fund balance reduction are restricted to certain districts.

1. Basic Revenue

Basic revenue is found by multiplying a district's Weighted Average Daily Membership (WADM) by the formula allowance.

a. WADM

WADM is the primary measure of school district revenue need. It is based on the associated concept of Average Daily Membership (ADM), which equals the number of student membership days divided by the number of session days. Students are kept in membership until they exit from enrollment or have not been accounted for in three weeks.

To reflect cost differences, WADM is calculated from ADM by applying the following weights:

	F.Y. 1997	F.Y. 1998	F.Y. 1999
	<u>1996 - 1997</u>	<u>1997 - 1998</u>	<u>1998 - 1999</u>
Handicapped Pre-Kindergarten	1.00	1.00	1.00
Handicapped Kindergarten	1.00	1.00	1.00
Regular Kindergarten	0.53	0.53	0.53
Elementary (Grades 1-6)	1.06	1.06	1.06
Secondary (Grades 7-12)	1.30	1.25	1.20

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The weight for regular kindergarten is lower because the state provides revenue for only half-day kindergarten programs. Starting in 1995-96, the WADM generated by a pre-kindergarten student equals the number of hours of service in the student's Individual Education Plan (IEP) divided by 825, with a minimum of 0.28 for a full year student and a maximum of 1.0. The WADM generated by a handicapped kindergarten student equals the number of hours of service in the student's IEP divided by 875, with a minimum of 0.5 for a full year student and a maximum of 1.0.

The weight for regular kindergarten students was 0.50 until 1992-93. It was increased to 0.515 for 1993-94, and to 0.530 for 1994-95 and thereafter. The weight for grades 1-6 was 1.00 until 1992-93. It was increased to 1.03 for 1993-94, and to 1.06 for 1994-95 and thereafter. The extra basic revenue generated by the increase in kindergarten and elementary pupil weights is restricted for the purpose of reducing class size.

b. Formula Allowance

This term refers to the level of basic funding per WADM. Recent amounts are:

Year	Formula Allowance	Change From Prior Year
F.Y. 1990	\$2,838	
F.Y. 1991	2,953	83
F.Y. 1992	3,050	97
F.Y. 1993	3,050	0
F.Y. 1994	3,050	0
F.Y. 1995	3,150	100
F.Y. 1996	3,205	55
F.Y. 1997	3,505	300
F.Y. 1998	3,430	(75)
F.Y. 1999	3,430	0

The above figures only tell a part of the story, however, for three reasons:

- The formula allowances do not reflect changes from year to year in pupil weights. For example, if the 1994-95 formula allowance is adjusted for changes between 1992-93 and 1994-95 in the kindergarten and elementary pupil weights, funding jumps from \$3,150 to \$3,237.
- Starting in 1994-95, supplemental and referendum revenues are reduced by a portion of the increase from 1993-94 levels in basic, compensatory, and training & experience revenue per WADM. (These other funding components are explained below.) For many districts, much of the gain in basic revenue is lost in supplemental or referendum revenue.

- Starting in 1996-97, the formula allowance includes \$170 that previously was provided through transportation funding, and \$130 that previously was provided through the training and experience formula.

2. Compensatory Revenue

Compensatory revenue is found by multiplying a district's AFDC Pupil Units by the formula, minus \$300. (The \$300 subtraction -- which did not apply until 1996-97 -- corresponds to the \$170 roll-in from transportation and the \$130 roll-in from training and experience.)

Every district that serves at least one AFDC pupil qualifies for compensatory revenue. The number of pupil units per AFDC pupil increases with the "concentration ratio," the ratio of AFDC pupils to pupils served. If the concentration ratio is zero, each AFDC pupil generates zero pupil units. If the concentration ratio is 11.5% or greater, each AFDC pupil generates the maximum of 0.67 pupil units.

3. Sparsity Revenue

Sparsity Revenue is provided to districts with small schools that are too isolated to reduce costs by cooperating or consolidating. The smaller the enrollment, the greater the potential sparsity revenue per student. The greater the isolation, the greater the portion of potential revenue that is paid.

a. Sparsity Revenue for High Schools

Sparsity revenue is calculated on a school-by-school basis. For a high school to generate sparsity revenue, it must have a secondary ADM (grades 7-12) of less than 400. The first step in calculating revenue is to determine the extra cost associated with small class sizes, low student-teacher ratios, and so forth. Extra cost is determined by the following formula:

extra cost =

$$1.5 \times (\text{formula allowance} - \$300) \times \text{secondary ADM} \times (400 - \text{secondary ADM}) / (400 + \text{secondary ADM})$$

The next step is to determine the portion of extra cost that will be allowed. This is determined with reference to a high school's isolation index, which equals the square root of 55% of the area of the school district, plus the distance to the nearest other high school. (If a district is perfectly square and has a high school at its center, the square root of 55% of the area equals a little more than the distance from the high school to the most remote point within the district. If a district has more than one high school, the district's area is divided equally among all high schools.)

The portion of extra cost that is allowed is determined by the formula:

$$\text{portion} = (\text{isolation index} - 23) / 15 \quad \text{with a minimum of zero and a maximum of one.}$$

The isolation index approximates the longest travel distance that would be necessary after consolidation. Under this formula:

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- If the isolation index is less than 23, no sparsity revenue is generated. A commute less than 23 miles is not considered a bar to consolidation.
- If the isolation index is more than 38, all extra costs are paid. A commute more than 38 miles is considered a complete bar to consolidation.

b. Sparsity Revenue for Elementary Schools

Sparsity revenue for elementary schools was first provided in 1989-90. It is determined on a school-by-school basis, and provided for schools with an elementary ADM (kindergarten through grade 6) less than 140. The extra cost of operating a small school is determined by the formula:

extra cost =
(formula allowance - \$300) x
elementary ADM x
 $(140 - \text{elementary ADM}) / (140 + \text{elementary ADM})$

If an elementary school is located at least nineteen miles from the nearest other elementary school, the entire extra cost is covered by sparsity revenue. If an elementary school is located less than nineteen miles from the nearest other elementary school, none of the extra cost is covered.

4. Transportation Sparsity Revenue

Starting in 1996-97, transportation sparsity revenue is based on school districts' resident WADM per square mile. Transportation sparsity revenue increases as the student density decreases.

5. Transition Revenue

1996-97 marks a significant reorganization of general education funding components.

1995-96 funding for:

- transportation, excluding targeted needs, and
- training and experience revenue,

is the 1996-97 basis for:

- \$300 per WADM within basic revenue,
- transportation sparsity revenue (as noted above), and
- transition revenue.

The basic revenue increase of \$300 per WADM includes \$130 per WADM that was previously training and experience revenue, and \$170 per WADM that was previously transportation revenue.

Training and experience (T & E) Revenue was provided to cover the cost of employing teachers who have high seniority and graduate education, and who therefore receive high salaries.

Districts are guaranteed that the 1996-97 total of their training and experience transition allowance plus \$130 will equal or exceed their 1995-96 training and experience revenue per WADM.

Also, they are guaranteed that the 1996-97 total of their transportation transition allowance plus their transportation sparsity revenue per WADM plus \$170 will equal or exceed their corresponding 1995-96 transportation revenue per WADM.

In 1996-97, a district's total funding per WADM from these three transportation components cannot exceed equivalent 1995-96 funding per WADM by more than 10%. In 1997-98, this cap no longer applies.

Under current law, the transportation and training and experience formulas that applied in 1995-96 will apply again starting in 1998-99.

6. Operating Capital Revenue

Beginning in 1996-97, the capital expenditure facilities and equipment revenues are combined into operating capital revenue and placed in a reserved account within the general fund.

School districts may use operating capital revenue to improve facilities by acquiring land, constructing buildings, maintaining and improving structures, and acquiring fixtures to promote accessibility and support the learning process and school district operations. More specifically, districts may:

- acquire land for school purposes;
- acquire or construct buildings for school purposes, up to \$400,000;
- rent or lease buildings;
- improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- pay for capital improvements on a surplus school building that is used substantially for a public non-school purpose;
- eliminate barriers or increase access by handicapped individuals;
- bring school buildings into compliance with the uniform fire code;
- remove or treat asbestos;
- clean up and dispose of PCBs (polychlorinated biphenyl);
- clean up and dispose of fuels, or make repairs related to their storage;
- perform energy audits and to make related improvements;
- improve leased buildings;
- pay special assessments levied against school property (not including service charges);
- pay principal and interest on state loans for energy conservation according to M.S. 116J.37 or loans made under the Northeast Minnesota Economic Protection Trust Fund Act;
- purchase or lease interactive telecommunications equipment; and

School districts can also use operating capital revenue to purchase equipment. Instructional equipment provides the "tools" required for educational programs and the learning process.

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Districts may use Capital Expenditure-Equipment revenue to:

- purchase or lease computers and related materials, copying machines, telecommunications equipment, and other non-instructional equipment;
- purchase or lease assistive technology or equipment for instructional programs;
- purchase textbooks;
- purchase library books; and
- purchase vehicles except those purchases charged to the bus purchase account; and
- pay capital expenditure equipment-related assessments of any entity formed under a cooperative agreement between two or more districts.

Before 1995-96, capital facilities and equipment revenue was based entirely on a designated number of dollars per WADM. Starting in 1995-96, the formula provides additional revenues to districts with older buildings, according to the following schedule:

<u>Year</u>	<u>Minimum Revenue - WADM</u>	<u>Maximum Revenue - WADM</u>
F.Y. 1995	194.00	194.00
F.Y. 1996	196.00	208.50
F.Y. 1997	182.00	207.00
F.Y. 1998	175.00	212.50
F.Y. 1999	168.00	218.00

For years after 1994-95, the minimum revenue is based on an average building age of zero. The maximum revenue requires a district's newest building to be at least 50 years old.

Prior to 1996-97, school districts were required to spend facilities revenue on facilities, and to spend equipment revenue on equipment. Starting in 1996-97, districts can divide operating capital revenue between facilities and equipment in whatever proportion they deem appropriate.

7. Supplemental Revenue

Supplemental revenue was initiated in 1988-89 to ensure that all districts would receive an increase in revenue per WADM when the general education program was formed by combining the old foundation program, teacher retirement aid and several other categorical programs.

Supplemental revenue is initially defined as the result of multiplying the current year's resident WADM by the amount of supplemental revenue per WADM that was received in 1992-93. This revenue is then reduced on the basis of increases in the formula allowance, and increases per WADM in compensatory and T & E revenues. If the revenue reduction exceeds the initial level of supplemental revenue, then the revised supplemental revenue is zero, and the remaining reduction is taken from referendum revenue.

8. Operating Fund Balance Reduction

A reduction to general revenue is applied to districts with high balances in the operating funds. The reduction equals the amount by which the total balance in these funds, minus certain designated reserves, exceeds the result of multiplying 25% of the current year's formula allowance times the prior year's WADM served. The maximum reduction is \$250 times the current year's resident WADM.

The 1996-97 reduction is based on the total balance as of June 30, 1996 in the general, transportation, food service, and community service funds, minus the designated reserves. On July 1, 1996 the transportation and capital funds are incorporated into the general fund. To reflect this, the 1997-98 reduction is based on the June 30, 1997 balance in the general, food service, and community service funds, excluding the transportation fund because it no longer exists. The list of designated reserves is also expanded to include operating capital, disabled access, and health and safety.

The operating fund balance reduction is allocated among funds in proportion to the balance in each fund used in computing the reduction.

9. Referendum Revenue

A school board may increase its revenue for general education, beyond the level otherwise provided by state law, by obtaining approval from the voters in the district for a referendum levy.

The total referendum revenue that may be raised is equal to (1) the tax capacity rate approved by voters, multiplied by the school district's net tax capacity, plus (2) the dollars per WADM approved by voters, multiplied by the school district's WADM, minus (3) a portion of the increase from 1993-94 levels in basic, compensatory, and training & experience revenue per WADM. The revenue reduction per WADM for 1997-98 and later years is frozen at the 1996-97 level. The first \$315 per pupil unit of referendum revenue allowance is fully equalized.

Revenue authority expressed as "tax capacity rates" are based on referendums held in 1990 or earlier. Revenue authority expressed as "dollars per pupil unit" are based on referendums held in 1991 or later, and on conversions from dollars per pupil unit that were made in 1992 and 1993.

Referendum levies based on referendums held in 1991 or earlier are spread among taxpayers on the basis of net tax capacity. Referendum levies based on referendums held in 1992 or later are spread among taxpayers on the basis of market value. This increases the levy burden on homes and farms, and decreases the burden on commercial property.

C. CALCULATION OF AIDS AND LEVIES

The general education property tax levy is based on a uniform statewide rate. The rate is computed by the Department of Children, Families & Learning to raise the state total dollar amount set in law. For property taxes levied in 1996 for payment in 1997 to generate revenues for 1997-98, this rate is 37.4% of Adjusted Net Tax Capacity (ANTC). The concept of ANTC is discussed below.

As a result of the general education funding formula:

- All districts make equivalent tax efforts.
- All districts receive equivalent funding per student.
- The greater a district's property wealth per student, the greater the portion of its revenue that is generated by local taxes.

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1. Adjusted Net Tax Capacity

Adjusted Net Tax Capacity is a measure of property valuation that reflects the relative ability of school districts to generate local revenue. It was first used as a basis for property taxes levied in 1989 for payment in 1990 to fund education in 1990-91.

The ANTC is determined as follows:

- The Net Tax Capacity (NTC) represents a specified percentage of market value as determined by the tax assessor. The percentage of market value varies with the class of property.
- The Adjusted Net Tax Capacity represents the NTC adjusted for the results of a sales ratio study conducted by the Department of Revenue. The sales ratio compares the actual selling price of property to the value ascribed by the assessor. Since the typical ratio of ascribed value to true market value will vary from assessor to assessor, the NTC prior to the sales ratio adjustment is not an accurate measure of the local ability to generate revenue for schools. However, the ANTC is an accurate measure of this.

Beginning in 1997-98, the ANTC used to calculate the general education tax rate is before certain class rate reductions for seasonal recreational property. Because the actual levy is computed using the ANTC after these reductions, the actual levy is less than the statutory target.

2. Aid and Levy for Initial General Revenue Before Adjustment

Starting in 1996-97, initial general education revenue equals the sum of basic, compensatory, sparsity, transportation sparsity and operating capital revenue. For most districts, the separation of this revenue into aid and levy is:

$$\begin{aligned}\text{Levy} &= \text{Rate} \times \text{ANTC} \\ \text{Aid} &= \text{Revenue} - \text{Levy}\end{aligned}$$

As already noted, the rate for 1997-98 is 37.4%. The rate for 1996-97 was 40.8%.

If a district's ANTC is extremely high, then the rate times the ANTC may exceed the revenue. In such cases the district is said to be "off the formula" and the above rules do not apply. Districts off the formula generally do not receive any state aid for general revenue purposes. These districts are required to levy for the full amount of general revenue, and are also required to make an additional levy for levy equity, equal to the amount by which ANTC exceeds the revenue.

Revenue raised through levy equity is subtracted from state aid. Since districts off the formula do not receive any state aid for general revenue, the subtraction is made from state aids that are not associated with general revenue.

3. Aid and Levy for Transition Revenue

Starting in 1996-97 there is a separate levy for transition revenue. The portion of transition revenue that comes in the form of levy is found by dividing the sum of basic, compensatory, sparsity, transportation sparsity, and operating capital revenue by the product of the adjusted net tax capacity times the general education levy rate. This levy portion is not allowed to exceed 1.

Transition aid equals transition revenue minus transition aid.

4. Aid and Levy for Supplemental Revenue

Supplemental revenue is split between aid and levy in the same proportion used for transition revenue.

5. Fund Balance Reductions to Aid and Levy

The fund balance reduction is also split between aid and levy in the same proportion used for transition revenue.

C. RESTRICTIONS TO SPENDING GENERAL EDUCATION REVENUES

For the most part, general revenues are free from spending restrictions. However, starting in 1993-94, each district must set aside a certain amount to reduce elementary class sizes. The restricted revenue equals the additional basic revenue created by increasing the kindergarten and elementary pupil weights from their 1992-93 values of 0.50 and 1.00.

D. REPLACEMENTS OF GENERAL EDUCATION REVENUE

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

1. School Endowment Fund

The School Endowment Fund is apportioned twice a year to all districts on the basis of the previous year's average daily membership (M.S. 124.09.) The School Endowment Fund distributes money that is transferred to it from the Permanent School Fund, which generates revenue from its property holdings.

If a district receives no general education aid because it is off the formula, the amount it receives from the Endowment School Fund is subtracted from other state revenues provided to the district.

2. County Apportionment Deduction

School districts receive revenue from the apportionment of certain county receipts (M.S. 124.10). This revenue is derived from penalties on real estate taxes, taxes on transmission and distribution lines, liquor license fees, fines, and other sources.

For districts on the formula, this revenue is deducted from general education aid. For districts off the formula, it is deducted from the general education levy.

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3. Taconite Aid

Certain districts receive a portion of the state's revenue from various taconite taxes (M.S. 294.21 - 294.28 Chapter 298). The general education revenue of these districts is reduced by an equal amount. The general education levy is reduced by a minimum of 50% of the second previous year's taconite receipts. The remaining reduction is taken from general education aid.

E. SHARED TIME GENERAL EDUCATION AID

General education aid is paid to districts for students who attend public schools on a part-time basis while also attending private schools. Revenue for shared time pupils equals their full time equivalent WADM times the formula allowance. This revenue does not have a levy component; it comes entirely in the form of aid.

BUDGET ISSUES:

A. CHALLENGES:

- The complexity of the current education funding system limits public understanding and involvement.
- Minnesota districts face differing challenges. Priorities in districts vary based on their needs.

B. STRATEGIES:

- To increase public understanding and accountability, the education funding system should be simplified and focused more on results.
- To maximize efficiency and effectiveness, decisions on the use of resources should be made as close to the learner as possible.
- Districts need enhanced flexibility to meet learner needs if they are to be held accountable for results.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in the general education program:

1. For F.Y. 1998, restore the formula allowance to \$3,505 and the secondary pupil unit weight to 1.30.
2. Beginning in F.Y. 1999, increase the formula allowance to \$3,589, and change the pupil unit weightings to 0.55 for kindergarten, 1.10 for grades 1 - 3, 1.00 for grades 4 - 6, and 1.22 for grades 7 - 12.

3. Beginning in F.Y. 1999, repeal the sunset on the roll-in of transportation funding into the general education formula.
4. Beginning in F.Y. 1999, roll district cooperation revenue into the general education formula.
5. Beginning in F.Y. 1999, provide a new category of transition revenue to ensure that no district incurs a decrease in revenue per pupil in average daily membership between F.Y. 1998 and F.Y. 1999 due to the change in pupil unit weightings or the roll-in of district cooperation revenue into the general education formula.
6. Beginning in F.Y. 1999, adjust the formulas used in computing various general education revenues, aids and levies for the change in pupil unit weights, the roll-in of district cooperation revenue into the general education formula, and the sunset on the roll-in of training and experience revenue into the general education formula:
 - a. Set the equalizing factor for referendum levies spread on referendum market value at \$493,700.
 - b. Adjust referendum allowances based on pupil units, the referendum allowance reduction, and the supplemental allowance by the ratio of the F.Y. 1999 old formula pupil units to the F.Y. 1999 new formula pupil units.
 - c. Equalize the first \$327 per pupil unit of referendum revenue.
 - d. Set the referendum revenue limit at 25 percent of the formula allowance less \$246, or the greater of the district's referendum allowance for F.Y. 1994 or F.Y. 1998, adjusted for pupil unit weight changes.
 - e. Compute compensatory revenue and sparsity revenue using the formula allowance less \$384.
 - f. Compute aid for shared time, contracted alternatives and post-secondary enrollment options using the formula allowance less \$300 for F.Y. 1998 and the formula allowance less \$176 for F.Y. 1999 and later years.
 - g. Increase the multiplier used to compute training and experience revenue to \$685.
 - h. Increase the allowances used in computing total operating capital revenue from \$68, \$100, \$128, and \$16 to \$71, \$104, \$133, and \$16, respectively.
 - i. Change the multipliers used in computing transportation sparsity revenue from .1469 and .0484 to .1481 and .0489, respectively.
7. Beginning in F.Y. 1999, phase out training and experience revenue by computing the training and experience index for teachers employed by the school district during F.Y. 1997 using F.Y. 1997 data, and the index for teachers not employed by the district during F.Y. 1997 using the amount for beginning teachers with only a bachelor's degree. This change will continue training and experience funding for currently-employed teachers based on F.Y. 1997 data, while eliminating this funding for new teachers. Together with site-based management reform (see program 0712), this will promote reform of teacher compensation.

These changes will provide increased revenue for school districts, will redirect resources to the early elementary grades, and will increase school district flexibility to manage resources in the manner determined locally to be most effective for improving student performance.

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8. Beginning in F.Y. 1999, combine the compensatory, assurance of mastery and limited English proficiency (LEP) revenues to form a basic skills block grant. This block grant will provide all districts with greater flexibility to manage resources in the manner determined locally to be most effective in ensuring that all learners are successful in mastering the required graduation standards.
9. Beginning in F.Y. 1999, compute AFDC concentration based on the concentration of AFDC pupils in the district of residence, instead of the district of enrollment. By permitting the full compensatory portion of basic skills revenue to follow an AFDC pupil who enrolls in a school district with a lower AFDC concentration, the receiving district will be able to provide appropriate compensatory instruction and services for the pupil, thereby improving learning opportunities and facilitating voluntary integration.
10. Beginning in F.Y. 1999, discontinue the separate district cooperation and limited English proficiency levies, set the state total general education levy target at \$1,452,865,000, and round the general education tax capacity rate up to the nearest hundredth of a percent, instead of the nearest tenth of a percent. This will improve taxpayer equity by creating a more uniform tax rate for general education programs statewide. On a state aggregate basis, the recommended total education levy for F.Y. 1999 is the same as the total education levy for F.Y. 1999 under current law.
11. Beginning in F.Y. 1999, compute the state aid and levy shares of equalized referendum revenue spread on tax capacity, supplemental revenue, transition revenue, and the revenue adjustment for excess fund balance using a uniform equalizing factor fixed at \$10,447 per pupil unit. This will improve taxpayer equity by creating a uniform tax rate for each dollar of additional revenue per pupil unit, will simplify aid and levy computations, and will stabilize aid and levy computations as changes are made in funding formulas and pupil unit weightings.
12. Beginning in F.Y. 1998, modify the referendum revenue hold-harmless for newly consolidated school districts to include the cap on referendum revenue per pupil unit as well as the referendum allowance reduction. This will prevent school districts from incurring a loss of referendum revenue as the result of a consolidation due to the limit on the amount of referendum revenue per pupil unit as applied to combined data for the consolidated district.
13. Eliminate the June 30, 1999 sunset of the general education and referendum revenue programs, and repeal the Education Finance Act of 1992. Since 1992, a series of incremental changes have resulted in significant reform of the education finance system, while the outline of a new education finance system in the Education Finance Act of 1992 has remained undeveloped. Continuation of the incremental reform strategy offers the best opportunity for long-term education finance reform.
14. Clarify that a pupil enrolled in a learning year program may generate more than one average daily membership only if the number of hours for the year exceeds the greater of: (a) 1,020

hours for a secondary pupil, 935 for an elementary pupil, or 425 for a kindergarten pupil or (b) the number of hours required in the district for pupils of that grade level. Clarifying language is needed to accurately reflect legislative intent.

15. Beginning in F.Y. 1998, provide contracted alternative programs with the portion of basic skills revenue attributable to AFDC pupil units. This will make funding for students in contracted alternative programs more comparable to that provided for similar students in regular public school programs.
16. Beginning in F.Y. 1999, compute the amount reserved for learning and development (class size reduction) as the sum of (a) the number of kindergarten fund balance pupils in average daily membership times the formula allowance times 5.5 percent, plus (b) the number of fund balance pupils in average daily membership in grades 1 through 3 times the formula allowance times 11 percent. This will adjust the learning and development reserve computations to reflect the new pupil weights and formula allowance, with no change in the total amount reserved.
17. Require equalized referendum revenue approved or renewed after July 1, 1997 to follow students enrolled in another school district under an alternative attendance program or in a charter school. This will improve education funding equity and increase the availability of enrollment options for students by allocating equalized referendum revenue to the school district or charter school serving the student.
18. Beginning in F.Y. 1998, eliminate the requirement that a parent of a student attending another district under open enrollment must request approval from the resident district for the nonresident district to transport the student within the boundaries of the resident district. This will eliminate a barrier to the participation of students in open enrollment. Nearly all cases appealed to the state have been approved by the commissioner.

The Governor recommends an aid entitlement of \$2,516,170 for F.Y. 1998 and \$2,556,868 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$2,447,317 in F.Y. 1998 (\$227,214 for F.Y. 1997 and \$2,220,103 for F.Y. 1998), and \$2,489,440 in F.Y. 1999 (\$233,472 for F.Y. 1998 and \$2,255,968 for F.Y. 1999).

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0101 GENERAL EDUCATION
 (Continuation)

**TABLE 1-1
 GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)**

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Current Law</u>	
				<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
I. Pupil Unit and Property Valuation Data					
A. Average Daily Membership					
1. Pre-Kindergarten	5,126	4,701	4,701	4,701	4,700
2. Kindergarten disabled	2,831	2,671	2,671	2,671	2,671
3. Kindergarten non-disabled	58,248	59,339	59,125	57,914	56,863
4. Elementary	380,880	383,614	386,239	386,975	386,501
5. Secondary	<u>360,942</u>	<u>372,899</u>	<u>383,035</u>	<u>392,403</u>	<u>398,864</u>
6. Total ADM	808,027	823,224	835,771	844,664	849,599
B. Weighted Average Daily Membership					
1. Total WADM	911,790	930,224	946,066	938,764	925,836
2. WADM for General Education and Referendum	N/A	N/A	N/A	939,652	927,899
C. AFDC Pupil Units					
1. Student Counts	74,854	76,935	76,811	77,041	78,241
2. AFDC pupil units (old formula)	27,765	N/A	N/A	N/A	N/A
3. AFDC pupil units (new formula)	38,847	40,017	41,082	41,084	41,744
D. Property Valuation					
1. Valuation Year	1992	1993	1994	1995	1996
2. ANTC (Adjusted Net Tax Capacity)	3,012,878.5	3,102,418.0	3,348,309.5	3,638,312.5	3,895,118.0
II. General Education Revenues					
A. Basic Revenue					
1. Formula Allowance	3,150	3,205	3,505	3,430	3,130(a)
2. Basic Revenue (WADM times formula allowance)	2,872,800.6	2,981,368.1	3,315,963.0	3,223,004.5	2,904,324.8
3. Districts	382	365	358	358	358
B. Compensatory Revenue					
1. Amount	113,640.9	128,253.3	131,667.8	128,592.4	130,657.2
2. Districts	382	363	356	354	354
C. Elementary Sparsity Revenue					
1. Amount	726.5	696.2	696.2	662.8	641.0
2. Districts	10	10	10	10	10

(a) Formula allowance is reduced by \$300 because of restoration of training and experience revenue and categorical transportation funding.

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 (Continuation)

TABLE 1-1 (continued)
 GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Current Law</u>	
				<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
D. Secondary Sparsity Revenue					
1. Amount	8,623.0	8,823.5	8,846.9	8,597.4	8,498.9
2. Districts	64	64	63	64	63
E. Operating Capital Revenue					
1. Amount	N/A(b)	N/A(b)	185,788.3	184,625.8	182,420.4
2. Districts	N/A	N/A	358	358	358
F. Transportation Sparsity Revenue					
1. Amount	N/A	N/A	44,569.5	43,139.3	N/A
2. Districts	N/A	N/A	358	358	N/A
G. Fund Balance Reduction					
1. Maximum fund balance per pupil unit	787.50	N/A	876.25	857.50	782.50
2. Fund balance reduction	3,587.3	N/A	6,339.4	7,094.7	13,412.2
3. Districts	31	N/A	54	66	98
H. General Education Revenue (Excl. Supplemental)					
1. Amount	2,992,203.7	3,119,141.1	3,681,192.3	3,581,527.5	3,213,130.1
2. Districts	382	365	358	358	358
III. General Education Aid and Levy					
A. Initial General Education levy					
1. Basic tax rate					
Percent of ANTC	34.9	34.2	40.8	37.4	31.5
2. Statutory amount to be levied	1,044,000.0	1,054,000.0	1,359,000.0	1,359,000.0	1,229,000.0(c)
3. Actual Levy Amount	1,046,067.1	1,056,403.7	1,361,121.3	1,356,905.3	1,224,627.1
4. Districts	381	364	357	357	357
B. Fund Balance Reduction to Levy					
1. Amount	(1,885.3)	N/A	(2,156.2)	(2,463.1)	(5,311.5)
2. Districts	30	N/A	54	66	98
C. Net General Education Levy					
1. Amount (initial levy minus fund balance reduction)	1,044,181.8	1,056,403.7	1,358,965.1	1,354,442.2	1,219,315.6
2. Districts	381	364	357	357	357
D. General Education Aid					

(b) Previously funded with capital equipment and capital facilities revenues. The amounts for F.Y. 1995 and F.Y. 1996 were \$176,882.6 and \$188,647.2 respectively.

(c) Levy target reduced for restoration of categorical transportation levies.

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 (Continuation)

TABLE 1-1 (continued)
 GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Current Law</u>	
				<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
1. Initial Aid Amount	1,950,612.7	2,063,538.2	2,328,643.6	2,234,900.4	2,003,691.5
2. Fund balance reduction	<u>(1,702.0)</u>	<u>0.0</u>	<u>(4,183.1)</u>	<u>(4,631.6)</u>	<u>(8,100.6)</u>
3. Total aid	1,948,910.7	2,063,538.2	2,324,460.5	2,230,268.8	1,995,590.9
4. Districts					
a. Receiving initial aid	379	363	353	353	355
b. Fund balance reductions	31	N/A	53	65	97
c. Total districts	379	363	353	379	355
E. Levy Equity Adjustment					
1. Amount off the formula	6,313.2	5,424.0	7,222.3	7,007.0	4,111.4
2. Levy equity adjustment (the amount added to the levy and then subtracted from state categorical aids)	888.8	800.8	2,233.3	3,183.5	1,776.4
3. Districts	3	2	5	5	3
IV. Training and Experience Aid and Levy					
A. Training and Experience Revenue					
1. Amount	93,814.5	119,284.3	N/A(d)	N/A(d)	118,920.7
2. Districts	379	361	N/A	N/A	354
B. Training and Experience Levy					
1. Amount	36,036.8	44,098.5	N/A	N/A	N/A
2. Districts	379	361	N/A	N/A	N/A
C. Training and Experience Aid					
1. Amount	57,777.7	75,185.8	N/A	N/A	N/A
2. Districts	377	359	N/A	N/A	N/A
V. Supplemental Aid and Levy					
A. Supplemental Revenue					
1. Amount	3,981.1	4,396.6	4,406.7	2,919.0	2,868.6
2. Districts	27	27	26	13	13
B. Supplemental Levy					
1. Amount	2,412.8	2,464.6	2,741.9	2,358.8	2,252.2
2. Districts	27	27	26	13	13

(d) Training and experience revenue was replaced for F.Y. 1997 and F.Y. 1998 by increasing the formula allowance by \$130 and a portion of transition revenue. For F.Y. 1997 this was \$122,325.9 and for F.Y. 1998 this was \$123,077.9

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 (Continuation)

TABLE 1-1 (continued)
 GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Current Law</u>	
				<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
C. Supplemental Aid					
1. Amount	0.0	0.0	0.0	0.0	0.0
2. Districts	26	26	24	12	12
VI. Supplemental Aid and Levy					
A. Training & Experience Transition Revenue					
1. Amount	N/A	N/A	(662.7)	923.1	N/A
2. Districts	N/A	N/A	358	358	N/A
B. Transportation Transition Revenue					
1. Amount	N/A	N/A	9,169.9	18,267.8	N/A
2. Districts	N/A	N/A	296	183	N/A
C. Total Transition Revenue					
1. Amount	N/A	N/A	8,507.2	19,190.8	N/A
2. Districts	N/A	N/A	358	358	N/A
D. Transition Levy					
1. Amount	N/A	N/A	5,104.4	8,775.2	N/A
2. Districts	N/A	N/A	358	358	N/A
E. Transition Aid					
1. Amount	N/A	N/A	3,402.8	10,415.7	N/A
2. Districts	N/A	N/A	353	353	N/A
VII. Referendum Aid and Levy					
A. Referendum Revenue					
1. Amount	292,843.2	307,297.5	353,618.5	373,217.3	408,219.8
2. Districts	269	272	278	286	290
B. Referendum Levy					
1. Amount	189,201.1	190,059.2	227,710.8	247,259.5	266,253.4
2. Districts	269	272	278	286	290
C. Referendum Aid					
1. Amount	103,642.1	117,238.3	125,907.7	125,957.8	141,966.4
2. Districts	236	271	275	280	284

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TABLE 1-1 (continued)
GENERAL EDUCATION PROGRAM (ANNUAL ENTITLEMENT BASIS)

	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
VIII. Post Secondary Enrollment Aid					
A. Amount	11,606.9	11,641.5	11,733.1	11,438.2	11,281.9
B. Districts	290	291	291	291	291
IX. Contracted Alternative Aid					
A. Amount	4,640.9	4,835.0	5,287.6	5,003.1	4,831.8
B. Districts	3	3	3	3	3
X. Shared Time Aid					
A. FTE Pupil Units	746	826	826	812	788
B. Formula Allowance	3,150	3,205	3,205	3,130	3,130
C. Amount	2,350.8	2,647.8	2,647.8	2,541.4	2,497.2
D. Districts	158	158	158	158	158
XI. Subtractions from Aid					
A. Endowment Fund Earnings	35,730.0	31,180.3	32,500.0	32,500.0	32,500.0
B. Taconite Aid	3,389.7	3,735.6	3,869.8	3,722.3	3,722.3
C. County Apportionment	17,623.5	17,903.3	17,000.0	17,000.0	17,000.0
D. Total Subtractions	56,743.2	52,819.2	53,369.8	53,222.3	53,222.3
XII. Program Totals					
A. Total Program Revenue					
1. Reserved for Parental Involvement	4,558.9	N/A	N/A	N/A	N/A
2. Reserved for staff development	57,442.7	N/A	N/A	N/A	N/A
3. Learning and Development Reserve	77,490.9	79,474.4	87,443.1	85,598.8	77,924.3
4. Unreserved Revenue	<u>3,261,948.6</u>	<u>3,489,769.4</u>	<u>3,979,950.1</u>	<u>3,910,238.5</u>	<u>3,683,825.8</u>
5. Total Program Revenue (before TRA subt.)	3,401,441.1	3,569,243.8	4,067,393.2	3,995,837.3	3,761,750.1
6. TRA Adjustment	<u>(16,040.6)</u>	<u>(16,746.6)</u>	<u>(17,547.0)</u>	<u>(18,161.1)</u>	<u>(18,796.8)</u>
7. Total Program Revenue	3,385,400.5	3,552,497.2	4,049,846.2(e)	3,977,676.2(e)	3,742,953.3(e)
B. Total Local Levies	1,271,848.6	1,293,026.0	1,594,522.2	1,612,835.7	1,487,821.2
C. Total Aid Entitlement					
1. Gross aid (districts on the formula)	2,130,497.4	2,277,018.6	2,475,104.3	2,386,185.2	2,275,705.3
2. Levy equity adjustment	<u>905.0</u>	<u>800.8</u>	<u>2,233.3</u>	<u>3,183.5</u>	<u>1,776.4</u>
3. Aid Before TRA Adj	2,129,592.4	2,276,217.8	2,472,871.0	2,383,001.7	2,273,928.9
4. TRA Adjustment	<u>(16,040.6)</u>	<u>(16,746.6)</u>	<u>(17,547.0)</u>	<u>(18,161.1)</u>	<u>(18,796.8)</u>
5. Aid after TRA adjustment	2,113,551.8	2,259,471.2	2,455,324.0	2,364,840.6	2,255,132.1
6. Subtractions	<u>56,743.2</u>	<u>52,819.2</u>	<u>53,369.8</u>	<u>53,222.3</u>	<u>53,222.3</u>
7. Net Aid	2,056,808.6	2,206,652.0	2,401,954.2	2,311,618.3	2,201,909.8

(e) Includes revenues previously funded through categorical formulas. The amounts included in F.Y. 1997 through F.Y. 1999 are \$238,865.0, \$246,955.9, and \$182,420.4 respectively.

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TABLE 1-2
GENERAL EDUCATION PROGRAM (APPROPRIATION ACCOUNT BASIS)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law	
				F.Y. 1998	F.Y. 1999
I. Prior Year Adjustment					
A. Gross Payment					
1. Regular	290,369.3	318,301.6	345,713.8	247,245.7	238,364.4
2. Shared Time	<u>359.2</u>	<u>352.6</u>	<u>397.2</u>	<u>264.8</u>	<u>254.1</u>
3. Total Gross Payment	290,728.5	318,654.2	346,111.0	247,510.4	238,618.5
B. Subtractions (Taconite and County Apportionment)	(19,941.0)	(20,736.8)	(20,778.6)	(20,296.8)	(20,122.3)
C. Tax Shift Adjustment	(2,352.4)	(4,683.6)	0.0	0.0	0.0
D. Other Adjustment	<u>(2,696.4)</u>	<u>(891.3)</u>	<u>163.6</u>	<u>0.0</u>	<u>(0.6)</u>
E. Net Payment	265,738.7	292,342.5	325,496.0	227,213.6	218,495.6
II. Current Payment					
A. Gross Payment					
1. Regular	1,809,845.1	1,928,656.8	2,225,210.9	2,145,279.2	2,045,887.3
2. Shared Time	<u>1,998.2</u>	<u>2,250.6</u>	<u>2,383.0</u>	<u>2,287.3</u>	<u>2,247.5</u>
3. Total Gross Payment	1,811,843.3	1,930,907.4	2,227,594.0	2,147,566.5	2,048,134.8
B. Subtractions					
1. Endowment	(35,730.0)	(31,180.3)	(32,500.0)	(32,500.0)	(32,500.0)
2. Prior year taconite and county apportionment (not recover on final payment)	<u>10.2</u>	<u>(365.0)</u>	<u>(17.1)</u>	<u>(600.0)</u>	<u>(600.0)</u>
C. Payment after Subtractions	1,776,123.5	1,899,362.1	2,195,076.9	2,114,466.5	2,015,034.8
D. Tax Shift Adjustment	(39,903.9)	294,523.1	179,615.1	(1,337.0)	0.0
E. Levy Equity Adjustment	(5,956.8)	(7,029.4)	(8,457.9)	(11,120.3)	(11,455.3)
F. TRA Reduction	(16,104.3)	(16,746.6)	(17,547.0)	(18,161.1)	(18,796.8)
G. Other Adjustments	<u>(3,533.6)</u>	<u>(1,226.7)</u>	<u>(100.0)</u>	<u>(100.0)</u>	<u>(100.0)</u>
H. Net Advance Payment	1,710,624.9	2,168,882.5	2,348,587.1	2,083,748.1	1,984,682.7
III. Total Payments	1,976,363.6	2,461,225.0	2,674,083.1	2,310,961.7	2,203,178.3

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0101 GENERAL EDUCATION
 (Continuation)

TABLE 1-3
 GENERAL EDUCATION PROGRAM (CHANGE IN ENTITLEMENT)

	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>Current Law</u>	
	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Appropriation Implied Entitlement	2,281,002	2,473,007	2,473,007	2,473,007
Entitlement Changes Per Law				
Budget Variables				
Revenue Increases/(Decreases)				
Pupil Unit Change	(18,311)	(21,988)	24,841	52,597
AFDC Count Change	--	(1,930)	(1,925)	190
Referendum Revenue Changes	(2,031)	20,138	45,887	64,235
TRA Adjustment	369	424	(190)	(826)
Levy Decreases/(Increases)				
Pupil Unit Change	(303)	443	--	--
Fund Balance Change	--	--	--	--
Referendum Revenue Changes	(1,671)	(10,587)	(30,873)	(40,606)
Legislation Becoming Effective				
Revenue Increases/(Decreases)				
Restor T & E Funding	--	--	--	123,771
Eliminate Roll-ins of T & E and Transportation	--	--	--	(343,423)
Epiration of Special Supplemental Provision	--	--	(1,436)	(1,426)
Phase-in of Transition Revenue	--	--	8,388	--
Repeal of Fund Balance Reduction	680	--	--	--
Restore Fund Balance Reduction	--	(6,339)	(6,501)	(10,833)
Reduce Formula Allowanc & PU Weights	--	--	(150,930)	(200,874)
Levy Decreases/(Increases)				
Eliminate Roll-ins of T & E and Transportation	--	--	--	135,902
Epiration of Special Supplemental Provision	--	--	407	510
Phase-in of Transition Revenue	--	--	(1,965)	--
Repeal of Fund Balance Reduction	(263)	--	--	--
Restore Fund Balance Reduction	--	2,156	2,164	3,860
Reduce Formula Allowanc & PU Weights	--	--	453	(6,617)
Property Tax Clas Rate Change	--	--	3,513	5,665
Total Aid Entitlement after TRA Subtraction	2,259,472	2,455,324	2,364,840	2,255,132

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0101: GENERAL EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	2,259,472	2,455,324	2,364,840	2,255,132
2. Statutory Excess / (Shortfall)	21,531	17,683		
3. Appropriated Entitlement	2,281,003	2,473,007	2,364,840	2,255,132
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Changes in Estimated Entitlement	(21,531)	(17,683)		
5. Current Law Aid	2,259,472	2,455,324	2,364,840	2,255,132
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	1,293,026	1,594,522	1,612,836	1,487,821
8. Current Law Funding: Aid & Levy	3,552,498	4,049,846	3,977,676	3,742,953

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)	2,364,840	2,255,132
a. Restore Formula Allowance and Pupil Weights	150,477	207,491
b. Retain Transportation and Training & Experience (T & E) Roll-ins	0	94,039
c. Fold in District Cooperation	0	8,194
d. Levy Adjustment for Roll-ins	0	(36,300)
e. T & E/Pupil Weights Reform	0	(5,111)
f. Add AFDC for Private Alternatives	853	895
g. Fold in AOM and LEP	0	32,328
h. AFDC Revenue to Follow Students	0	200
Recommended Aid Entitlement	2,516,170	2,556,868

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)	1,612,836	1,487,821
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TOTAL RECOMMENDED FUNDING: AID & LEVY

	4,129,006	4,044,689
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APPROPRIATIONS BASIS:(a)

Prior Year	301,964	325,496	227,214	233,472
Current Year	2,168,883 (b)	2,224,887	2,220,103	2,255,968
Current Year Adj. to 90%, per M.S. 124.904		123,755		
Subtotal before Transfers	2,470,847	2,674,138	2,447,317	2,489,440
Transfers per M.S. 124.14, subd. 7	(9,623)	(55)		
Total State General Funds	2,461,224	2,674,083	2,447,317	2,489,440

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Appropriation of \$2,192,511 less cancellation of \$23,629

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0102 PROPERTY TAX REVENUE RECOGNITION

CITATION: M.S. 121.904, Subd. 4a; 124.14, Subd. 6; 124.155
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

DESCRIPTION:

School districts recognize a portion of the school district share of the spring property tax collections in the fiscal year in which they receive it, with the remaining property tax proceeds recognized in the next fiscal year. The property tax revenue recognition provision is structured such that a change in the levy recognition percent is revenue neutral to school districts, except for the referendum levy and other levies (such as health insurance) specified in law. Districts with first time referendum levies will recognize a portion of the levy a year early, while districts levying for the last time will only recognize the balance not recognized the previous year.

Prior to F.Y. 1983, all of the school districts' spring property tax collections were held and recognized as revenue in the following fiscal year. This policy changed in F.Y. 1983 as part of an effort to balance the state's budget and avoid deep cuts in education spending. Legislation provided that in June of each year, beginning in 1983, school districts must recognize as revenue a specified percent of the spread levy payable in the current calendar year. The spread levy for this purpose is defined as the levy amount remaining after subtracting, by school district fund, the relevant amounts of the state paid property tax credits and the amounts of certain excluded levies (debt service, statutory operating debt, bus purchase, unemployment insurance, retirement, and severance, etc.). With this change, a portion of the amount originally levied for the 1983-84 school year was recognized in 1982-83, and the state aids and credits due in 1982-83 for 1982-83 were reduced by the amount of the levy recognition change, excluding the portion of the referendum levy recognition change.

In order to ensure that district revenue is not affected by the levy recognition change, beginning in F.Y. 1984, legislation provided that state aid payments must be adjusted by the difference between the current year's levy recognition change amount and the previous year's levy recognition change amount. The referendum levy portion of the recognition change amount is excluded from this calculation. This adjustment will decrease aid payments if the levy recognition change for the current year is greater than the levy recognition change for the previous year. The adjustment will increase aid payments if the current year levy recognition change is less than the previous year levy recognition change. Any additional amount necessary for the payment of aids for this adjustment is provided by an open and standing appropriation.

PROGRAM STATUS:

Program statistics are shown in Tables 1-3 and 2-3.

BUDGET ISSUES:

A. CHALLENGES:

- The percentage of the calendar year levy to be recognized early has changed through the years reflecting the budgetary needs and financial position of the state. While the provisions of the tax shift have allowed state appropriations for education to remain stable or experience growth in economic periods that might otherwise have required decreases in state education funding, in years when the tax shift percentage increases, school district may need to borrow to meet cash flow shortages attributable to the tax shift.

B. STRATEGIES:

- Minnesota Statutes give authority for school districts to borrow for cashflow needs based on property taxes receivable from the county and state education aids receivable from the state. The credit enhancement program under M.S. 124.755 provides that if a participating district defaults on redemption of its certificates or bonds, the state will make the payment to the holders of the certificates or bonds if state cash balances are sufficient. The program gives the school districts the benefit of the state of Minnesota credit rating and is designed to allow school districts to qualify for favorable interest rates. In event of a district default and payment made by the state, a district participating in the program is obligated to repay the state treasurer through a combination of special levy proceeds and recovery of state aid and credit payments due to the district.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in property tax revenue recognition:

1. Increase the amount appropriated from \$180,000,000 to \$200,000,000 in F.Y. 1997 to reduce the property tax levy recognition percentage.
2. Beginning in F.Y. 1997, simplify property tax revenue recognition by computing the levy recognition amount as a percentage of the lesser of: (a) the general education levy or (b) the total certified levy in the General Fund, excluding levies not subject to the levy recognition aid adjustment policy.
3. Beginning in F.Y. 1997, adjust the general levy recognition percent to offset the narrower base used in the levy recognition computations, such that there is no change in the state total amount of the levy recognized during the fiscal year the levy is certified. Set the general levy recognition percentage at 6.9% for F.Y. 1997 and at 6.6% for F.Y. 1998 and later years.
4. Beginning in F.Y. 1997, increase the levy recognition percentage for the health insurance levy, the health benefits levy, and the levy adjustment for law changes from 50% to 100%.
5. Beginning in F.Y. 1999, permit school districts to recognize 100% of the reemployment insurance levy in the fiscal year the levy is certified and exempt this levy from the levy recognition aid adjustment.

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0102 PROPERTY TAX REVENUE RECOGNITION
(Continuation)

TABLE 1-3
PROPERTY TAX REVENUE RECOGNITION CHANGE AND STATE AID ADJUSTMENT (\$ in 000s)
F.Y. 1990 - F.Y. 1999

	F.Y. 1990	F.Y. 1991	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	ESTIMATE F.Y. 1997	ESTIMATE F.Y. 1998	ESTIMATE F.Y. 1999
1. Revenue Recognition Percent	31%	31%	37%	50%	37.4%	37.4%	18.1%	7%	7%	7%
2. Gross Revenue Recognition Change	\$378,082	\$425,602	\$546,092	\$801,230	\$629,562	\$689,437	\$385,902	\$221,842	\$225,701	\$229,015
3. Less Adjustment for Certain Districts ^a										
Number of Districts	14 ^b	14	11	14 ^d	2	1	0	0	0	0
Amount	<u>(12,100)</u>	<u>(9,958)</u>	<u>(22,645)</u>	<u>(24,432)</u>	<u>(1,787)</u>	<u>(862)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4. Adjusted Gross Revenue Recognition Change	\$365,982	\$415,644	\$523,447	\$776,798	\$627,775	\$688,575	\$385,902	\$221,842	\$225,701	229,015
5. Less Referendum Levy Recognition Change	(60,155)	(66,693)	(78,011)	(109,432)	(70,013)	(69,796)	(67,143)	(76,264)	(78,000)	(80,211)
Revenue Recognition Percent	31%	31%	37%	50%	37.4%	31%	31%	31%	31%	31%
6. Less Levy Recognition Change for Shiftable Levies with no Aid Subtraction	<u>(3,302)</u>	<u>(3,755)</u>	<u>(4,294)</u>	<u>(20,615)</u>	<u>(28,368)</u>	<u>(44,801)</u>	<u>(25,780)</u>	<u>(32,214)</u>	<u>(33,000)</u>	<u>(34,000)</u>
7. Net Recognition change Amount for Aid Adjustment Calculation	\$302,525	\$245,196	\$441,142	\$646,751	\$529,394	\$573,976	\$292,979	\$113,364	\$114,701	114,804
8. Aid Adjustment Calculation:										
a. Prior Year Recognition Change (out)	295,966	302,525	345,196	441,142	646,751	529,394	573,976	292,979	113,364	114,701
b. Current Year Recognition Change (in)	<u>302,525</u>	<u>345,196</u>	<u>441,142</u>	<u>646,751</u>	<u>529,394</u>	<u>573,976</u>	<u>292,979</u>	<u>113,364</u>	<u>114,701</u>	<u>114,804</u>
9. Adjustment to State Aids (8a-8b)	\$(6,559)	\$(42,671)	\$(95,946)	\$(205,609)	\$117,357	\$(44,582)	\$280,997	\$179,615	(1,337)	(103)
10. Referendum Levy Recognition Amount Based On:										
a. Prior Year Recognition Percent			65,361	80,980	97,590					
b. Current Year Recognition Percent			78,011	109,432	70,013					
c. Difference = Adjustment to Aids ^c			(12,650)	(28,452)	27,577		13,526			
11. Total Adjustment to State Aids (9 + 10 ^c)	\$(6,559)	\$(42,671)	\$(108,596)	\$(234,061)	\$144,934	\$(44,582)	\$(294,523)	\$179,615	(1,337)	(103)

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0102 PROPERTY TAX REVENUE RECOGNITION
 (Continuation)

TABLE 2-3
PROPERTY TAX REVENUE RECOGNITION CHANGE AND STATE AID ADJUSTMENT (\$ in 000s)
F.Y. 1983 - F.Y. 1989

	<u>F.Y. 1983</u>	<u>F.Y. 1984</u>	<u>F.Y. 1985</u>	<u>F.Y. 1986</u>	<u>F.Y. 1987</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>
1. Revenue Recognition Percent	32%	32%	24%	24%	24%	27%	27%
2. Gross Revenue Recognition Change	\$260,957	\$295,295	\$220,808	\$230,887	\$264,385	\$295,624	\$339,382
3. Less Adjustment for Certain Districts ^a							
Number of Districts	6	5	3	4	1	1	6
Amount	<u>(4,402)</u>	<u>(3,624)</u>	<u>(540)</u>	<u>(1,082)</u>	<u>(137)</u>	<u>(450)</u>	<u>(6,950)</u>
4. Adjusted Gross Revenue Recognition Change	\$256,555	\$291,671	\$220,268	\$229,805	\$246,248	\$295,174	\$332,432
5. Less Referendum Levy Recognition Change	(15,897)	(16,633)	(14,262)	(16,769)	(20,258)	(27,726)	(24,824)
6. Less Levy Recognition Change for Shiftable Levies with no Aid Subtraction	—	—	<u>(459)</u>	<u>(1,002)</u>	<u>(1,093)</u>	<u>(442)</u>	<u>(1,644)</u>
7. Net Recognition Change Amount for Aid Adjustment Calculation	\$240,658	\$275,038	\$205,547	\$212,034	\$224,879	\$267,006	\$295,966
8. Aid Adjustment Calculation:							
a. Prior Year Recognition Change (out)	—	240,658	275,038	205,547	212,034	224,897	267,006
b. Current Year Recognition Change (in)	<u>240,658</u>	<u>275,038</u>	<u>205,547</u>	<u>212,034</u>	<u>224,897</u>	<u>267,006</u>	<u>295,966</u>
9. Adjustment to State Aids (8a-8b)	\$(240,658)	\$(34,380)	\$69,491	\$(6,487)	\$(12,863)	\$(42,109)	\$(28,960)
10. Total Adjustment to State Aids (9 + 10 ^c)	\$(240,658)	\$(34,380)	\$69,491	\$(6,487)	\$(12,863)	\$(42,109)	\$(28,960)

- ^a These adjustments occur when a district's gross revenue recognition change amount is greater than its state aids and property tax credits (which are for the fiscal year payable in that fiscal year) plus any referendum levy recognition change. In this case, the district's levy recognition change amount is limited to the lesser amount.
- ^b The increase in districts for which these adjustments are made is due to Education District and Secondary Vocational Cooperative levies being subject to the levy recognition change provisions for the first time.
- ^c The referendum levy recognition amount is normally not included for the aid adjustment calculation. This additional adjustment to state aids is provided in law as a one-time adjustment attributable to the increase in the revenue recognition percent that occurred in F.Y. 1992, F.Y. 1993, and F.Y. 1994. Refer to Laws 1991, Chap. 265, Art. 1, Sec. 31; Laws 1992, Chap. 449, Art. 1, Sec. 22; and Laws 1994, Chap. 647, Art. 1, Sec. 3. The F.Y. 1996 payback under M.S. 121.904, Subd. 4c (d) was calculated as a proportionate payback to the 31% referendum shift percentage.
- ^d Beginning in 1993, this adjustment is for districts whose total adjustment to state aids and credits is calculated at the statutory revenue recognition percentage is greater than state aid limits as defined in M.S. 124.155. In this case, the early revenue recognition is limited to the early revenue recognition of the prior year plus the aids limit as defined in M.S. 124.155.
- ^e Beginning in 1993, the Legislature identified several additional levy categories that are included in the early revenue recognition, but do not have a corresponding aid reduction. Prior to 1993, the only levy in this category was a desegregation levy.
- ^f The large reduction to 1990-91 aids and credits was due to a provision enacted in 1990 which changes the manner in which Homestead and Agricultural Credit Aid (HACA) was allocated to the various district levies, with more HACA allocated to the referendum and debt service levies and no HACA allocated to the General Education Levy and other major equalized levies.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0102: PROPERTY TAX RECOGNITION POLICY

	Governor's Rec.		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0		
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)			0	0
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments	0	0	0	0
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a.				
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	20,000 (a)	0	0
Transfers per M.S. 124.14, subd. 7		0		
Total State General Funds	0	20,000	0	0

(a) Increase the amount appropriated from \$180,000 to \$200,000 in order to reduce the property tax recognition percentage.

1998-99 Biennial Budget

PROGRAM: 01 General Education
AGENCY: Children, Families & Learning Aids

0103 PERMANENT SCHOOL FUND RESTRUCTURING

CITATION:
MDCFL ADMIN: Finance and Management Assistance
FEDERAL: None

	<u>1998-99 Biennium</u>			<u>2000-01 Biennium</u>	
	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	<u>F.Y. 2000</u>	<u>F.Y. 2001</u>
Expenditures: (\$000s)					
General Fund					
- Grants	4,405	\$13,840	\$13,018	\$12,161	\$11,267
Revenues: (\$000s)					
Endowment School Fund	\$(4,405)	\$(13,840)	\$(13,018)	\$(12,161)	\$(11,267)

Statutory Change? Yes ____ No X

If yes, statutes(s) affected:

PURPOSE AND DESCRIPTION:

To restructure the asset allocation of the Permanent School Fund in order to enhance the long-term growth in fund principal and maximize future returns.

PROGRAM STATUS:

The Permanent School Fund is a non-expendable trust established by the Constitution to be a long-term source of revenue for public education [Article XI, Sec 7]. Net proceeds (after DNR administrative costs) from land sales, mining royalties, timber sales, lake shore and other leases are credited to the fund. Twice annually, the net yield on all assets is certified by the Executive Director to the Commissioner of Finance as spendable income for transfer to the Endowment School expendable trust (a pass-through) from which it is added to and offsets the regular state General Fund revenue formula aid disbursements to school districts. The Permanent School Fund is currently allocated 100% to bonds.

The corpus of the fund is not growing. Future spendable income in current dollar terms is expected to decline. A sizable exposure to stocks is required to increase long-run returns. The Constitution, however, still defines spendable income strictly as dividend and interest income. Stock dividends are lower. Hence, while equities will grow the principal of the fund more quickly, reallocating from bonds to stocks results in a short-term reduction in the spendable income stream.

Forecast Effect

As of the November, 1996 Forecast, the General Fund balance included \$32.5 million each year as the expected spendable income from the Permanent School Fund. More current estimates by SBI forecast a base level of \$28.1 million. Factors leading to this \$4.4 million adjustment are:

- 1) Returns from bonds are determined by market rates of interest, which have declined in the last 2 years.
- 2) Older bonds cycling out of the portfolio carry significantly higher yields than the newer issues replacing them.

Asset Allocation Effect

The average bond yield for the current portfolio is 6.7%. The current average dividend for common stocks is 2.2%. Given the Constitutional definition of spendable income, it therefore follows that any reallocation from the present 100% bond allocation to common stocks must result in a short-term reduction to distributable returns. The estimated cost of moving to a 50% stock allocation in F.Y. 1998 is \$18 million for the biennium.

The current portfolio will yield not much more than \$28 million each year over the next 30 years, and the assets of the fund will remain close to the current \$419 million..

Moving to a 50% equity position, however, is projected to yield \$40 million in annual spendable income by 2016, and \$65 million by the year 2027; the cumulative difference for the same period is a gain of \$276 million. In addition, the corpus of the fund under this proposal would grow to over \$1 billion by the year 2018, and \$1.5 billion in 2027.

While the short-term costs of this proposal are significant, long-term benefits for education spending are greater. Restructuring the Permanent School Fund is an essential step to achieving the long-term objectives of the fund.

Statistics

	(\$'s in millions)			
<u>Biennium</u>	<u>Spendable Income</u> <u>100% Bonds</u>	<u>Spendable Income</u> <u>50 % Stocks</u>	<u>Difference</u>	
92-93	69	n.a.	n.a.	(actual)
94-95	64	n.a.	n.a.	(actual)
96-97	58	n.a.	n.a.	(est.)
98-99	56	38	(18)	
00-01	56	41	(15)	
02-03	56	45	(11)	
04-05	56	49	(7)	
06-07	56	54	(2)	
08-09	56	59	+3	
10-11	56	64	+8	
Total, 1998				
through 2027	\$843	\$1,119	+ \$276	

GOVERNOR'S RECOMMENDATION:

The Governor recommends restructuring the asset allocation of the Permanent School Fund in order to enhance the long-term growth in fund principal and maximize future returns. The net cost to the General Fund of moving to a 50% equity allocation in the 1998-99 biennium is \$18 million.

This initiative also recognizes \$13.2 million in additional current law expenditures due to revised projections for Permanent School Fund spendable income. This adjustment will also be reflected in the February, 1997 forecast.

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids
 0104 TRANSPORTATION PROGRAM
 (Includes Targeted Need Transportation Revenue)
CITATION: M.S. 124.223; 124.225; 124.226, Subd. 1 - 7
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To ensure all Minnesota children have access to education programs and opportunities, and they are transported safely and economically. Transportation by school bus is recognized by various state and federal transportation and safety organizations as being the safest form of transportation in the United States. Schools districts are provided with aid and/or levy revenue to transport eligible pupils to and from school and in other authorized categories of transportation.

For F.Y. 1997 and F.Y. 1998, parts of this program are included in the General Education Revenue Program (0101). The transportation of pupils with disabilities, pupils transported to nonpublic schools and pupils transported for desegregation purposes are funded under the Targeted Needs Transportation funding formula (see Program 0105). For F.Y. 1999, the transportation aids and levies that were in effect in F.Y. 1996 and before, are to be reinstated under current law. These include the regular and nonregular funding formulas as well as some special levy authority.

DESCRIPTION:

I. TRANSPORTATION CATEGORIES

In F.Y. 1997 and F.Y. 1998, the categories of transportation that are funded under the General Education Revenue Program include: Regular-Public, Learning Year-Summer, During-Day, Noon Kindergarten, Mobility Zone, Isolated Schools, Excess, Late Activity-Public and Post-Secondary Agreements. The categories funded under Targeted Needs - Special Programs include: Disabled, Board and Lodging, To and From Board and Lodging Facility and Shared Time when special transportation is required. The categories funded under Targeted Needs - Nonpublic are: Regular-Nonpublic, Shared Time when special transportation is not required, Non public Support Services and Late Activity-Nonpublic. The desegregation category is funded under the Targeted Needs-Desegregation formula.

Under the formula that was in effect in F.Y. 1996 and before and is scheduled to be reinstated in F.Y. 1999, state aid and/or levy authority are provided for 15 categories of pupil transportation services. The 12 categories that are authorized for state aid and levy are grouped into 2 classes: Regular and Nonregular. Three additional categories are authorized for levy authority. They are Excess, Late Activity and Post-Secondary Agreements.

A. Regular

One round trip per day between home and the public or nonpublic school for: a) non-disabled elementary pupils residing 1 mile or more from the assigned school and, b) non-disabled secondary pupils residing 2 miles or more from the assigned school. School districts may transport resident pupils to and from language immersion programs. Pupils who are custodial parents may be transported to and from the site of child care services for the pupil's child if that site is within the attendance area of the school the pupil attends.

B. Nonregular

1. **Disabled** - One round trip per day between home and the public or nonpublic school for disabled pupils, transportation of pupils between public school buildings for instructional purposes in special education programs, and transportation of nonpublic pupils between the nonpublic school and a public school for shared-time special education classes.
2. **Learning Year Summer** - One round trip per day between home and the public or nonpublic school during the summer months of a year-round school program for: a) elementary pupils residing 1 mile or more from the assigned school and, b) secondary pupils residing 2 miles or more from the assigned school.
3. **Board and Lodging** - Cost of board and lodging of pupils when it is determined by the local school board that board and lodging is more feasible or efficient than providing daily transportation services. The pupils for which this is done are primarily disabled pupils.
4. **To and From Board and Lodging Facility** - Transportation between home and a residential facility when a student with a disability is board & lodged for education purposes.
5. **During-Day** - Transportation of pupils during the school day: a) between public school buildings within the district for instructional purposes, b) to and from State Board of Education approved secondary vocational centers for vocational classes, and c) between schools located in 2 or more districts for cooperative academic and vocational classes.
6. **Shared Time** - Transportation of nonpublic pupils between the nonpublic school and a public school for shared-time classes.
7. **Nonpublic Support Services** - Transportation of nonpublic pupils between the nonpublic school and a public school or a neutral site for health and/or guidance/counseling services.
8. **Noon Kindergarten** - Noon transportation to and from school for kindergarten pupils attending half-day sessions.
9. **Desegregation** - Transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the State Board of Education or under court order.
10. **Mobility Zone** - Transportation of elementary pupils who move during the year to and from a school in an area designated as a mobility zone.
11. **Isolated Schools** - Transportation of an open enrollment pupil from home to the school in the nonresident district provided a) the school the pupil was attending prior to enrolling in the nonresident district under this section was closed, b) the distance from the closed school to the next nearest school in the district that the pupil could attend is at least 20 miles, c) the pupil's residence is at least 20 miles from any school that the pupil could attend in the resident district, and d) the pupil's residence is closer to the school of attendance in the nonresident district than to any school the pupil could attend in the resident district.

C. Excess Transportation - Levy Authority

1. **Excess Transportation** - School districts are also permitted to make an excess transportation levy for the cost of transporting secondary pupils residing between 1 and

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0104 TRANSPORTATION PROGRAM
(Continuation)

2 miles from school, and for the cost of transportation or related services necessary for transporting pupils residing less than 1 mile from school because of extraordinary traffic, drug or crime hazards. Also included are the costs related to providing crossing guards.

2. **Late Activity Transportation** - School district may levy for late transportation home from schools within a district or between schools in different cooperating districts. Districts that levy for this service must provide late transportation to students participating in any academic-related activity provided by the district if transportation is provided for students participating in athletic activities.
3. **Post-Secondary Agreements** - School districts may levy for the transportation of secondary pupils enrolled in courses at a post-secondary institution provided under an agreement between a school board and a post-secondary institution.

II. FUNDING FORMULA

Separate formulas are used to compute a district's funding for regular and nonregular transportation. A district's regular transportation funding equals the district's regular transportation allowance times the number of pupils transported in the regular and desegregation categories. Nonregular transportation funding is based on actual nonregular costs for the current year.

A. Regular Financing

Since F.Y. 1980, regular transportation funding has been calculated through an average cost formula. From F.Y. 1980 until F.Y. 1990, a statistical procedure called multiple regression analysis was used to predict a base year cost per regular category pupil transported. Since F.Y. 1991, a statutory formula has been used to compute the predicted base cost. The base year is always the second preceding year. (The base year for F.Y. 1996 was F.Y. 1994.) The predicted base cost reflects the average base year cost per regular category pupil transported for districts with similar density (regular category pupils transported per square mile of the district's area) and other district characteristics.

Since F.Y. 1980, the factors used in the regular transportation funding formula have been revised periodically to provide more comparable funding for similar districts and to strengthen transportation program incentives for cost control.

Beginning in F.Y. 1991, a district's predicted base cost equals the product of the following:

1. the transportation formula allowance, times
2. the district's sparsity index raised to the 1/4 power, times
3. the district's density index raised to the 35/100 power, times
4. the district's contract transportation index raised to the 1/20 power.

The transportation formula allowance is \$463 for the F.Y. 1993 base year and \$477 for the F.Y. 1994 base year. A district's sparsity index equals the greater of 0.005 or the ratio of the square mile area of the school district to the number of weighted pupils transported in the regular and excess transportation categories. A district's density index equals the greater of one or $[2 - (\text{district's sparsity index} \times 20)]$.

A district's contract transportation index equals the greater of one or the product of:

1. the district's percentage of regular students transported on vehicles not owned by the district, times
2. the lesser of one or the product of the district's sparsity index times 20.

The district's predicted base year cost is adjusted using a statutory "softening" formula. If the district's actual base year cost per pupil transported exceeds the predicted cost, the predicted cost is increased by a percentage of the difference. If the district's actual base year cost per pupil transported is less than the predicted cost, the predicted cost is reduced by a percentage of the difference.

Beginning in F.Y. 1991, the adjusted predicted base cost equals 50% of the actual base year cost per pupil plus 50% of the predicted base cost. However, a district's adjusted predicted base cost may not be less than 80% of the actual base year cost, or more than 105% of actual base year cost.

The adjusted predicted base cost is then increased by an inflation factor to determine the district's regular transportation allowance. For F.Y. 1995, the adjusted predicted base cost (computed using data from F.Y. 1995) was increased by 3.425%. For F.Y. 1996, the adjusted base cost (computed using data from F.Y. 1994) was increased by 0%. The district's regular pupil transportation funding equals the regular transportation allowance times the number of pupils transported in the regular and desegregation categories in the current year.

B. Nonregular Transportation Financing

Initial nonregular transportation revenue is based on the lesser of actual current year nonregular transportation costs or a two-year prior base cost which has been adjusted for inflation and enrollment change.

Beginning in F.Y. 1992, additional revenue was made available to districts which experienced sizeable increases in total nonregular expenditures between the base and current years. Excess nonregular transportation revenue for the 1995-96 school year equals 80% of the difference between:

1. The 1995-96 actual nonregular costs as defined for the 1995-96 school year, and;
2. the products of the 1993-94 nonregular costs as defined for the 1995-96 school year; times the ratio of the 1995-96 ADM to the 1993-94 ADM.

Total nonregular revenue equals the initial nonregular revenue plus the excess nonregular revenue minus the amount of regular funding received for desegregation and disabled transportation.

A district's nonregular transportation levy is computed as follows:

1. multiplying the district's nonregular revenue that exceeds the product of \$60 times the current year average daily membership by 50%;
2. then subtracting the result from the total nonregular revenue, and
3. multiplying the remaining amount times the lesser of one or the district's ANTC per ADM to \$8,000.

To calculate total formula funding, regular revenue is added to the nonregular revenue. Next, the nonregular, basic and contract levies are subtracted from the total formula funding to determine initial state aid. Gross state aid is the product of the initial state aid times the percentage of basic and nonregular levy certified.

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PROGRAM: 01 General Education Program
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0104 TRANSPORTATION PROGRAM
(Continuation)

PROGRAM STATUS:

All Minnesota school districts provide for transportation of students. A district's transportation funding is a combination of state aid and local levy. A district's total transportation aid equals its total formula funding minus the basic, contracted and nonregular transportation levy limits. Seven districts were off-the-formula in F.Y. 1995. The same number of districts are estimated to be off-the-formula in F.Y. 1996.

TABLE 2-1
PUPILS TRANSPORTED TO AND FROM SCHOOL

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Regular	571,160	574,147	599,569	610,655	618,900
Desegregation	52,804	54,431	54,031	55,145	56,300
Disabled	26,246	27,062	28,300	29,400	30,400
Excess Transported	133,442	135,002	140,000	144,400	148,200
Total Pupils Transported	783,652	800,642	821,900	839,600	853,800
Total Gross Enrollment (Public and Nonpublic)	896,017	912,570	926,238	935,854	941,293
Percentage of Pupils Transported	87.46%	87.74%	88.74%	89.72%	90.71%

TABLE 2-2
TRANSPORTATION EXPENDITURE SUMMARY
BY CATEGORY

	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
I. Regular and Excess Transportation (includes excess walker cost)	\$163,694.7	\$175,026.9	\$185,226.9	\$194,577.8	\$203,402.4
II. Nonregular and Other					
A. Desegregation	\$19,582.1	\$22,172.7	\$23,508.5	\$24,830.5	\$26,226.8
B. Disabled	\$50,826.2	\$53,599.7	\$57,933.0	\$62,226.7	\$66,526.4
C. Noon Kindergarted	\$9,461.9	\$9,878.0	\$10,425.0	\$10,953.6	\$11,457.1
D. Late Activity	\$4,009.9	\$4,124.9	\$4,352.6	\$4,572.7	\$4,782.3
E. Other Nonregular	\$9,326.0	\$9,449.0	\$9,775.8	\$10,074.7	\$10,337.2
Total Nonregular and Other	\$93,206.1	\$99,224.3	\$105,994.9	\$112,658.2	\$119,329.8
III. Bus Depreciation	\$16,805.6	\$17,557.3	\$18,530.0	\$19,378.4	\$20,333.1
IV. Total Expenditures	\$273,706.4	\$291,808.5	\$309,751.8	\$326,614.4	\$343,065.3

TABLE 2-3
FORMULA FUNDING OF AUTHORIZED TRANSPORTATION

	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
I. Regular Transportation Funding					
A. Formula Allowance	463	477			521
B. Inflation Factor	1.03425	1.00000	--	--	1.00000
C. Average Funding Per Pupil Transported	\$266.61	\$264.85	--	--	\$281.01
D. Number of Pupils Transported	650,127	665,640	--	--	705,600
E. Regular Funding (000s)	\$157,402.1	\$159,484.1	--	--	\$179,912.0
F. Regular Desegregation Funding	\$9,719.3	\$10,405.9	--	--	\$10,752.9
G. Regular Disabled Funding	\$6,212.0	\$6,405.9	--	--	\$7,618.2
H. Total Regular Transportation Funding	\$173,333.4	\$176,295.9	--	--	\$198,283.1
II. Nonregular Transportation Funding					
A. Gross Nonregular Funding	\$87,167.3	\$92,028.5	--	--	\$112,355.2
B. Less Regular Desegregation/ Disabled Funding	\$15,931.3	\$16,811.8	--	--	\$18,371.1
C. Net Nonregular Funding	\$71,236.0	\$75,216.7	--	--	\$93,984.1
III. Excess Transportation Funding	\$26,064.5	\$27,058.7			\$32,661.0
IV. Late Activity Levy	\$2,999.1	\$3,014.7	--	--	\$3,568.8
V. Total Gross Transportation Funding	\$273,633.0	\$281,586.0	--	--	\$328,497.0
VI. Levy Subtractions					
A. Basic Transportation Levy	\$68,119.2	\$67,943.0	--	--	\$68,000.0
B. Contract Transportation	\$8,690.2	\$8,377.1	--	--	\$9,093.4
C. Nonregular Transportation	\$2,841.4	\$30,376.6	--	--	\$42,423.2
D. Excess Transportation	\$26,064.5	\$27,058.7	--	--	\$32,661.0
E. Late Activity	\$2,999.1	\$3,014.7	--	--	\$3,568.8
F. Levy Reduction for					
G. Total Levy Reduction	\$133,087.9	\$135,591.7	--	--	\$155,448.6
VII. State Aid Entitlement					
A. Gross State Aid Entitlement	\$140,545.1	\$145,994.3	--	--	\$173,048.4
B. Gross Aid as Percent of Funding	51.9%	52.4%	--	--	53.3%
C. Proration per ADM	0.00	0.00	--	--	0.00
D. Prorated State Aid Entitlement	\$140,545.1	\$145,994.3	--	--	\$173,048.4
VIII. Reconciliation of Expenditures and Funding					
A. Total Prorated Transportation Funding	\$270,633.9	\$278,571.3	--	--	\$324,928.2
B. Total Authorized Expenditures	\$273,674.5	\$291,766.5	--	--	\$343,033.3
C. Prorated Funding as Percent of Expenditures	99.9%	96.5%	--	--	95.8%

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PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0104 TRANSPORTATION PROGRAM
 (Continuation)

TABLE 2-4

(\$ in 000s)	Current Law			
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$146,678.0	\$0.0	\$0.0	\$177,156.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Decrease in Regular Funding	(\$1,764.4)			(\$3,006.1)
■ LEVY DECREASE (INCREASE):				
Reduction in Nonregular and excess levies	\$1,080.4			
Increase in Nonregular Levy				(\$1,101.9)
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$145,994.0	\$0.0	\$0.0	\$173,048.0

BUDGET ISSUES:

A. CHALLENGES:

- The complexity of the current education funding system limits public understanding and involvement.
- Minnesota districts face different challenges. Priorities in districts vary based on their needs.
- Federally mandated licensing and drug testing requirements, state mandated school bus driver training requirements, low wages, and low unemployment all have contributed to the shortage of school bus drivers. The long-range outlook does not see this shortage disappearing.
- School districts are encountering increasing difficulty in providing transportation for pupils with disabilities because of federal laws mandating related services, including transportation.

B. STRATEGIES:

- To increase public understanding and accountability, the education funding system should be simplified and focused more on results.
- In order for school districts to provide the same level of service, they may have to stagger starting times at a greater level than they are now, cooperate more on low incidence transportation services, contract with parents, or utilize city transit systems where available.
- If the unavailability of drivers continues, school districts may have to receive authority to charge a fee for pupils using the service no matter how far they live from school, in order to increase the pay for drivers. Alternatively, the two-mile distance set for mandated transportation service may have to be increased.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in the pupil transportation program:

1. Continue the roll-in of transportation revenue into the general education program for F.Y. 1999 and later years (see program 0101).
2. Beginning in F.Y. 1999, roll the special programs transportation revenue into the special education program and the special education excess cost program (see programs 0201 and 0204).
3. Beginning in F.Y. 1999, roll the integration transportation revenue into the integration revenue program.
4. Beginning in F.Y. 1999, continue the nonpublic pupil transportation revenue as a separate categorical aid (see program 0105).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0104: TRANSPORTATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	145,994	in gen. ed.	in gen. ed.	173,048
2. Statutory Excess / (Shortfall)	684			4,108
3. Appropriated Entitlement	146,678			177,156
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(684)			
5. Current Law Aid	145,994			177,156
6. Excess / (Shortfall) After Adjustments	0			
7a. Current Law Levy, including Late Activity Levy	135,592			155,449
7b. Bus Purchase, Leased Facility & Post-Sec. Levies (See Prog. 0106)	6,659			18,898
8. Current Law Funding: Aid & Levy	288,245	n/a	n/a	351,503
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)				177,156
a. Eliminate Excess				(4,108)
b. Eliminate Separate Transportation Funding				(173,048)
Recommended Aid Entitlement			n/a	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Lines 7a & 7b)				174,347
a. Eliminate Separate Transportation Funding				(174,347)
b. One-Time Bus Purchase Levy for 6/96 Deficit				900
Recommended Levy			n/a	900
TOTAL RECOMMENDED FUNDING: AID & LEVY			n/a	900

APPROPRIATIONS BASIS: (a)

Prior Year	21,038	22,001		0
Current Year	124,677	0		0
Current Year Adj. to 90%, per M.S. 124.904				
Subtotal before Transfers	145,715	22,001		0
Transfers per M.S. 124.14, subd. 7	(684)			
Total State General Funds	145,031	22,001	n/a	0

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0105 TARGETED NEEDS TRANSPORTATION

CITATION: M.S. 124.225, Subd. 13
MDCFL ADMIN: 1501 Finance & Management Assistance
FEDERAL: None

PURPOSE:

To ensure all Minnesota children have access to education programs and opportunities, and they are transported safely and economically.

DESCRIPTION:

Targeted needs transportation revenue equals the sum of special programs transportation revenue, integration transportation revenue and nonpublic transportation revenue. This program began in F. Y. 1997.

Special Programs Transportation Revenue equals the sum of:

- (1) the districts actual cost in the second preceding year for transportation services for children with disabilities (includes to and from school, board and lodging, to and from board and lodging, during-day and summer) times the ratio of the district's ADM for the current school year to the district's ADM for the second preceding school year, plus
- (2) 80% of the difference between the district's actual cost for special programs transportation and the amount computed in paragraph 1.

Integration Transportation Revenue equals \$158 per WADM for Minneapolis, \$73 per WADM for St. Paul and \$4 per WADM for Duluth. These allowances were established to reflect the estimated nonregular funding that these districts would have received for desegregation transportation for F. Y. 1997 under current law.

Nonpublic Pupil Transportation Revenue equals the sum of:

- (1) for regular and excess transportation, an amount equal to the product of:
 - the district's actual cost per public and nonpublic pupil transported in the regular and excess categories for the second preceding year, times
 - the number of nonpublic pupils receiving regular or excess transportation in the current year, times
 - the ratio of the formula allowance for the current year to the formula allowance for the second preceding year, plus
- (2) for nonregular (e. g., shared time, support services) and late activities transportation, and amount equal to the product of
 - the district's actual cost in the second preceding year, times

- the ratio of the formula allowance for the current school year to the formula allowance for the second preceding year.

Targeted Needs Transportation Aid and Levy. For F. Y. 1997 and later years, the targeted needs transportation levy equals:

- 28% of the sum of the district's special programs and integration transportation revenue, times
- the lesser of 1 of the ratio of the districts' ANTC per WADM to \$3,540.

The targeted needs transportation aid equals the difference between the targeted needs transportation revenue and levy. If a district does not levy the maximum amount, the targeted needs transportation aid is reduced proportionately.

PROGRAM STATUS:

(\$ in 000s)	Current Law			
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
I. Targeted Needs Transportation Revenue				
A. Special Programs	--	\$63,392.8	\$66,383.7	--
B. Integration	--	\$11,794.6	\$11,921.3	--
C. Nonpublic				
To and From	--	\$16,158.6	\$16,357.0	--
Shared Time	--	\$811.1	\$822.3	--
Subtotal Nonpublic	--	\$16,969.7	\$17,179.3	--
D. Subtotal, Targeted Needs Transp. Revenue	--	\$92,157.1	\$95,484.4	--
II. Targeted Needs Transportation Funding				
A. Initial Targeted Needs Aid	--	\$71,104.7	\$73,559.0	--
B. Targeted Needs Levy Revenue	--	\$21,052.5	\$21,925.4	--
Levy	--	\$18,457.5	\$19,987.6	--
Equalization Aid	--	\$2,595.0	\$1,937.9	--
C. Total Targeted Needs Transp. Aid	--	\$73,699.7	\$75,496.8	--

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PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0105 TARGETED NEEDS TRANSPORTATION

(Continuation)

(\$ in 000s)	Current Law			
	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 on Fiscal Page)	\$0.0	\$71,482.0	\$71,482.0	\$0.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE)				
Increase in Revenue for Special Programs Transportation		\$3,112.5	\$6,103.2	
Increase in Integration Revenue		\$171.4	\$298.1	
Changes in Nonpublic Transportation Revenue		(\$208.6)	\$1.0	
■ LEVY DECREASE (INCREASE):				
Growth in Levy Revenue		(\$857.3)	(\$2,387.3)	
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$0.0	\$73,700.0	\$75,497.0	\$0.0

BUDGET ISSUES:

A. CHALLENGES:

- School districts are encountering increasing difficulty in providing transportation for pupils with disabilities because of federal law mandating services, including transportation.
- The proliferation of program choices has contributed to the complexity and cost of pupil transportation.
- Changes in the number of nonpublic pupils requiring transportation adds to the complexity of providing services.

B. STRATEGIES:

- In order for districts to provide the same level of service, they may have to cooperate on low incidence transportation.

GOVERNOR'S RECOMMENDATION:

Nonpublic Pupil Transportation

The Governor recommends that nonpublic pupil transportation revenue be continued as a separate categorical program, beginning in F.Y. 1999.

The Governor recommends an aid entitlement of \$-0- for F.Y. 1998 and \$18,480 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$-0- in F.Y. 1998, and \$16,632 in F.Y. 1999 (\$-0- for F.Y. 1998 and \$16,632 for F.Y. 1999).

Targeted Needs Transportation

The Governor recommends an aid entitlement of \$76,199 for F.Y. 1998 and \$-0- for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$75,728 in F.Y. 1998 (\$7,148 for F.Y. 1997 and \$68,580 for F.Y. 1998), and \$7,619 in F.Y. 1999 (\$7,619 for F.Y. 1998 and \$-0- for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0105: TARGETED NEEDS/NONPUBLIC PUPIL TRANSPORTATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	73,700	75,497	0
2. Statutory Excess / (Shortfall)		(2,218)	(4,015)	
3. Appropriated Entitlement	0	71,482	71,482	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)		556		
5. Current Law Aid	0	72,038	71,482	
6. Excess / (Shortfall) After Adjustments		(1,662)		
7. Current Law Levy		18,458	19,988	
8. Current Law Funding: Aid & Levy	0	90,496	91,470	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			71,482	0
a. Eliminate Aid Proration			4,015	0
b. Eliminate General Education Funding Caps			702	0
c. Reinstate Nonpublic Pupil Transportation Aid in F.Y. 1999			0	18,480
Recommended Aid Entitlement			76,199	18,480
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			19,988	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			96,187	18,480

APPROPRIATIONS BASIS: (a)

Prior Year		0	7,148	7,619
Current Year		60,760	68,580	16,632
Current Year Adj. to 90%, per M.S. 124.904		3,574		
Subtotal before Transfers	0	64,334	75,728	24,251
Transfers per M.S. 124.14, subd. 7		556		
Total State General Funds	0	64,890	75,728	24,251

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0106 MISCELLANEOUS TRANSPORTATION LEVIES

CITATION: M.S. 124.226, Subds. 2
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide school districts with funds for added transportation costs for special circumstances.

DESCRIPTION:

Leased Facility Levy

When the transportation patterns of a district change as a result of leasing a school building in another district, the district may levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The district must obtain approval from the Department of Children, Families & Learning. The amount provided by this levy is deducted from the district's cost data used in computing transportation aid.

Bus Purchase Levy

A school district may levy the amount necessary to eliminate any projected deficit in the reserved fund balance account for bus purchases as of June 30 of the school year beginning in the calendar year following the calendar year the levy is certified. Levy amounts are based on school district estimates.

Late Activity Transportation

School districts may levy for late transportation home from school, between schools within a district or between schools in different cooperating districts. In addition, districts that levy for this service must provide late transportation to students participating in any academic-related activity provided by the district if transportation is provided for students participating in athletic activities.

Post-Secondary Agreements

School districts may levy for the transportation of secondary pupils enrolled in courses provided under an agreement between a school board and a post-secondary institution.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Bus Purchase	\$6,477.2	\$6,086.2	\$0.0	\$0.0	\$18,745.1
Leased Facility	0.0	0.0	0.0	0.0	0.0
Late Activity	2,999.1	3,014.7	0.0	0.0	3,568.8
Post Secondary	182.1	124.5	0.0	0.0	153.3

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in miscellaneous transportation levies:

1. Beginning with taxes payable in 1998, repeal the bus purchase, late activity, leased facility, and post-secondary agreements transportation levies.
2. For taxes payable in 1998, permit school districts to levy the amount necessary to eliminate the June 30, 1996 deficit in the reserved fund balance account for bus purchases. With transportation funding rolled into the general education program beginning in F.Y. 1997, funding for these purposes is included in the general education revenue. The one-time bus purchase levy is an adjustment for F.Y. 1996, enabling all districts to begin the new system of transportation funding with no deficit in the reserved fund balance account for bus purchases.
3. Beginning in F.Y. 1998, permit school districts to annually transfer an amount not to exceed 15 percent of the original cost of district-owned school buses less than eight years old from the undesignated fund account in the general fund to the reserved fund balance account for bus purchases, or a larger amount if approved by the commissioner. This will enable school districts to set aside sufficient resources to maintain safe and cost-effective school bus fleets.

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

 0107 ENROLLMENT OPTIONS TRANSPORTATION

CITATION: M.S. 123.3514; 120.062; 120.064
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide state aid to school districts which reimburse eligible students for transportation expenses incurred while enrolled in the Post-Secondary Enrollment Options (PSEO), School District Enrollment Options (SDEO) or Results-Oriented Charter Schools (ROCS) programs.

DESCRIPTION:

Upon application to the resident school district, eligible students, their parents or guardians are reimbursed for the expense incurred in travel between the secondary school or home and the post-secondary institution attended under the PSEO program; and for the expense incurred in travel between the student's home and the district and/or attendance area boundary under the SDEO and ROCS programs.

Eligibility is based on financial need and reimbursement rates established under Minnesota Statutes, sections 123.3514, subdivision 8, for PSEO; 120.062, subdivision 9, for SDEO; and 120.064, subdivision 15, for ROCS. Reimbursement may not exceed the actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement also may not exceed an amount equal to 250 miles of travel per week (5 round trips). In the PSEO program, the 250 miles per week maximum may be exceeded if the nearest post-secondary institution is more than 25 miles from the student's resident secondary school. In the latter case, the weekly reimbursement may not exceed an amount equal to the rate of reimbursement multiplied by the actual distance between the secondary school or the student's home and the closest post-secondary institution multiplied by 10 (i.e., 5 round trips).

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Districts Submitting PSEO Claims	37	28	32	37	43
Reimbursement Rate Per Mile	\$.15	\$.15	\$.15	\$.15	\$.15
Students Receiving Reimbursement	54	47	54	62	71
Average Claim Student	\$1,098	\$998	\$1,050	\$1,100	\$1,150
Districts Submitting SDEO and ROCS Claims	22	13	15	17	20
Reimbursement Rate Per Mile (cents)	\$.15	\$.15	\$.15	\$.15	\$.15
Students Receiving Reimbursement	48	38	43	48	53
Average Claim Per Student	\$310	\$330	\$350	\$375	\$400

BUDGET ISSUES:

A. CHALLENGES:

- Pupils with disabilities participating in this program must provide their own transportation. However, if a pupil's disability prevented him/her from participating in this program, school districts, under Federal Law Sec. 504, must provide this transportation. School districts would not receive any additional federal or state dollars to help pay for the potentially high cost of this service.

B. STRATEGIES:

- The number of pupils with disabilities that would require transportation services may be minimal. School districts are likely to be able to pay for this transportation service with the current level of funding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$102 for F.Y. 1998 and \$102 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0107: ENROLLMENT OPTIONS TRANSPORTATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	60	102	102	102
2. Statutory Excess / (Shortfall)	32	0	0	0
3. Appropriated Entitlement	92	102	102	102
4. Adjustments				
a. Excess Funds Transferred In / (Out)	0	(32)		
b. Balance Forward	(32)	32		
5. Current Law Aid	60	102	102	102
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	60	102	102	102

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)

102 102

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)

0 0

TOTAL RECOMMENDED FUNDING: AID & LEVY

102 102

APPROPRIATIONS BASIS:

Direct Appropriated Funds
Transfers per M.S. 124.14, subd. 7
Total State General Funds

60	134	102	102
	(32)		
60	102	102	102

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0108 INTERDISTRICT DESEGREGATION TRANSPORTATION

CITATION: M.S. 124.227
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To implement interdistrict desegregation/integration transportation services.

DESCRIPTION:

School districts that provide transportation of pupils to and from an interdistrict program for desegregation or integration may apply to the Department of Children, Families and Learning for a grant to cover the additional costs of transportation. Districts may apply for the grant to cover the costs of transporting pupils to and from school, between school buildings (during-day), to and from multi-cultural programs, and transportation to and from other educational programs. The grant will only cover those transportation costs not covered by the formula. If any grant money is still available after fully paying for the transportation services listed above, the grant can be used to cover the cost of transportation from an open enrollment student's home to the district/attendance area boundary of the nonresident district if that student's enrollment contributes to desegregation or integration purposes in the nonresident district. Application forms have been developed and distributed to metropolitan school districts.

PROGRAM STATUS:

		Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>	
Amount of Transportation Grants	--	4	6	6	6	
Awarded to School Districts	--	\$100.0	\$630.0	\$630.0	\$630.0	

F.Y. 1996 was the first year for this program.

(\$ in 000s)	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$300.0	\$630.0	\$630.0	\$630.0
B. ENTITLEMENT CHANGES PER LAW Number of Pupils Participating	(200)			
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$100.0	\$630.0	\$630.0	\$630.0

BUDGET ISSUES:

A. CHALLENGES:

- Although this grant was available for F.Y. 1996, few programs existed that would qualify as an interdistrict desegregation or integration program.
- For F.Y. 1997, the grant money could be used to pay for the cost of transporting open enrollment students from their home to the district/attendance area boundary if the student's enrollment contributes to the desegregation or integration program. However, the grant money was to be used first to fully fund school-provided transportation to interdistrict desegregation or integration programs. There is no guarantee that any grant money would be available for the open enrollment students.

B. STRATEGIES:

- Programs at the Metropolitan Learning Alliance School at the Mall of America, and the Tri-District School in Roseville will provide more programs that will qualify as an interdistrict desegregation or integration program.
- Districts may be more willing to reimburse open enrollment students in F.Y. 1998 if they learn that F.Y. 1997 grant money was still available after the state fully paid the claims for school-provided transportation.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$800 for F.Y. 1998 and \$970 for F.Y. 1999.

The Governor recommends continuation of authority for the carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0108: INTERDISTRICT DESEGREGATION TRANSPORTATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	100	630	630	630
2. Statutory Excess / (Shortfall)	200	0		
3. Appropriated Entitlement	300	630	630	630
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Cancellation	(200)	0		
5. Current Law Aid	100	630	630	630
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	100	630	630	630
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			630	630
a. Increase Funding			170	340
Recommended Aid Entitlement			800	970
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			800	970
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	100	630	800	970
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	100	630	800	970

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids
 0109 TRANSPORTATION SAFETY
CITATION: M.S. 124.225, subds. 7f and 8m
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To maintain and improve school bus safety.

DESCRIPTION:

Since the 1994-95 school year, school districts have been given \$1.50 per fund balance pupil unit to provide student transportation safety programs. These funds are placed in a reserved revenue account. They can be expended only: 1) to provide paid adult bus monitors, including training and salary costs; 2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator; 3) to purchase or lease external public address systems or video recording cameras for use on buses; or 4) to purchase or implement other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety. As of January, 1995, the safety advisory committee and the Commissioner of Public Safety have approved the following additional activities or equipment: 1) expenditures directly related to school bus safety training for students; 2) expenditures directly related to the cost of reporting incidents of student misconduct; 3) expenditures directly related to the annual cost of training and evaluating school bus drivers; and 4) the purchase of crossing gates/arms. Minimum aid is equal to \$500 per district.

PROGRAM STATUS:

Instruction in school bus safety and demonstration of competencies is required for all students in kindergarten through grade 10 who are transported by school bus. Since districts do not know, at the beginning of the school year, whether any particular student will ride a school bus for a field trip or activity trip sometime during the school year, most districts are training and testing all K - 10 students enrolled in the district. The Department of Children, Families & Learning is currently collecting data on district participation, number of students completing training, and student competency.

Safety Aid	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Formula Aid	\$2,457.2*	\$1,401.8	\$1,425.9	\$1,415.6	\$1,396.9
Prorated Aid	\$2,457.2	\$1,267.0	\$1,294.0	\$1,306.0	\$1,306.0

* Aid for 1994-95 was equal to 1% of total regular and non-regular funding with a minimum aid of \$1,000 per district.

(\$ in 000s)	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$1,267.0	\$1,294.0	\$1,306.0	\$1,306.0
B. ENTITLEMENT CHANGES PER LAW Number of Pupils Participating	135.0	132.0	110.0	91.0
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$1,402.0	\$1,426.0	\$1,416.0	\$1,397.0

BUDGET ISSUES:

A. CHALLENGES:

- The number of approved types of expenditures is expected to increase as the state school bus safety advisory committee reviews requests from members, school districts and school bus contractors.
- Beginning with the 1994-95 school year, school districts were required to adopt additional school bus safety regulations in their district. These regulations mandate school bus driver training, pupil safety training, policy development, school bus discipline policies, etc.
- The National School Bus Standards Conference is scheduled to adopt new national standards in 1995. Because Minnesota has adopted the national standards as the basis for their school bus construction standards, these new standards will impact the design, cost, etc. of buses purchased for use in Minnesota.

B. STRATEGIES:

- In order for some school districts to provide the same level of service, they may have to stagger starting times at a greater level than they are now, cooperate more on low incidence transportation services, contract with parents, or utilize city transit systems for older students where available.
- If the unavailability of drivers continues, school districts may have to be given authority to charge a fee for pupils using the service no matter how far they live from school, in order to increase the pay for drivers. Alternatively, the two-mile distance set for mandated transportation service may have to be increased.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modification in the student transportation safety program:

Beginning in F.Y. 1999, increase the transportation safety allowance from \$1.50 to \$1.56 to adjust for the change in pupil unit weights (see program 0101).

The Governor recommends an aid entitlement of \$1,445 for F.Y. 1998 and \$1,460 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$1,430 in F.Y. 1998 (\$129 for F.Y. 1997 and \$1,301 for F.Y. 1998), and \$1,458 in F.Y. 1999 (\$144 for F.Y. 1998 and \$1,314 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0109: TRANSPORTATION SAFETY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,402	1,426	1,416	1,397
2. Statutory Excess / (Shortfall)	(135)	(132)	(110)	(91)
3. Appropriated Entitlement	1,267	1,294	1,306	1,306
4. Adjustments				
a. Excess Funds Transferred In / (Out)	135	33		
5. Current Law Aid	1,402	1,327	1,306	1,306
6. Excess / (Shortfall) After Adjustments	0	(99)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,402	1,327	1,306	1,306

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)

a. Eliminate Aid Proration

b. Eliminate General Education Funding Caps

c. Adjust Pupil Weights and Formula in F.Y. 1999

Recommended Aid Entitlement

	1,306	1,306
	110	91
	29	59
	0	4
	1,445	1,460

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)

	0	0
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TOTAL RECOMMENDED FUNDING: AID & LEVY

	1,445	1,460
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APPROPRIATIONS BASIS: (a)

Prior Year	368	190	129	144
Current Year	1,077	1,100	1,301	1,314
Current Year Adj. to 90%, per M.S. 124.904		65		
Subtotal before Transfers	1,445	1,355	1,430	1,458
Transfers per M.S. 124.14, subd. 7	135	33		
Total State General Funds	1,580	1,388	1,430	1,458

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

 0110 CAPITAL EXPENDITURE - HEALTH AND SAFETY

CITATION: M.S. 124.83
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To ensure an education environment that is free of recognized hazards. This program helps districts take proactive and remedial action to address to health, safety, and environmental hazards in school facilities. The intent is to provide revenue that is designated specifically for use toward compliance with federal and state laws and regulations and to prevent or reduce health and safety hazards in districts.

DESCRIPTION:

To receive health and safety revenue, a district must submit an application to the Department of Children, Families & Learning for approval by June 1, thirteen months preceding the school year to which the health and safety revenue is attributed. The district program must include one or more of the following plans:

- Hazardous Substance - provisions for the removal or encapsulation of asbestos, and asbestos related repairs, fuel storage repairs, cleanup, or storage tank removal;
- Fire Safety - removal or repair of a current fire hazard;
- Environmental Health and Safety Management; or
- Physical Hazard Control.

Health and safety revenue may not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property, or part of a building or property, for post-secondary instruction or for a purpose unrelated to elementary and secondary education.

The amount of health and safety revenue in any given year is equal to the difference between a) the approved cost of the district's total health and safety program approved since F.Y. 1985 through the current year, and b) the accumulated receipt of health and safety state aid and local levy plus other federal, state, or local receipts due the district from F.Y. 1985 through the prior fiscal year.

For F.Y. 1997, the capital expenditure health and safety aid, levy, and revenue is computed as follows:

Revenue = amount approved by the Department of Children, Families & Learning (revenue will not exceed actual approved costs)

Levy = the lesser of one or $\frac{1994 \text{ ANTC}/1996-97 \text{ WADM}}{\$4,707.50}$ x health and safety revenue

Aid = health and safety revenue - health and safety levy

If health and safety aid is prorated due to insufficient appropriations, a district may levy an additional amount equal to the amount not paid due to proration.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Revenue					
Amount	\$40,985.8	\$30,459.0	\$44,570.0	\$58,991.1	\$80,000.0
Districts	312	289	300	300	300
Levy					
Amount	\$25,159.2	\$20,803.8	\$32,497.0	\$46,604.1	\$67,844.0
Districts	312	289	300	300	300
State Aid					
Proration Rate	1.0000	1.0000	0.7904	0.8745	0.7114
Amount	\$15,736.6	\$9,655.2	\$11,320.0	\$12,387.0	\$12,156.0
Districts	276	265	265	265	265
Management Assistance and Fire Marshall	\$460.0	\$460.0	\$460.0	\$460.0	\$460.0

BUDGET ISSUES:

A. CHALLENGES:

- There is increasing public awareness and concern related to health and safety issues. We anticipate new air quality requirements as well as continuing attention to current state and federal requirements. It is anticipated that financial demands on school districts will continue.

B. STRATEGIES:

- The carryover of costs from both under levies and poor school district cost projections, as well as new health and safety projects, will result in higher demand for health and safety revenue.

GOVERNOR'S RECOMMENDATION:

Capital Expenditure - Health & Safety

The Governor recommends an aid entitlement of \$12,387 for F.Y. 1998 and \$12,156 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$12,281 in F.Y. 1998 (\$1,131 for F.Y. 1997 and \$11,150 for F.Y. 1998), and \$12,179 in F.Y. 1999 (\$1,237 for F.Y. 1998 and \$10,942 for F.Y. 1999).

The Governor recommends the following modification in the health and safety program:

Beginning in F.Y. 1999, increase the equalizing factor used in computing health and safety aid from \$4,707.50 to \$4,883, to adjust for the change in pupil unit weights (see program 0101).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0110: CAPITAL EXPENDITURE - HEALTH & SAFETY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	9,655	14,322	14,164	17,087
2. Statutory Excess / (Shortfall)	4,602	(3,002)	(1,777)	(4,931)
3. Appropriated Entitlement	14,257	11,320	12,387	12,156
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(2,636)	753		
b. Cancellation	(1,966)			
5. Current Law Aid	9,655	12,073	12,387	12,156
6. Excess / (Shortfall) After Adjustments	0	(2,249)		
7. Current Law Levy	20,804	32,497	46,604	67,844
8. Current Law Funding: Aid & Levy	30,459	44,570	58,991	80,000
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			12,387	12,156
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			46,604	67,844
TOTAL RECOMMENDED FUNDING: AID & LEVY			58,991	80,000

APPROPRIATIONS BASIS: (a)

Prior Year	2,606	2,138	1,132	1,238
Current Year	10,153	9,622	11,149	10,941
Current Year Adj. to 90%, per M.S. 124.904		566		
Subtotal before Transfers	12,759	12,326	12,281	12,179
Transfers per M.S. 124.14, subd. 7	(2,636)	753		
Total State General Funds	10,123	13,079	12,281	12,179

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 01 General Education Program
AGENCY: Children, Families & Learning Aids

0111 DESEGREGATION CAPITAL IMPROVEMENT GRANTS
 (Information Only)

CITATION: M.S. 124C.55 - 124C.58; Laws 1989, Chap. 300, Art. 2, Sec. 6-10;
 Laws 1992, Chap. 558, Sec. 7, Subd. 9

MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

To provide facilities and equipment for implementing and operating a desegregation plan approved by the Commissioner of Children, Families & Learning.

A goal of the State Board of Education and the Minnesota Department of Children, Families & Learning is to revise and strengthen policies and rules that promote effective desegregation/integration programs throughout the state. The Commissioner may award grants to eligible school districts for constructing, enlarging or modifying school buildings. It must be determined that the costs are directly related to reducing or eliminating racial imbalance and are part of a desegregation plan.

Magnet schools, specialty schools, and school pairing are methods used to achieve desegregation/integration in schools. Many of the existing school facilities need substantial remodeling and/or improvements to provide quality education. The financial burden of achieving school desegregation/integration must not be solely a local responsibility. State bond funds are used for this program.

DESCRIPTION:

School districts required to have a comprehensive desegregation plan approved by the Commissioner are eligible to apply for up to 50% of the costs of remodeling or improving a facility related to its desegregation plan. Districts unable to meet the 50% match with local funds, including local bond issues as necessary, are not eligible to receive a grant. Currently, Duluth, Minneapolis, and St. Paul are eligible. School districts applying must also comply with the review and comment provisions of M.S. 121.15.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Duluth	-0-	-0-	-0-	-0-	-0-
Minneapolis	\$1,840	-0-	-0-	-0-	-0-
St. Paul	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL	\$1,840	-0-	-0-	-0-	-0-

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0112 COOPERATIVE SECONDARY FACILITIES GRANTS
(Information Only)
CITATION: M.S. 124.491 - 124.495
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide incentives for 2 or more smaller, rural school districts to cooperatively improve acquire, or build new or existing secondary school facilities. The 1994 legislature expanded this program to include remodeling grants to combined or consolidated districts that have continuing facility needs. Funds are provided through state bonding authority. The specific objectives of the Cooperative Secondary Facilities Grant Act (CSFGA) are to:

- promote the development of secondary schools in Greater Minnesota that will provide more equitable and improved programs and services;
- create cooperative school district organizations in Greater Minnesota that will remain more viable in the long term;
- improve/replace rural secondary school facilities which are outmoded for educational, health and safety, and operational purposes; and
- accomplish all of the above in a cost-efficient manner.

DESCRIPTION:

School districts, through their cooperative joint efforts, have created state-of-the-art high schools with vastly improved conditions for more effective teaching and learning. Greater student numbers and expanded staffs afford greater opportunities to explore more areas of interest in junior and senior high curricula, and better prepare students for post-secondary education and the world of work.

The application is for an incentive grant in an amount not to exceed the lesser of \$6 million or 75% of the approved construction costs of a cooperative secondary education facility. Grant applications are reviewed on a competitive basis by the Department of Children, Families & Learning (CFL) staff. All requirements of the law, State Board of Education Rules, and the grant application must be met to qualify for grant award consideration. Criteria and requirements for grant award consideration include the following:

- Two or more school districts together must have a minimum average enrollment of at least 66 students per secondary grade. No applicant district may have more than 1,200 students in Grades K-12;
- The districts must form a joint powers board to govern the proposed cooperative secondary facility;
- An educational plan must be prepared, including the following:
 - a. a statement of the inadequacies of the present secondary facilities;
 - b. time lines for selecting one superintendent for the joint powers district;
 - c. input from professional staff and community members;
 - d. a combined seniority list of secondary teachers;
 - e. optional provisions for early retirement and severance pay for teachers and administrators;
 - f. a detailed description of the improved learning opportunities and expanded course offerings

to be made available to students, and procedures to assess learning outcomes and student performance;

- g. a plan to provide for co-location of social services within the new facility
- A positive review and comment under M.S. 121.15 must be received for the proposed project;
- The grant application must be received by CFL by September 1 of an odd-numbered year for grant award consideration by November 1;
- Within 180 days of receiving notification of a grant award, the districts must have a referendum on the question of borrowing additional funds for the portion of the proposed secondary facility cost not covered by the grant. A majority of those residents of the joint powers district voting in the affirmative is needed for approval; and
- Within four years after the grant award is made, the districts must hold a combination referendum.
- The 1994 legislature added the secondary facilities remodeling grant program. A total of \$778,000 was appropriated from state bonding revenue to provide grants for up to \$200,000 to school districts that had combined or consolidated and had continuing needs for facility improvement. Four districts have been awarded grants by the Commissioner.

PROGRAM STATUS:

<u>School Project (\$ in 000s)</u>	<u>Number of Districts</u>	<u>Project Cost</u>	<u>Award Amount</u>
1. Lac Qui Parle Valley	4	\$11,900.0	\$8,000.0
2. Tri-District Coop	3	\$16,500.0	\$6,000.0
3. Blue Earth Area	4	\$8,900.0	\$5,881.0
4. Grant County	4	\$10,877.7	\$6,000.0
5. Atwater, Cosmos and Grove City (ACGC)	3	\$13,375.0	\$6,000.0
6. Dilworth-Glyndon-Felton	2	\$10,000.0	\$2,000.0
7. Secondary Facility Grants	4		\$778.0

Note: The Sibley East group of three districts also applied for and was awarded a grant of \$8 million, but the local referendum failed and the grant award was canceled.

BUDGET ISSUES:

A. CHALLENGES:

- The state fire marshal visitations are helping school districts identify serious health and safety hazards in school facilities. These inspections help motivate districts to consider options for upgrading or replacing outmoded school facilities.
- For many older buildings, the cost of remodeling or renovation is almost as much as replacement.
- Continuing school district reorganization requires facility modifications.
- Grant programs such as these which do not take account of the property wealth of a district are less preferable models for financing capital projects than programs like debt service equalization.

B. STRATEGIES:

- Costs of upgrading and replacing existing secondary facilities may be prohibitive and districts are considering an affordable alternative to selectively upgrade and/or replace an existing single building that can be used for several districts cooperatively.
- Encourage greater use of equalized programs such as debt service for capital projects.

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0113 MISCELLANEOUS CAPITAL EXPENDITURE LEVIES

CITATION: M.S. 124.91 Subd. 1,2,3,4,5,6; 124.82; 124.84; 122.533
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide funds to school districts for various capital expenditure purposes.

DESCRIPTION:

1. Building and Land Lease (M.S. 124.91, Subd. 1). Districts may levy to rent or lease a building or land for instructional purposes, school storage or furniture repair if the district determines that the total operating capital revenue authorized under section M.S. 124A.22, subd. 10 is insufficient for this purpose. The levy authority and amount must be approved by the commissioner. The proceeds of this levy must not be used for custodial or other maintenance services.
2. Building Construction Down Payment (M.S. 124.82). A school district may levy the tax rate approved by a majority of the electors voting on the question of providing funds for a down payment for an approved building construction project. All proceeds from the levy must be transferred to the down payment account in the building construction fund.
3. Cooperative Building Repair (M.S. 124.91, Subd. 4). A school district that has a cooperative agreement according to M.S. 122.535 or 122.541 may levy for the repair costs, as approved by CFL, of a building located in another district that is a party to the agreement.
4. Disabled Access Levy (M.S. 124.84). The 1990 Federal Americans with Disabilities Act (ADA) facilitates the removal of architectural barriers for persons with disabilities in public schools and enables school districts to make modifications in school buildings based on inspection by the staff of the State Fire Marshal. A school district may levy up to \$300,000 to provide disabled accessibility for all facilities. Some newly consolidated districts have maximum levy authority of \$450,000 or \$600,000. The levy amount must be approved by the commissioner. The approved amount may be levied over eight or fewer years.
5. Transition Levy (M.S. 122.533). A school district may levy for the capital expenditure transition costs due to consolidation or dissolutionment.
6. Alternative Facilities Bonding and Levy (M.S. 124.239). Large school districts with over 1,850,000 square feet of space, an average age of building space of 20 years or older, and a ten-year facility plan approved by the Commissioner, may issue bonds or have capital expenditure levy authority to provide funds for projects specified in the ten-year facility plan. The ten-year facility plan contains the projects and project costs under the following areas:
 - health and safety,
 - disabled access, and

- deferred capital expenditures and maintenance (necessary to prevent further erosion of facilities). The school district must update the plan annually. Once every two years the school district must submit a facility maintenance plan. The proceeds from their capital expenditure levy shall be transferred to the building construction fund.

7. Technology Levy (Laws 1996, Ch. 412, Art. 12, Sec. 12). Special District 1, Minneapolis, has been selected as the district to pilot a Technology Incentives Program. The levy is for one-quarter of the lease purchase amount each year for 4 years. The funds are for computers for ninth graders and other technology costs. By January 1, the district shall submit a report to the commissioner.
8. Special Levy. In 1995, 5 districts had special legislation for an additional capital related levy. The districts are Sleepy Eye, Kasson-Mantorville, Delavan, Elmore and Blue Earth.

PROGRAM STATUS:

		Current Law				
(\$ in 000s)		F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. Miscellaneous Capital Components						
1. <u>Building Lease</u>						
Amount		\$10,036.6	\$12,118.0	\$16,724.3	\$20,000.4	\$24,000.4
Districts		118	123	123	130	130
2. <u>Building Construction Down Payment</u>						
Amount		\$1,097.7	\$785.8	\$830.7	\$1,089.1	\$1,089.1
Districts		6	4	4	3	3
3. <u>Cooperative Building Repair</u>						
Amount		\$12.0	\$0.0	\$0.0	\$0.0	\$0.0
Districts		1	0	1	0	0
4. <u>Disabled Access</u>						
Amount		\$14,160.2	\$7,506.7	\$5,918.5	\$6,052.5	\$4,539.4
Districts		179	114	89	84	80
5. <u>Transition Levy</u>						
Amount		\$0.0	\$108.8	\$0.0	\$0.0	\$0.0
Districts		0	2	0	0	0
6. <u>Alternative Facilities Levy</u>						
Amount		\$5,400.0	\$5,900.0	\$6,500.0	[See Debt Service Equalization Program 0114]	
Districts		2	2	2		
7. <u>Technology</u>						
Levy		\$0.0	\$0.0	\$0.0	\$681.8	\$681.8
Districts		0	0	0	1	1
8 <u>Special Levy</u>						
Levy		\$0.0	\$0.0	\$0.0	\$298.2	\$27.2
Districts		0	0	0	5	2

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0113 MISCELLANEOUS CAPITAL EXPENDITURE LEVIES
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- The Americans with Disabilities Act (ADA) guidelines have become a major concern for school districts in their facility management plans.
- For the larger school districts, because of the high costs of installing elevators and other accessibility modifications, the current levy limit of \$300,000 over five years per district is not sufficient to address accessibility issues in all their facilities.

B. STRATEGIES:

- Continuation of these levies will enable districts to access revenue needed or permitted in these areas of financial need.
- The amount permitted for disabled access will not meet the need for improvements in the larger districts. A portion of this need can be funded from other capital expenditure revenue sources. Data will be collected to assess the differential between need and funding available so that objectives may be established.
- Miscellaneous Capital Expenditure Levies continue to serve various needs of Minnesota school districts. All funds generated through these levies are anticipated to be fully utilized.

GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of this activity with the following modification:

Clarify that school districts cannot levy under the building lease program for leasing a building with a option to purchase, or leasing a building other than a special or alternative education facility from a cooperative that the cooperative is leasing with an option to purchase, if the commissioner determines that the payment required for the purchase at the end of the lease period is less than the projected market value of the property.

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0114 DEBT SERVICE EQUALIZATION

CITATION: M.S. 124.95; 124.97; 124.243, Subd. 9; 124.494; 124.2445; 475.61
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide debt service funds to school districts with a high debt burden relative to the district tax base and a high burden relative to the district's tax base per pupil unit. By providing debt service equalization aid to school districts, this program contributes to the overall financial health of the districts and promotes greater equity for taxpayers.

DESCRIPTION:

1. Required Debt Service Levy (M.S. 124.97; 475.61). A school district must levy an amount at least 5% in excess of the amount needed for the principal and interest payments for the following fiscal year on its general obligations. The required debt service levy for all years is established and approved by the local school board at the time that bonds are sold.
2. Maximum Effort Debt Service Levy (M.S. 124.38, subd. 7). Districts with an outstanding state capital loan must levy for debt service a minimum of:
 - a. 20% of the latest ANTC for districts granted a capital loan after January 1, 1990 or that have incurred additional bonded debt since January 1, 1990,
 - b. 20% of the latest ANTC for districts without a capital loan but with an outstanding debt service loan, or
 - c. 18.42% of the latest ANTC for other districts having an outstanding capital loan. However, the maximum effort debt service levy shall not exceed the amount over the required debt service levy that is needed to retire all outstanding state loans.

The greater of the eligible required debt service levy or maximum effort debt service levy is used in the computation of debt service equalization aid. If the required debt service levy less the debt service equalization aid is less than the maximum effort debt service levy, then the district will be required to have an additional maximum effort debt service levy equal to the difference. The additional maximum effort debt service levy is not equalized.

3. Required Debt Service Levy for Cooperative Secondary Facilities (M.S. 124.494, Subd. 5; 475.61). The joint powers districts must make a debt service levy for retirement of bonds issued under the Cooperative Secondary Facilities Grant Act. This levy is not included for computing debt service equalization aid.
4. Required Debt Service Levy for Equipment (M.S. 124.2445). If a school district issues long-term (over 1 year) certificates of indebtedness or capital notes to buy equipment, then the school district must levy the amount needed to retire the certificates of indebtedness or capital notes issued to purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an

expected useful life at least as long as the terms of the certificates or notes. The certificates or notes must be payable in not more than 5 years. The district's general education levy must be reduced by the amount of the debt service levy for this purpose. The sum of the required debt service levy for equipment and the required debt service levy for facilities for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. This levy is not included for computing debt service equalization aid.

5. Required Debt Service Levy for Facilities (M.S. 124.2455). A school district, with the approval of the Commissioner, may issue bonds, without voter approval, to provide funds for capital improvements to facilities enumerated in the law. This bond issue is subject to a reverse referendum. The bonds shall be redeemed within 10 years of issuance. The districts' general education levy must be reduced by the amount of the debt service levy of this purpose. The sum of the required debt service levy for equipment and the required debt service levy for facilities for each year must not exceed the amount of the district's total operating capital revenue for the year the initial debt service levies are certified. This levy is not included when computing debt service equalization aid.
6. Alternative Facilities Bonding and Levy (M.S. 124.239). Large school districts with over 1,850,000 square feet of space, an average age of building space of 20 years or older, and a ten-year facility plan approved by the Commissioner, may issue bonds or have levy authority to provide funds for the projects specified in the ten-year facility plan. The ten-year facility plan contains the projects and project costs under health and safety, disabled access, and deferred capital expenditures and maintenance.

The school district must annually update the plan. Once, every 2 years the school district must submit a facility maintenance plan. The bond issue authorized by this section does not require voter approval. The required debt service levy for the bonds and the maintenance levy are both included in the required debt service levy when computing debt service equalization aid.
7. Energy Conservation (M.S. 124.91, subd. 6). School districts have levy authority for the amount needed to repay the annual principal and interest on energy conservation loans and other loans received pursuant to M.S. 216C.37 and M.S. 298.292 to 298.298. This levy is included in computing debt service equalization aid.
8. Lease Purchase Eligible (M.S. 124.91, subd. 2 and 3). School districts have levy authority for the annual amount needed for payments on the lease purchase agreements approved by the Commissioner prior to July 1, 1990. In addition, certain districts with a desegregation plan have levy authority for lease purchase costs for more recent facility acquisitions. This levy is included in computing debt service equalization aid.
9. Lease Purchase Ineligible (95 First Special Session, Ch. 3, Art. 5, Sec. 9). Districts 622, 833 and 834 have a lease purchase levy authority for the acquisition of the Valley Crossing Elementary School. This levy is not included in computing debt service equalization aid.
10. Transfer to Redemption Fund (M.S. 124.A22, subd. 11; M.S. 475.65). Districts may transfer money from the total operating capital account in the general fund or the building construction fund when the building project is complete. The transfer will increase the debt excess in the debt redemption fund.
11. Debt Excess (M.S. 475.61, subd. 3). With the approval of the Commissioner, some districts may be authorized to retain all or a portion of the debt excess in the debt redemption fund. The net debt excess in the debt redemption fund, other than for capital loan districts, is certified by the Commissioner to the County Auditor. The County Auditor reduces the debt service levy by the

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0114 DEBT SERVICE EQUALIZATION
 (Continuation)

amount of the debt excess certified. The debt excess reduces the revenue eligible for debt service equalization aid. Districts with outstanding capital or debt service loans are required to remit the debt excess amount to the Commissioner as payment on their capital and/or debt service loans.

12. Debt Service Loan (M.S. 124.42). School districts with a very large debt service levy relative to their tax base may qualify for a debt service loan. The amount of the loan reduces the debt service levy of the district. Districts receiving a debt service loan are required to levy an amount at least equal to the maximum effort debt service levy until the loan is retired.
13. Gross Equalization Revenue. This is equal to the sum of the following levy components for District Types 1, 2 and 3 (Independent, Common and Special); greater of:
 Eligible Required Debt Service Levy or Maximum Effort Debt Service Levy, plus Alternative Facilities Gross Deferred Maintenance Levy, plus Energy Conservation Levy, plus Eligible Lease Purchase Levy, minus Net Debt Excess for eligible components, minus Debt Service Loan.
14. Full Equalization Revenue. This is equal to Gross Equalization Revenue less 10% of ANTC, but in no case for any district less than zero. The portion of the eligible debt service levy components less than 10% of ANTC is not eligible for aid.
15. Debt Service Equalization Aid (M.S. 124.95). The following portions of a district's required debt service levy qualify for debt service equalization:
 - a. debt service for repayment of principal and interest on bonds issued before 7-2-92;
 - b. debt service for bonds or state loans refinanced after 7-2-92, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and
 - c. debt service for bonds issued after 7-2-92 for construction projects that have received a positive review and comment according to section 121.15, if the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:
 - (i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or
 - (ii) is eligible for sparsity revenue.

Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2 to qualify.

The debt service levy is a mandatory levy. The unadjusted equalized debt service levy is equal to the

district's debt service equalization revenue times the lesser of one or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the second year prior to the year the levy is certified; to \$4,707.50.

A district's debt service equalization aid is the difference between the debt service equalization revenue and the equalized debt service levy. A district's debt service equalization aid may be prorated. If prorated, the equalized debt service levy is increased for the aid proration.

Districts eligible for debt service equalization must notify the Department of their F.Y. 1997 debt service levy for bonds sold before 7-2-95. The Department will use these data to compute the final F.Y. 1997 debt service aid for each district prior to certification of 1995 payable 1996 levy limits.

PROGRAM STATUS:

(\$ in 000s)		F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law	
					F.Y. 1998	F.Y. 1999
1. Required Debt Service Levy						
Amount	\$263,743.9	\$285,395.4	\$315,767.8	\$353,268.6	\$400,000.0	
Number of Districts		254	248	244	254	255
2. Maximum Effort Debt Service Levy						
Amount	\$9,271.0	\$8,745.2	\$8,827.9	\$9,888.6	\$10,500.0	
Number of Districts		24	21	21	23	23
Additional Amount		\$412.6	\$1,175.0	\$1,283.2	\$1,303.6	\$1,350.0
Number of Districts		13	16	15	18	19
3. Required Debt Service Levy for Cooperative Secondary Facilities*						
Amount		\$971.1	\$1,745.4	\$692.7	\$289.1	\$0.0
Number of Districts		3	4	2	1	0
4. Required Debt Service Levy for Equipment**						
Amount		\$257.1	\$650.6	\$911.9	\$1,933.1	\$3,000.0
Number of Districts		4	10	13	23	35
5. Required Debt Service Levy for Facilities**						
Amount			Funded with transfer		\$1,000.6	\$1,500.0
Number of Districts			from Facilities Account		13	20
6. Alternative Facilities Required Debt Service Levy*						
Amount		\$14,236.7	\$15,515.8	\$16,456.2	\$17,415.5	\$18,379.4
Number of Districts		4	4	4	4	4
7. Alternative Facilities Gross Maint Levy***						
Amount			Included under capital		\$9,717.1	\$10,000.0
Number of Districts			related components		3	3
8. Energy Conservation						
Amount		\$4,404.9	\$3,946.6	\$3,233.6	\$3,431.8	\$3,431.8
Number of Districts		156	142	124	123	123

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PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0114 DEBT SERVICE EQUALIZATION
(Continuation)

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
9. Lease Purchase Eligible					
Amount	\$7,317.2	\$12,122.1	\$16,572.0	\$18,815.6	\$20,000.0
Number of Districts	6	6	6	5	5
10. Lease Purchase Ineligible					
Amount	\$56.0	\$56.5	\$19.5	\$1,600.4	\$1,600.0
Number of Districts	1	1	1	3	3
11. Debt Excess					
Certified Debt Excess					
Amount	\$7,405.4	\$10,770.9	\$16,522.5	\$16,123.7	\$16,500.0
Net Excess Reducing Debt					
Service Levy	\$6,366.1	\$10,005.8	\$13,501.0	\$15,454.2	\$15,800.0
Number of Districts	88	85	99	104	105
12. Debt Service Loan					
Amount	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Number of Districts	0	0	0	0	0
13. Gross Equalization Revenue					
(Before 10% ANTC Reduction)	\$237,700.6	\$267,073.8	\$299,543.0	\$351,869.0	\$400,000.0
14. Full Equalization Revenue	\$65,839.5	\$70,135.0	\$80,156.0	\$90,566.9	\$100,000.0
15 Debt Service Equalization Aid					
Gross Aid Entitlement	\$27,527.2	\$30,053.1	\$33,165.5	\$35,709.3	\$38,000.0
Number of Districts	132	139	132	144	150
Initial Proration Factor	1.0000	1.0000	0.9799	0.9530	0.9031
Adjusted Proration Factor	--	--	0.9990	0.9547	--
Net Debt Service Aid for					
Alt. Fac (Maint.)	\$0.0	\$0.0	\$0.0	\$1,197.9	\$1,806.1
Number of Districts	0	0	0	2	3
Net Debt Service Aid for					
Energy Conservation	N/C	N/C	N/C	\$643.2	\$614.1
Number of Districts				55	60
Net Debt Service Aid for Lease					
Purchase	N/C	N/C	N/C	\$0.0	\$198.7
Number of Districts				0	1
Other Net Debt Service Aid	\$27,527.2	\$30,053.1	\$33,132.0	\$32,249.9	\$31,697.1
Number of Districts	132	139	132	140	144

* Included under Required Debt Service Levy.

** Excluded from Required Debt Service Levy.

*** Included in computing Debt Service Aid.

N/C Not Computed - Included in Other Net Debt Service Aid

BUDGET ISSUES:

A. CHALLENGES:

- Debt service levies have grown steadily in recent years, and will continue to grow as some school districts require additional space to house growing enrollments, while other districts replace or upgrade aging facilities.

B. STRATEGIES:

- This program provides greater financial equity among districts than the various capital grant and loan programs and is therefore a preferable model.
- The state should continue to fully fund the debt service equalization formula to ensure that the commitments made to taxpayers at the time of the bond elections are carried out.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$35,709 for F.Y. 1998 and \$37,900 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$35,452 in F.Y. 1998 (\$3,313 for F.Y. 1997 and \$32,139 for F.Y. 1998), and \$37,680 in F.Y. 1999 (\$3,570 for F.Y. 1998 and \$34,110 for F.Y. 1999).

The Governor recommends the following modifications in the debt service equalization and maximum effort school loan programs:

1. Beginning in F.Y. 2001, increase the equalizing factor used in computing debt service equalization aid from \$4,707.50 to \$4,883, to adjust for the change in pupil unit weights (see program 0101).
2. Beginning with taxes payable in 1998, reduce the general education levy by the amount of any excess in the debt redemption fund used to retire capital facilities bonds or capital equipment certificates or notes issued after 2-1-97 for districts with no outstanding maximum effort loans. Prohibit districts with outstanding maximum effort loans from using any excess in the debt redemption fund to retire capital facilities bonds or capital equipment certificates or notes issued after 2-1-97.
3. Set the standing appropriations for debt service equalization aid at \$35,452 for F.Y. 1998, \$37,680 for F.Y. 1999 and \$37,900 for F.Y. 2000 and later years.
4. Beginning with payments for 1997, modify the maximum effort school loan program by: (a) creating a consistent methodology for payments and application of payments on debt service loans and capital loans, (b) clarifying that the commissioner may reduce state aids to recover unpaid amounts that are due, and (c) changing the date for the department to notify county auditors of the amount of the maximum effort levy from September 1 to September 30.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0114: DEBT SERVICE EQUALIZATION (Including Royaltion and Alternative Facilities Equalization)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	30,053	33,165	35,709	38,000
2. Statutory Excess / (Shortfall)	1	(33)	(1,618)	(3,684)
3. Appropriated Entitlement	30,054	33,132	34,091	34,316
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(1)	8		
5. Current Law Aid	30,053	33,140	34,091	34,316
6. Excess / (Shortfall) After Adjustments	0	(25)		
7. Current Law Levy	237,021	266,403	317,778	365,684
8. Current Law Funding: Aid & Levy	267,074	299,543	351,869	400,000

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)			34,091	34,316
a. Eliminate Aid Proration			1,618	3,684
b. Eliminate Equipment and Facility Bonding Loophole			0	(100)
Recommended Aid Entitlement			35,709	37,900

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)			317,778	365,684
a. Eliminate Aid Proration			0	(5,302)
b. Eliminate Equipment and Facility Bonding Loophole			0	(900)
Recommended Levy			317,778	359,482

TOTAL RECOMMENDED FUNDING: AID & LEVY

353,487	397,382
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APPROPRIATIONS BASIS: (a)

Prior Year	n/a	n/a	3,313	3,570
Current Year	30,054	28,162	32,139	34,110
Current Year Adj. to 90%, per M.S. 124.904		1,657		
Subtotal before Transfers	30,054	29,819	35,452	37,680
Transfers per M.S. 124.14, subd. 7	(1)	8		
Total State General Funds	30,053	29,827	35,452	37,680

a) Prior to F.Y. 1997, this program was paid on a 100% basis. Beginning in F.Y. 1997, appropriations for this program are paid on an entitlement basis, including 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0115 PARENTAL CHOICE TAX CREDIT

CITATION: M.S.
MDCFL ADMIN:
FEDERAL: None

PURPOSE:

This tax credit and tax deduction program is designed to:

- Expand educational choices and opportunities for every Minnesota parent with children in school.
- Improve student achievement by helping parents to obtain specialized educational services or to place their children in an alternative learning environment that works best for them.
- Increase parental involvement in their children's education.
- Help students meet Minnesota's graduation standards by making technology at home more affordable for all Minnesota families.
- Increase employment opportunities for teachers (e.g. through tutoring programs.)
- Encourage school districts to develop innovative programs that meet the educational needs of children (e.g. by offering specialized summer school or alternative learning programs.)

DESCRIPTION:

This education tax cut plan will make more choices and options available to all Minnesota families with school age children. All Minnesota children, whether they choose to attend a public school, a non-public school or are educated at home, are potential beneficiaries. By empowering parents and helping to place children in a learning environment best for them, the plan will also improve education outcomes.

The plan gives tax credits to low income families and gives tax deductions to all other families with children in school for a wide list of education expenses. Families with an income below \$39,000 will qualify for a tax credit of \$1,000 per child with a maximum of \$2,000 per family for fees paid for tutoring, summer school, alternative learning or nonpublic school tuition.

Families with an income above \$39,000 will qualify for an expanded tax deduction for education expenses. The plan triples the current deduction from \$650 to \$1,950 per child for grades K - 6 and from \$1,000 to \$3,000 per child for grades 7 - 12. The deduction, established in 1975, has not been increased since 1985, and has failed to keep pace with inflation. All filers with school age children, will qualify, not just itemizers. The deduction, which now covers non-public school tuition and a variety of public education costs, will be expanded to include computer hardware and software purchases, tutoring and alternative learning costs, and other enrichment programs. Families who choose to educate their children at home will qualify for a deemed tax credit of \$1,000 per family.

According to Revenue Department estimates, at least two-thirds of the program's benefits will accrue to public school parents.

The plan will also increase opportunities for teachers and school districts. For example, teachers can earn extra money made available by the tax credit for tutoring. School districts can earn extra money

made available by the tax credit for alternative learning programs.

The plan is modeled on the current deduction, which has already been upheld in the courts as constitutional.

Since the plan allows taxpayers to keep their own money through deductions and credits, it also dramatically reduces any chance of regulation of nonpublic schools.

The plan also builds on Minnesota's legacy as a pioneer in expanding education choice. Minnesota led the way with public school choice, college classes for high school students and charter schools. This plan simply expands that choice concept another step.

BUDGET ISSUES:

A. CHALLENGES:

- Some have expressed concern over providing tax benefits to parents of non-public school children.
- Some have expressed concern that providing tax benefits to parents of non-public schools will lead to state regulation of non-public schools.

B. STRATEGIES:

- The state already provides tax benefits to public and non-public school parents through the current education expenses deduction. This plan simply expands current law. Furthermore, the plan focuses on improving student achievement, regardless of where a child attends school.
- The state is constitutionally prohibited from directly funding and regulating non-public schools. In addition, the current deduction has not been used to attempt regulation of non-public schools.

GOVERNOR'S RECOMMENDATION:

The Governor recommends implementation of this tax credit and tax deduction proposal. State General Fund revenues are estimated to be reduced by \$73 million in F.Y. 1998 and \$77 million in F.Y. 1999 due to this proposal.

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CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0116: UNALLOCATED FUNDS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	17,407	49,665
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	17,407	49,665
4. Adjustments				
a. Excess Funds Transferred In / (Out)			0	0
5. Current Law Aid	0	0	17,407	49,665
6. Excess / (Shortfall) After Adjustments	0	0	0	0
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	17,407	49,665
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			17,407	49,665
a. Allocate to Children, Families and Learning Aids			(17,407)	(49,665)
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	0	0

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1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0117 WIDE AREA TRANSPORTATION (WATS)

CITATION:
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

The Purpose of the Wide Area Transportation (WATS) project is to provide transportation services for students who require transportation beyond their normal public school attendance because of their participation in low incident programs. These programs can include, but are not limited to, special education programs, charter schools, nonpublic schools and enrollment options programs. Common characteristics of these programs include relatively small numbers of students drawn from a relatively large geographical area.

DESCRIPTION:

The WATS project is using computerized routing and scheduling to provide safe, efficient and cost effective transportation to students participating in such low incident programs. The WATS staff is meeting with school/program administrators and staff, as well as with parent groups, to explain the objectives of the WATS system and how it can be of benefit to its users. Students participating in these low incident programs will benefit from having a transportation system tailored for their needs.

The program will be evaluated by surveying the participants, or their parents, to determine if they are satisfied that the service provided has lived up to their expectations. Cost effectiveness will be evaluated by comparing the actual costs of the program with the school districts' estimated costs of providing the services.

BUDGET ISSUES:

A. CHALLENGES:

- Many students have been discouraged or prohibited from participation in some other programs because of difficult transportation problems.
- The challenge of the WATS staff is to "sell" the benefits of the WATS system to as many potential users as possible.
- Patents are understandably reluctant to continue participation when actual costs turn out to be significantly higher than original projections.

B. STRATEGIES:

- The WATS staff meets with potential users in order to get early commitments for participation.
- Early commitments on participation are necessary to develop accurate cost estimates.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$100 for F.Y. 1998 and \$50 for F.Y. 1999.

The Governor recommends continuing the WATS project, and expanding the service to other geographical areas and other groups served by the Department of Children, Families & Learning.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0117: WIDE AREA TRANSPORTATION (WATS) PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	250	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	250	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(101)	101		
5. Current Law Aid	149	101	0	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	149	101	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. Continue Program			100	50
Recommended Aid Entitlement			100	50
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			100	50
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	149	101	100	50
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	149	101	100	50

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids
 0118 CHOICE PROGRAMS (INFORMATION ONLY)
CITATION: M.S. 120.062; 120.064; 121.585; 123.3514; 123.3515; 124.19, subd. 7 124C.45 and 126.22
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)
FEDERAL: None

PURPOSE:

Enrollment Options Programs allow learners to choose the school or education program in their district or a district in which they do not reside. Responsibility is placed on learners and their families to be active in determining the goals they have for education, to acknowledge the needs and interests, and to assess the school's ability to provide an excellent educational experience.

Specific objectives are to:

- improve student success in learning,
- increase learning opportunities,
- and increase access to different and innovative teaching methods.

DESCRIPTION:

1. Open Enrollment: M.S. 120.062

The Open Enrollment program allows K - 12 students the opportunity to apply to attend a school outside the district in which they live.

The School District Enrollment Options gives families (or youth no longer living at home) the opportunity to select the best educational experience for their sons and daughters. All pupils eligible to attend public school may apply to any public school or program outside the district in which they live. Participation in this program is reported by student participation, not by district participation. All counts include enrollment into charter schools.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number Students Enrolled into Non-Resident Districts under M.S. 120.062 & 120.06	18,618	19,374	21,316	23,448	25,793

2. Charter Schools M.S. 120.064

Charter schools receive state funds from general education revenue based on pupil enrollment. Charter schools are designed to meet one or more of the following purposes: improve individual learning, increase learning opportunities, use different and innovative teaching methods, measure learning results using different and innovative forms of measurement, establish new forms of accountability for schools, or create new professional opportunities for teachers, including the opportunity for learning program at the school site.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Charter Schools	14	17	19	24	30

3. Learning Year Programs: M.S. 121.585

A Learning Year Program provides instruction throughout the year. A Learning Year Program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12. A continual learning plan must be developed for each student. Students may participate in the program if they reside in a district with a designated area learning center site, a district that is in the same education district as the site, or in a district that participates in the area learning center site. Aid and revenue computations are based on the total number of hours of education programs for pupils in average daily membership for each fiscal year.

4. Post-secondary Enrollment Options: M.S. 123.3514

Post-secondary Enrollment Options provides 11th and 12th grade students, who qualify for the post-secondary institution of their choice, the opportunity to take college courses for high school credit.

The Post-secondary Enrollment Options allows public high school juniors and seniors to take courses, full or part-time, at a liberal arts, community or technical college, a university, non-profit degree granting trade school or an accredited opportunities industrialization center in Minnesota for high school credit. The program provides students with a greater variety of class offerings and the opportunity to pursue more challenging course work. The tuition, fees and required textbooks are at no cost to students.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Percent of Districts with Students Participating	75%	80%	85%	90%	95%
PSEO Students	6,597	64,921	7,700	8,470	9,317

5. Alternative Programs: M.S. 124.19, Subd. 7

Alternative Programs are designed for those who have fallen behind in their course work, for those who desire a program which better fits their individual needs, and for those who have dropped out and want to return to complete their high school education. Programs are available for ages five through adult. Classes are taught using alternative methods and flexible scheduling. These programs may operate year around, and during the day and evening to accommodate the needs of learners.

PUBLIC ALTERNATIVE PROGRAMS

	<u>PROGRAMS</u>	<u>SITES</u>
F.Y. 1995	49	65
F.Y. 1996	54 (10 new, 5 to ALC)	70
F.Y. 1997	60 (8 new, 2 to ALC)	76

CONTRACTED ALTERNATIVE PROGRAMS

	<u>PROGRAMS</u>	<u>SITES</u>
F.Y. 1995	20	20
F.Y. 1996	21	21
F.Y. 1997	21	21

1998-99 Biennial Budget

PROGRAM: 01 General Education Programs
AGENCY: Children, Families & Learning Aids

0118 CHOICE PROGRAMS (INFORMATION ONLY)
 (Continuation)

6. Area Learning Centers: M.S. 124C.45

Area Learning Centers are designed for those who have fallen behind in their course work, for those who desire a program which better fits their individual needs, and for those who have dropped out and want to return to complete their high school education. Area Learning Centers are open all year, during the day and evening to accommodate the needs of learners. A wide variety of courses, leading to graduation, are taught using alternative methods of instruction. Additional services are provided to assure each learner's success. Programs must be provided for secondary learners and adults and may be provided for elementary learners. Priority is given to learners ages 16 through 21. The programs and services of a center must focus on academic and learning skills, trade and occupational skills, work-based learning opportunities, work experience, youth service to the community, and transition services.

A school district may establish an area learning center by itself or in cooperation with other districts, other agencies, foundations, partnerships, etc. Except for a district located in a city of the first class, it must serve the geographic region of at least two districts. Secondary learners to be served are those who are chemically dependent, not likely to graduate from high school, in need of assistance in vocational and basic skills, can benefit from employment experiences and in need of assistance in transition from school to employment. Adults to be served are dislocated homemakers and workers and others who need basic educational and social services.

	CENTERS	SITES
F.Y. 1995	46	390
F.Y. 1996	53	418
F.Y. 1997	56	453

7. Graduation Incentives: M.S. 126.22

Educational Options is designed to encourage students who are not succeeding in the current educational system or who have dropped out of school before completing their high school education to their high school education. Students from age five through twenty, or 21 students with disabilities have a variety of educational programs available from which they may choose: any public elementary or secondary program, public alternative program, area learning center, contracted alternative program, charter school post-secondary enrollment options, and adult basic education.

Funding: Charter Schools and Enrollment Options

Revenue transfers between school districts and charter schools under various programs, as indicated by the table below. A "yes" indicates that this particular revenue is transferred from the district of residence (where the student lives) to the district or school providing educational services.

	<u>Charter Schools</u>	<u>Enrollment Options</u>
Basic General Education	yes(a)	yes
Transition	yes, state average of the training & experience portion	yes*
Compensatory	yes, calculated on charter school population	yes*
Supplemental	yes, state average	yes*
Referendum	no	no
Transportation	yes, if providing transportation(a)	yes*
Special Education	yes, plus bill back excess	yes, plus bill back excess
LEP	yes	yes
Assurance of Mastery	yes	yes
Operating Capital (facilities)	no in 96, yes in 97 (b)	yes
Operating Capital (equip)	yes	yes
District Cooperation	no	no

*The revenue of the district of residence is reduced by the amount of this revenue per pupil unit in that district and the revenue of the district providing the education program is increased by the amount of this revenue per pupil in that district.

(a)If the charter school provides transportation, it receives the full basic general education revenue, the transportation sparsity revenue and the transportation portion of the transition revenue. If the charter school does not provide transportation, the district in which the charter school is located (which must provide transportation within its boundaries), receives \$170 of the basic revenue, transportation sparsity and transportation portion of the transition revenue.

(b)Charter schools may use operating capital revenue for any purpose, not just operating capital purposes.

Revenue transfers for area learning center programs are similar to those for open enrollment.

Private alternative programs enrolling students under the high school graduation incentives program receive at least 88 percent of the basic formula allowance in FY 96 and at least 90 percent of the basic allowance in FY 97.

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SPECIAL PROGRAMS (02)

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR

CITATION: M.S. 120.03; 120.17; 120.182; 124.32; 124.3201; 124.3202; 124.321; 124.322; 124.323

MDCFL ADMIN: 1303 Special Education
FEDERAL: 0228 Special Education-(P.L. 101-476, Part B)
 0229 Special Education-Pre-School Incentive(P.L. 101-476, Sec. 619)
 0230 Special Education-Deaf Blind (P.L. 101-476, Part C)
 0231 Neglected & Delinquent Youth with Disabilities in State Correction Facilities (P.L. 100-297)

PURPOSE:

The purpose of special education is to assure the availability of specially designed instruction and related services to individuals with disabilities ages birth through 21. Special education instruction and services are funded and governed by state statutes sections 120.03, 120.17, and 124.32; state education rules chapter 3525; federal law P.L. 101-476, Individuals with Disabilities Education Act (IDEA); and federal rules CFR 300.

The combination of these laws and rules require the provision of a Free Appropriate Public Education (FAPE) for all eligible children and youth with disabilities. FAPE is defined as instruction services that are:

- based on need as identified in a multi-disciplinary assessment;
- written into an individual education plan (IEP); and
- provided in the least restrictive environment appropriate to each student's needs, at no cost to parents.

In addition, parents are assured informed consent rights of approval (due process) in all decisions relating to individual assessments and the design and implementation of the IEPs.

Eligibility for special education instruction and services is determined based on evidence the individual has a disability and, because of that disability, requires specially designed instruction and services to benefit from the education program. Those who would be considered impaired are individuals who are autistic, blind-visually impaired, deaf or hard of hearing, deaf-blind, mildly to moderately mentally impaired, severe or profoundly mentally impaired, those who have emotional/behavioral disorders, physical impairments, other health impairments, specific learning disability, speech/language impairment or traumatic brain injury.

The delivery of special education instruction and services are the responsibility of the district in which the parents reside. Districts determine the most appropriate means of delivering the necessary instruction and services. 223 school districts have formed 43 cooperatives to deliver special education services more cost effectively and efficiently. In addition, all districts purchase/cooperate on the delivery of some of the services from Cooperative Service Units, intermediate school districts and formal collaborative organizations such as Children's Mental Health Collaboratives, Family Service Collaboratives, Interagency Early Intervention Committees, and Community Interagency Transition Committees.

The specific objectives of the special education program are to assure:

- individual learners will demonstrate measurable and continuous progress in the development of skills and strategies which generalize to a variety of academic and non-academic environments;
- individual learners will demonstrate the ability to establish positive social relationships with others.
- individual learners will develop a healthy physical and emotional self-awareness.
- individual learners will demonstrate the ability to make school to adult transitions; and
- all administrative units will implement a continuous program evaluation process related to student learning.

DESCRIPTION:

The state total special education revenue for fiscal years 1997-98 and beyond equals (1) the state total special education revenue for the preceding fiscal year times (2) the program growth factor times (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Starting with the 1995-96 school year, special education revenue is generated by school districts on a base year revenue concept. Special education revenue generated by school districts in 1995-96 is based on expenditures incurred in 1994-95. Beginning in 1996-97, it is based on expenditures incurred in the second prior year.

A school district's special education revenue equals the state total special education revenue, minus new district revenue, times the ratio of the district's adjusted special education base revenue to the state total adjusted special education base revenue.

The special education base revenue equals the sum of the following amounts computed using base year data:

Salary:	68% of the salary of each essential person who provides direct instructional services to students
Supplies and Equipment:	47% of the costs of supplies and equipment not to exceed an average of \$47 per student with a disability
Contracted Services:	52% of the amount of a contract for instruction and services that are supplemental to a district's education program for students with disabilities. 52% of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the student receives service that are in place of a district's education program.

For 1995-96 and beyond, a district's tuition revenue is 50 percent of the difference between base year tuition costs and current year tuition costs for students in out-of-district placements (M.S. 124.3201, Subd. 2a). For 1995-96 and beyond, a district's court placement revenue is 50 percent of the difference between base year court placement costs and current year court placement costs.

The special education adjusted base revenue equals the base revenue times the ratio of the current year Average Daily Membership (ADM) to the base year ADM plus the district's tuition revenue plus the district's court placement revenue.

If the special education base revenue for a district equals zero, the special education revenue equals the amounts computed above using current year data.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

A school district's special education aid equals the district's special education revenue times the aid percentage factor for that year.

The following indicators show Minnesota's progress in achieving stated goals:

- From December 1, 1988 to December 1, 1995, the number of individuals with disabilities identified as having a disability and in need of special education services has remained at approximately 10% of the school-aged population.
- Less than 1% of individuals with disabilities receive the majority of their education program in separate schools.
- More than 80% of students with disabilities receive the majority of their education programs within the regular classroom with their non-disabled peers.
- Greater numbers of individuals with disabilities are learning employment skills and are working in mainstream businesses, are attending post-secondary education programs and are living independently as adults.
- There is an increase in cooperation and collaboration among local, county and state agencies in addressing the mental health needs of individuals with disabilities and their families and in the provision of early childhood special education programs and in transition planning and services from school to work.
- There is an increase in requests from local school districts to the State Board of Education for experimental programs and waivers from Board Rules resulting in more creative programming.

PROGRAM STATUS:

TABLE 2-1

(\$ in 000s)	F.Y. 1995	F.Y. 1996*	F.Y. 1997	F.Y. 1998	F.Y. 1999
FTE Staff	17,590.2	18,335.6	19,545.8	20,741.5	21,576.9
Salary Expenditures	\$461,040.0	\$480,576.0	\$512,295.0	\$543,634.0	\$565,531.0
Contracted Staff Expenditures	17,593.0	18,338.0	19,549.0	20,745.0	21,580.0
Contracted Student Expenditures	3,185.0	3,320.0	3,539.0	3,756.0	3,907.0
Supplies & Equipment Expenditures	8,233.2	8,581.9	9,148.0	9,707.1	10,099.5
Total Expend Regular + Summer	\$490,051.2	\$510,815.9	\$544,531.0	\$577,842.1	\$601,117.5
Base Year Revenue	--	\$320,197.1	\$333,140.2	\$343,429.3	\$364,656.6
New District Revenue	--	0.0	0.0	0.0	0.0
ADM	--	823,223.9	835,770.3	844,664.3	849,599.0
Base Year ADM	--	808,027.6	808,027.6	823,223.9	835,770.3
Base Year Tuition Costs	--	0.0	0.0	0.0	0.0
Tuition Costs	--	0.0	0.0	0.0	0.0
Tuition Revenue	--	0.0	0.0	0.0	0.0
Base Year Court Order Expense	--	0.0	0.0	0.0	0.0
Court Order Expense	--	0.0	0.0	0.0	0.0
Court Order Revenue	--	0.0	0.0	0.0	0.0

(\$ in 000s)	F.Y. 1995	F.Y. 1996*	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Total Adjusted Base Revenue	--	326,783.8	338,881.4	352,250.1	371,994.3
State Total Revenue	--	327,846.0	347,810.0	351,511.3	353,565.0
State Total Revenue New Districts	--	0.0	0.0	0.0	0.0
Revenue	322,440.2	327,846.0	347,810.0	351,511.3	353,656.0
Aid Percentage Factor	--	60%	70%	80%	90%
Gross Aid	\$212,958.2	\$196,727.7	\$243,484.3	\$281,220.8	\$318,214.9
Levy Revenue Including Allocations from Charter Schools and Academies	109,482.0	131,118.3	104,325.7	70,290.5	35,350.1
Proration Factor	1.0000	0.9999	0.9999	0.9984	0.9965
Prorated Aid	\$212,958.2	\$196,708.0	\$243,467.0	\$280,764.0	\$317,076.0
Summer School Revenue	6,616.9	7,152.0	3,728.5	**	**
Total Revenue	\$329,057.1	\$334,978.3	\$351,521.2	\$351,054.5	\$352,426.1

* New Special Education Formula

** Special education summer school base revenue rolled into special education base revenue beginning in F.Y. 1997, making special education program a fiscal year program.

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	196,708.0	243,467.0	280,764.0	317,076.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Change in ADM			440.0	1,122.0
Pine Point Receives All Revenue in Form of Aid	20.0	17.0	17.0	17.0
■ APPROPR SHORTFALL (EXCESS)			457.0	1,139.0
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	196,728.0	243,484.0	281,221.0	318,215.0

BUDGET ISSUES:

A. CHALLENGES:

- Special education services continue to evolve at the local school district level. Districts are discovering, with the emphasis on inclusive programs, that all students can benefit from individuals with disabilities included and educated within the mainstream classroom. Districts continue to learn how special education services and programs can be delivered most effectively within the inclusive school. The numbers of students with disabilities continue to grow and are expected to grow, particularly in ages birth through five years of age and in the area of emotional and behavior disorders for all ages.
- The range and scope of disabilities experienced by individuals are greater than in the past. Medical science has made dramatic advances. Children who previously did not survive the birth process or infancy are now surviving well into their school years and beyond. Many such children are medically fragile and require expensive special education services. Students who are born with fetal alcohol syndrome or who were born drug addicted are demonstrating significant needs for specially designed instruction. New disabilities such as Attention Deficit Disorder (ADD) are being identified and many students with these disabilities require special education. These changes and others are forcing schools to address learning problems never before faced.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

- Because of successful special education programs, there is an increasing proportion of students with disabilities who graduate and fewer number of students who drop out. Increased regular class participation, reduced special education enrollments and improved post-secondary outcomes (i.e., employment and post-secondary education participation) are occurring.
- The need to assure an inclusive education system that considers the needs of students with disabilities in all major educational reform efforts in Minnesota.
- The number of students with emotional/behavioral disabilities is increasing. These students are exhibiting many needs that schools have not had to address in the past. The population in the school reflect similar problems observed in the general population at large.

B. STRATEGIES:

- 85% of students with disabilities will receive their special instruction and services in Federal Settings I & II (more than 60% of their time spent in the regular classroom) during F.Y. 1998-99.
- More than 1,500 para-professional staff will receive training to learn and promote learning with the classroom teachers to better meet the instructional needs of individuals with disabilities in inclusive programs.
- Regular education and special education teachers will receive training in developing and building collaborative classrooms to more effectively meet the academic, social and cultural needs of students with disabilities.
- Address training needs of regular and special education staff through the development and implementation of a statewide comprehensive system of personnel development which includes preservice and in-service opportunities. This will improve skills for working in regular and special education settings with individuals with disabilities with more complex needs. Specific training will include:
 - Multilingual issues in special education, due process rights and procedures;
 - Special education requirements for school board members;
 - Training bus drivers on requirements for transporting students with disabilities;
 - Assure that teachers of students who are deaf have American Sign Language skills;
 - Work with new directors of special education on administrative issues and procedures;
 - Work with teams of regular and special educators in collaborating to meet the needs of students with disabilities and particularly those with emotional behavioral disorders; and
 - Assist charter schools in meeting special education service requirements.
- Assure that all learning environments for students with disabilities afford these learners and their families efficient access to programs and services from state agencies and their local counterparts.
- Increase collaboration with other agencies to reduce and/or eliminate the duplication of services and to assure the agency best equipped to provide the needed service and support the child and the family is involved.
- The MDCFL has identified instructional systems which districts could utilize which provide greater flexibility. Some districts have not taken advantage of this opportunity. The MDE will actively encourage all districts not availing themselves of such options to do so.

- Prevention of problems is a cost effective approach. Districts will be encouraged to consider alternate models which provide flexibility in terms of how special education services can be delivered.
- Because some students have needs which require significantly higher expenditures the fiscal safety net for excess cost aid should be increased.
- The state must continue to provide aid to address the needs of learners with disabilities in a manner which is fair and equitable. Certain districts have higher special education costs because families with children having complex special education needs frequently move to these districts to gain access to those programs and services. Aid formulas need to be adjusted to improve equity in funding.
- The state recognizes that the special education needs of children must be addressed effectively and efficiently. The state also recognizes that it must provide revenue to assure appropriate services. In a time when available revenue is increasing at a slower rate than in previous years, mechanisms need to be put into place which also control the growth of spending for programs. Such a strategy does not mean that services to students are negatively impacted. It does mean that ways must be found for districts to address students' needs differently.

GOVERNOR'S RECOMMENDATION:

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

1. Beginning in F.Y. 1999, roll the special programs transportation revenue into the special education-regular program.
2. Increase the state total special education-regular revenue from the F.Y. 1997 level of \$347,810 to \$358,542 for F.Y. 1998 and to \$435,322 for F.Y. 1999.
3. Beginning in F.Y. 1998, adjust the special education base revenue for school districts operating a special education program during the base year for less than the full school year to reflect the expenditures that would have occurred had the program been operated for the full school year.
4. Beginning in F.Y. 1997, replace the special education tuition revenue and special education court placement revenue with an adjustment in the special education - excess cost formula (see program 0204) to aid districts with rapidly growing costs between the base year and the current year.

The Governor recommends an aid entitlement of \$286,846 for F.Y. 1998 and \$391,797 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$282,508 in F.Y. 1998 (\$24,346 for F.Y. 1997 and \$258,162 for F.Y. 1998), and \$381,302 in F.Y. 1999 (\$28,684 for F.Y. 1998 and \$352,618 for F.Y. 1999).

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR
(Continuation)

TABLE 2-2
UNDUPLICATED CHILD COUNT
STUDENTS WITH DISABILITIES BY AGE AND DISABILITY
December 1, 1995

DISABILITIES	AGE	ACTUAL F.Y. 1989	ACTUAL F.Y. 1990	ACTUAL F.Y.1991	ACTUAL F.Y.1992	ACTUAL F.Y.1993	ACTUAL F.Y.1994	ACTUAL F.Y.1995	ACTUAL F.Y.1996	ACTUAL F.Y.1997	ESTIMATED F.Y.1998	ESTIMATED F.Y.1999
Child Count Date		12/87	12/88	12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97
1. Speech Language Impaired	0-2	79	150	156	140	183	187	167	192	249	299	350
	3-5	3,916	3,235	2,942	2,785	2,894	3,032	3,246	3,583	3,628	3,728	3,828
	6-11	12,204	12,234	12,018	11,425	11,581	11,579	11,792	12,224	12,936	13,300	13,600
	12-+21	1,557	1,495	1,490	1,400	1,561	1,638	1,699	1,805	1,913	2,100	2,200
Total		17,756	17,114	16,606	15,750	16,219	16,436	16,904	17,804	18,726	19,427	19,978
2. Mild-Moderate Mentally Impaired	0-2	55	31	1	0	2	6	2	4	4	4	4
	3-5	256	144	104	78	90	84	104	149	138	150	160
	6-11	3,021	3,015	3,103	3,038	3,157	3,209	3,206	3,206	3,242	3,262	3,282
	12-+21	4,460	4,235	4,010	3,794	3,839	3,909	3,959	4,150	4,327	4,347	4,367
Total		7,792	7,425	7,218	6,910	7,088	7,208	7,271	7,509	7,711	7,763	7,813
3. Moderate-Severe Mentally Impaired	0-2	22	11	16	10	6	2	1	1	1	1	1
	3-5	180	159	108	101	99	74	59	81	62	66	70
	6-11	1,110	1,062	1,035	997	1,025	961	903	903	940	943	949
	12-+21	2,092	1,973	1,961	1,868	1,795	1,704	1,650	1,646	1,757	1,767	1,787
Total		3,404	3,205	3,120	2,976	2,925	2,741	2,613	2,631	2,760	2,777	2,807
4. Physically Impaired	0-2	46	41	42	46	18	10	20	22	12	20	22
	3-5	197	155	104	111	98	83	94	75	91	97	100
	6-11	666	700	665	706	702	697	714	738	723	725	730
	12-+21	416	459	520	470	523	491	530	597	657	677	687
Total		1,325	1,355	1,331	1,333	1,341	1,281	1,358	1,432	1,483	1,519	1,539
5. Hearing Impaired	0-2	58	57	60	40	42	40	33	31	32	34	36
	3-5	153	149	177	158	167	175	170	139	126	130	134
	6-11	603	666	691	675	678	696	783	865	858	868	874
	12-+21	506	510	518	544	553	599	620	742	827	837	845
Total		1,320	1,382	1,446	1,417	1,440	1,510	1,606	1,772	1,843	1,869	1,889

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PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-2 (continued)
 UNDUPLICATED CHILD COUNT
 STUDENTS WITH DISABILITIES BY AGE AND DISABILITY
 Dember 1, 1995

DISABILITIES	AGE	ACTUAL F.Y. 1989	ACTUAL F.Y. 1990	ACTUAL F.Y. 1991	ACTUAL F.Y. 1992	ACTUAL F.Y. 1993	ACTUAL F.Y. 1994	ACTUAL F.Y. 1995	ACTUAL F.Y. 1996	ACTUAL F.Y. 1997	ESTIMATED F.Y. 1998	ESTIMATED F.Y. 1999
Child Count Date		12/87	12/88	12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97
6. Visually Impaired	0-2	17	13	15	23	16	16	17	20	12	14	16
	3-5	45	40	34	26	29	31	36	29	33	35	37
	6-11	141	152	161	166	164	150	142	160	169	175	180
	12-+21	137	161	127	128	132	142	156	204	208	212	216
Total		340	366	337	343	344	339	351	413	422	436	449
7. Specific Learning Disabilities	0-2	5	2	4	4	6	3	3	7	19	0	0
	3-5	15	3	2	74	86	75	59	121	70	70	70
	6-11	16,403	16,042	14,854 ⁽¹⁾	14,314	14,342	14,614	15,414	16,515	17,078	17,578	18,078
	12-+21	19,271	18,671	18,037	17,510	17,457	18,097	18,710	19,855	20,758	20,958	21,158
Total		35,694	34,718	32,897	31,902	31,891	32,789	34,186	36,498	37,925	38,606	39,306
8. Emotional Behavior Disorder	0-2	1	2	1	3	2	1	3	10	9	0	0
	3-5	116	88	70	73	67	83	99	102	109	115	125
	6-11	2,837	3,151	3,585	3,985	4,369	4,725	5,102	5,425	5,538	5,738	5,938
	12-+21	7,200	7,442	7,660	8,185	8,525	9,129	10,055	10,810	11,235	11,535	12,035
Total		10,154	10,683	11,316	12,246	12,963	13,938	15,259	16,347	16,891	17,388	18,098
9. Autistic	0-2	1	3	0	5	0	1	4	1	2	0	0
	3-5	27	20	20	15	20	34	29	57	60	65	70
	6-11	70	82	82	82	133	193	262	310	408	458	508
	12-+21	65	67	74	87	98	103	139	183	256	306	356
Total		163	172	179	189	251	331	434	551	726	829	934
10. Deaf and Blind	0-2	4	1	1	0	0	1	1	0	0	1	1
	3-5	2	7	5	5	2	3	0	1	2	3	3
	6-11	10	12	9	5	11	10	12	9	9	10	10
	12-+21	7	9	6	4	4	4	9	10	12	12	12
Total												

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-2 (continued)
 UNDUPLICATED CHILD COUNT
 STUDENTS WITH DISABILITIES BY AGE AND DISABILITY
 December 1, 1995

DISABILITIES	AGE	ACTUAL F.Y. 1989	ACTUAL F.Y. 1990	ACTUAL F.Y.1991	ACTUAL F.Y.1992	ACTUAL F.Y.1993	ACTUAL F.Y.1994	ACTUAL F.Y.1995	ACTUAL F.Y.1996	ACTUAL F.Y.1997	ESTIMATED F.Y.1998	ESTIMATED F.Y.1999
Child Count Date		12/87	12/88	12/89	12/90	12/91	12/92	12/93	12/94	12/95	12/96	12/97
11. Other Health Impaired	0-2	17	18	10	8	2	5	5	4	4	4	4
	3-5	58	36	32	25	42	47	65	95	84	90	95
	6-11	215	207	270	357	463	690	1,028	1,461	1,893	2,093	2,293
	12-+21	185	171	195	251	333	551	866	1,291	1,632	1,832	2,032
Total												
12. Brain Injured ⁽²⁾	0-2						0 ⁽²⁾	0	2	0	0	0
	3-5						0	10	3	6	9	12
	6-11						21	27	37	54	64	70
	12-+21						27	49	72	101	120	130
Total							48	86	114	161	193	212
13. Early Childhood Special Education*	0-2	539	1,195	1,465	1,603	1,922	2,081	2,180	2,273	2,275	2,300	2,340
	3-5	3,684	4,289	4,800	5,186 ⁽³⁾	5,400	3,912	2,313	6,323	6,372	6,400	6,440
	6-11	368	195	119								
	12-+21											
Total		4,591	5,679	3,684	6,789	7,322	7,993	8,493	8,596	8,647	8,700	8,780
Totals of All	0-2	844	1,524	1,771	1,882	2,199	2,353	2,436	2,567	2,619	2,677	2,774
	3-5	8,934	8,443	8,495	8,637	8,994	9,633	10,284	10,758	10,781	10,958	11,144
	6-11	37,648	37,509	36,595	35,750	36,625	37,545	39,385	41,853	43,848	45,214	46,512
	12-+21	35,898	35,171	34,595	34,241	34,820	36,399	38,446	41,369	43,683	44,703	45,825
Total		83,324	82,647	81,456	80,510	82,638	85,930	90,551	96,542	100,931	103,552	106,255

* F.Y. 1988 was the first year for this category

⁽¹⁾ First year for state criteria

⁽²⁾ F.Y. 1994 was the first year that data was collected for this disability classification.

⁽³⁾ Beginning in F.Y. 1992, students age 6 and over must be classified under a specific disability.

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR
(Continuation)

TABLE 2-3
UNDULICATED CHILD COUNT BY AGE AND DISABILITY
December 1, 1995

AGE AS OF SEPT 1	SPEECH/ LANG IM- PAIRED	MILD MODER HDCPD	MODER SEVERE MEN HDCPD	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
0	4	2	0	3	5	3	7	2	0	1	0	0	345	372
1	38	1	0	7	10	3	6	6	0	3	0	0	712	786
2	207	1	1	2	17	6	6	1	0	0	2	0	1,218	1,461
3	550	1	2	11	22	13	0	2	1	8	6	1	1,772	2,389
4	1,100	12	10	17	46	9	6	11	1	12	8	0	2,658	3,890
5	1,978	125	50	63	58	11	64	96	0	64	46	5	1,942	4,502
6	2,765	420	155	104	97	24	908	321	1	213	92	7	0	5,107
7	2,305	554	117	120	152	28	1,834	625	2	310	76	7	0	6,130
8	2,370	492	160	122	150	24	2,837	840	2	308	64	8	0	7,378
9	2,425	585	162	144	162	27	3,593	1,152	2	357	63	12	0	8,684
10	1,890	609	178	120	143	34	3,973	1,300	2	365	63	13	0	8,690
11	1,181	582	168	113	154	32	3,933	1,300	0	340	49	7	0	7,859
12	707	645	177	125	145	29	3,743	1,503	3	302	64	13	0	7,456
13	423	622	170	113	144	33	3,829	1,795	2	306	41	10	0	7,488
14	306	616	177	87	132	35	3,381	2,063	1	270	34	13	0	7,115
15	186	606	182	91	111	37	3,284	2,105	3	275	27	20	0	6,927
16	148	508	201	90	106	30	2,796	1,789	1	204	30	13	0	5,916
17	94	502	173	75	108	24	2,440	1,322	0	168	25	16	0	4,947
18	37	383	215	34	52	6	1,006	473	1	74	14	9	0	2,304
19	8	212	149	21	18	6	193	116	0	18	7	2	0	750
20	2	143	155	12	6	5	66	49	1	10	5	1	0	455
21	2	90	158	9	5	3	19	20	0	5	9	4	0	324
+21	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Totals														
0-2	249	4	1	12	32	12	19	9	0	4	2	0	2,275	2,619
3-5	3,628	138	62	91	126	33	70	109	2	84	60	6	6,372	10,781
6-11	12,936	3,242	940	723	858	169	17,078	5,538	9	1,893	408	54	0	43,848
12-17	1,864	3,499	1,080	581	746	188	19,473	10,577	10	1,525	221	85	0	39,849
18-21	49	828	677	76	81	20	1,284	658	2	107	35	16	0	3,833
0-21	18,726	7,711	2,760	1,483	1,843	422	37,924	16,891	23	3,613	726	161	8,647	100,930
+21	0	0	0	0	0	0	1	0	0	0	0	0	0	1

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PROGRAM: 02 Special Programs
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0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-4
 UNDUPLICATED CHILD COUNT PERCENT OF STUDENT
 WITH HANDICAPS BY DISABILITY
 December 1, 1995

AGE AS OF SEPT 1	SPEECH/ LANG IM- PAIRED	MILD MODER HDCPD	MODER SEVERE MEN HDCPD	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
0	0.004	0.002	0.000	0.003	0.005	0.003	0.008	0.002	0.000	0.001	0.000	0.000	0.343	0.371
1	0.039	0.001	0.000	0.007	0.010	0.003	0.006	0.006	0.000	0.003	0.000	0.000	0.705	0.780
2	0.205	0.001	0.001	0.002	0.017	0.006	0.006	0.002	0.000	0.000	0.002	0.000	1.206	1.448
3	0.545	0.001	0.002	0.011	0.022	0.013	0.000	0.002	0.001	0.008	0.006	0.001	1.758	2.369
4	1.090	0.011	0.010	0.017	0.046	0.009	0.006	0.011	0.001	0.012	0.009	0.000	2.630	3.851
5	1.960	0.125	0.050	0.062	0.057	0.011	0.063	0.095	0.000	0.063	0.045	0.005	1.925	4.461
6	2.741	0.415	0.154	0.103	0.096	0.024	0.899	0.032	0.001	0.211	0.091	0.007	0.000	5.060
7	2.278	0.549	0.116	0.119	0.151	0.028	1.817	0.620	0.002	0.307	0.075	0.007	0.000	6.068
8	2.351	0.486	0.159	0.121	0.149	0.023	2.811	0.832	0.002	0.305	0.064	0.008	0.000	7.311
9	2.402	0.579	0.161	0.143	0.161	0.028	3.559	1.142	0.002	0.354	0.062	0.012	0.000	8.603
10	1.876	0.602	0.176	0.119	0.142	0.034	3.935	1.288	0.002	0.362	0.062	0.013	0.000	8.611
11	1.170	0.579	0.166	0.112	0.153	0.032	3.899	1.287	0.000	0.337	0.049	0.007	0.000	7.789
12	0.700	0.639	0.175	0.124	0.144	0.029	3.707	1.486	0.003	0.299	0.063	0.013	0.000	7.383
13	0.419	0.616	0.169	0.111	0.144	0.032	3.793	1.778	0.002	0.303	0.041	0.010	0.000	7.418
14	0.304	0.610	0.175	0.087	0.130	0.035	3.349	2.044	0.002	0.268	0.034	0.013	0.000	7.050
15	0.184	0.601	0.180	0.090	0.110	0.037	3.253	2.092	0.003	0.272	0.027	0.020	0.000	6.869
16	0.146	0.502	0.198	0.089	0.105	0.030	2.771	1.767	0.001	0.202	0.030	0.013	0.000	5.853
17	0.094	0.498	0.171	0.074	0.107	0.024	2.418	1.312	0.000	0.166	0.250	0.016	0.000	4.906
18	0.037	0.379	0.213	0.034	0.052	0.006	0.997	0.468	0.001	0.073	0.014	0.009	0.000	2.282
19	0.008	0.209	0.148	0.021	0.018	0.006	0.191	0.116	0.000	0.018	0.007	0.002	0.000	0.743
20	0.002	0.141	0.155	0.012	0.006	0.005	0.065	0.049	0.001	0.010	0.005	0.001	0.000	0.451
21	0.002	0.090	0.156	0.009	0.005	0.003	0.020	0.020	0.000	0.005	0.009	0.004	0.000	0.322
+21	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.001
Totals														
0-2	0.248	0.004	0.001	0.012	0.032	0.012	0.020	0.010	0.000	0.004	0.002	0.000	2.254	2.598
3-5	3.594	0.137	0.061	0.090	0.125	0.033	0.069	0.108	0.002	0.083	0.059	0.006	6.313	10.681
6-11	12.818	3.210	0.931	0.716	0.850	0.167	16.919	5.488	0.009	1.876	0.404	0.054	0.000	43.442
12-17	1.848	3.468	1.070	0.576	0.739	0.185	19.291	10.478	0.011	1.511	0.219	0.084	0.000	39.480
0-21	18.556	7.638	2.735	1.469	1.826	0.417	37.573	16.736	0.024	3.580	0.719	0.160	8.567	99.999
+21	0.000	0.000	0.000	0.000	0.000	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.001

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PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-5
 UNDUPLICATED CHILD COUNT PERCENT OF SCHOOL AGE CHILDREN
 WITH DISABILITIES TO TOTAL SCHOOL POPULATION
 December 1, 1995

AGE AS OF SEPT 1	SPEECH/ LANG IM- PAIRED	MILD MODER HDCDP	MODER SEVERE MEN HDCDP	PHYSI- CALLY HDCDP	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
0	0.000	0.000	0.000	0.000	0.001	0.000	0.001	0.000	0.000	0.000	0.000	0.000	0.038	0.041
1	0.004	0.000	0.000	0.001	0.001	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.077	0.085
2	0.022	0.000	0.000	0.000	0.002	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.132	0.158
3	0.060	0.000	0.000	0.001	0.002	0.001	0.000	0.000	0.000	0.001	0.001	0.000	0.192	0.259
4	0.119	0.001	0.001	0.002	0.005	0.001	0.001	0.001	0.000	0.001	0.001	0.000	0.288	0.422
5	0.215	0.014	0.005	0.007	0.006	0.001	0.007	0.010	0.000	0.007	0.005	0.001	0.211	0.488
6	0.300	0.045	0.017	0.011	0.011	0.003	0.098	0.035	0.000	0.023	0.010	0.001	0.000	0.554
7	0.249	0.060	0.013	0.013	0.016	0.003	0.199	0.068	0.000	0.034	0.008	0.001	0.000	0.664
8	0.257	0.053	0.017	0.013	0.016	0.002	0.308	0.091	0.000	0.033	0.007	0.001	0.000	0.800
9	0.263	0.063	0.018	0.016	0.018	0.003	0.390	0.125	0.000	0.039	0.007	0.001	0.000	0.942
10	0.205	0.066	0.019	0.013	0.016	0.004	0.431	0.141	0.000	0.040	0.007	0.001	0.000	0.943
11	0.128	0.063	0.018	0.012	0.017	0.003	0.427	0.141	0.000	0.037	0.005	0.001	0.000	0.853
12	0.077	0.070	0.019	0.014	0.016	0.003	0.406	0.163	0.000	0.033	0.007	0.001	0.000	0.808
13	0.046	0.067	0.019	0.012	0.016	0.003	0.415	0.195	0.000	0.033	0.004	0.001	0.000	0.812
14	0.033	0.067	0.019	0.010	0.014	0.004	0.367	0.224	0.000	0.029	0.004	0.001	0.000	0.772
15	0.020	0.066	0.020	0.010	0.012	0.004	0.356	0.229	0.000	0.030	0.003	0.002	0.000	0.752
16	0.016	0.055	0.022	0.010	0.011	0.003	0.303	0.193	0.000	0.022	0.003	0.001	0.000	0.641
17	0.010	0.055	0.019	0.008	0.012	0.003	0.265	0.144	0.000	0.018	0.003	0.002	0.000	0.537
18	0.004	0.042	0.023	0.004	0.006	0.001	0.109	0.051	0.000	0.008	0.002	0.001	0.000	0.250
19	0.001	0.023	0.016	0.002	0.002	0.001	0.021	0.013	0.000	0.002	0.001	0.000	0.000	0.081
20	0.000	0.015	0.017	0.001	0.001	0.001	0.007	0.005	0.000	0.001	0.001	0.000	0.000	0.049
21	0.000	0.010	0.017	0.001	0.001	0.000	0.002	0.002	0.000	0.001	0.001	0.000	0.000	0.035
Totals														
0-2	0.027	0.000	0.000	0.001	0.003	0.001	0.002	0.001	0.000	0.000	0.000	0.000	0.247	0.284
3-5	0.393	0.015	0.007	0.010	0.014	0.004	0.008	0.012	0.000	0.009	0.007	0.001	0.691	1.169
6-11	1.403	0.351	0.102	0.078	0.093	0.180	1.852	0.601	0.001	0.205	0.044	0.006	0.000	4.756
12-17	0.202	0.380	0.117	0.063	0.081	0.020	2.112	1.147	0.001	0.165	0.024	0.009	0.000	4.322
0-21	2.031	0.836	0.299	0.161	0.200	0.046	4.113	1.832	0.003	0.392	0.079	0.017	0.938	10.947
+21	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-6
 UNDUPLICATED CHILD COUNT BY EDUCATIONAL SETTINGS
 December 1, 1995

AGE AS OF SEPT 1	SPEECH/ LANG IM- PAIRED	MILD MODER HDCPD	MODER SEVERE MEN HDCPD	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
Setting: Regular Class														
0-5	2,351	65	12	52	43	16	53	63	0	49	21	3	1,857	3,937
6-11	12,216	1,161	137	522	578	133	13,057	3,546	7	1,399	170	34	0	28,262
12-+21	1,672	768	67	400	474	136	14,137	4,953	1	1,096	43	44	0	19,431
Totals	16,239	1,994	216	974	1,095	285	27,247	8,562	8	2,544	234	81	1,857	51,630
Setting: Resource Room, Half-Time or More														
0-5	445	55	17	21	31	8	25	23	0	21	12	2	1,950	1,199
6-11	548	1,633	215	146	107	14	3,629	852	0	392	108	13	0	8,349
12-+21	212	2,007	235	168	111	21	5,672	2,609	2	409	64	22	0	11,738
Totals	1,205	3,695	467	335	249	43	9,326	3,484	2	822	184	37	1,950	21,286
Setting: Separate Class														
0-5	554	12	24	13	43	8	0	20	2	7	17	0	2,354	3,789
6-11	89	417	478	34	90	4	312	744	1	82	126	3	0	2,077
12-+21	16	1,194	1,147	54	69	6	573	1,171	3	76	130	26	0	3,955
Total	659	1,623	1,649	101	202	18	885	1,935	6	165	273	29	2,354	9,821
Setting: Public Separate Day School														
0-5	175	4	10	14	24	5	7	6	0	9	11	0	1,509	1,573
6-11	66	27	95	13	20	0	63	264	0	12	4	2	0	474
12-+21	6	314	285	26	69	9	271	1,645	1	31	17	5	0	2,160
Total	247	345	390	53	123	14	341	1,915	1	52	32	7	1,509	4,207

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-6 (continued)
 UNDUPLICATED CHILD COUNT BY EDUCATIONAL SETTINGS
 December 1, 1995

AGE AS OF SEPT 1	SPEECH/ LANG IM- PAIRED	MILD MODER HDCPD	MODER SEVERE MEN HDCDP	PHYSI- CALLY HDCPD	HEARING IMPAIRED	VISUALLY IMPAIRED	SPECIFIC LEARN DISABIL	EMOTION BEHAVIOR DISORDER	DEAF BLIND	OTHER HEALTH IMPAIRED	AUTISTIC	BRAIN INJURED	EARLY CHILD SPEC ED	TOTAL
Setting: Private Separate Day School														
0-5	8	0	0	0	0	0	0	3	0	0	0	1	4	36
6-11	7	1	1	2	0	0	8	64	0	0	0	0	0	72
12-+21	2	8	4	5	2	1	20	202	1	3	1	0	0	265
Total	17	9	5	7	2	1	28	269	1	3	1	1	4	373
Setting: Public Residential School Facility														
0-5	1	5	0	0	5	0	1	1	0	0	0	0	2	11
6-11	0	0	0	0	52	16	0	27	0	0	0	0	0	63
12-+21	0	13	2	0	102	35	34	348	4	2	0	1	0	578
Totals	1	18	2	0	159	51	35	376	4	2	0	1	2	652
Setting: Private Residential School Facility														
0-5	259	0	0	2	4	1	3	2	0	0	0	0	109	23
6-11	5	1	1	0	1	0	2	28	0	2	0	0	0	50
12-+21	4	18	1	0	0	0	34	225	0	3	0	1	0	169
Total	268	19	2	0	5	1	39	255	0	5	0	1	109	242
Setting: Hospital or Homebound														
0-5	84	1	0	3	8	7	0	0	0	2	1	0	862	2,152
6-11	5	2	13	6	0	2	7	13	1	6	0	2	0	38
12-+21	1	5	16	4	0	0	17	82	0	12	1	2	0	150
Total	90	8	29	13	8	9	24	95	1	20	2	4	862	2,340
Total Students Served														
0-5	3,413	106	60	114	203	53	62	102	1	7	33	10	8,493	12,720
6-11	11,792	3,206	903	714	783	142	15,414	5,102	12	1,028	262	27	0	39,385
12-+21	1,699	3,961	1,651	531	620	156	18,710	10,055	9	866	139	49	0	38,446
Totals	16,904	7,273	2,614	1,359	1,606	351	34,186	15,259	22	1,964	434	86	8,493	90,547

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-7
FULL-TIME EQUIVALENT (FTE STAFF)
BY DISABILITY, BY FUNDING SOURCE
(INCLUDES EMPLOYED AND CONTRACTED STAFF)

	Actual F.Y. 1993	Actual F.Y. 1994	Actual F.Y. 1995	Estimated F.Y. 1996	Estimated F.Y. 1997	F.Y. 1998	F.Y. 1999
DISABILITY							
1. Speech Language Impaired							
State	1,170	1,224	1,256	1,275	1,476	1,549	1,626
Federal	36	21	34	47	50	52	54
Total	1,206	1,245	1,290	1,322	1,526	1,601	1,680
2. Mild-Moderate Mentally Impaired							
State	1,699	1,863	2,016	2,169	2,190	2,299	2,413
Federal	32	24	56	79	84	85	87
Total	1,731	1,887	2,072	2,248	2,274	2,384	2,500
3. Moderate-Severe Mentally Impaired							
State	1,852	1,953	2,062	2,118	2,150	2,257	2,369
Federal	22	16	54	106	110	112	114
Total	1,874	1,969	2,116	2,224	2,260	2,369	2,483
4. Physically Impaired							
State	553	551	558	539	549	576	605
Federal	17	12	28	58	60	62	64
Total	550	563	586	597	609	638	669
5. Hearing Impaired							
State	420	492	518	542	550	577	606
Federal	22	20	45	53	56	58	58
Total	442	512	563	595	606	635	664
6. Visually Impaired							
State	92	114	119	117	120	126	132
Federal	3	3	18	20	22	24	26
Total	95	117	137	137	142	150	158
7. Specific Learning Diasability							
State	2,916	2,968	3,206	3,328	3,358	3,525	3,701
Federal	32	30	54	148	155	158	160
Total	2,948	2,998	3,260	3,476	3,513	3,683	3,861

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-7
 FULL-TIME EQUIVALENT (FTE STAFF)
 BY DISABILITY, BY FUNDING SOURCE
 (INCLUDES EMPLOYED AND CONTRACTED STAFF)

	Actual F.Y. 1993	Actual F.Y. 1994	Estimated F.Y. 1995	Estimated F.Y. 1996	Estimated F.Y. 1997	F.Y. 1998	F.Y. 1999
8. Autistic							
State	119	117	145	175	200	210	220
Federal	19	30	40	38	38	40	40
Total	138	147	185	213	238	250	260
9. Emotional Behavior Disorder							
State	2,809	3,316	3,788	4,060	4,466	4,689	4,923
Federal	56	70	152	113	115	117	119
Total	2,865	3,386	3,940	4,173	4,581	4,806	5,042
10. Other Health Impaired							
State	62	72	91	104	119	124	130
Federal	2	2	5	7	7	9	10
Total	64	74	96	111	126	133	140
11. Early Childhood Special Education							
State	1,073	1,140	1,202	1,212	1,242	1,304	1,369
Federal	113	123	230	256	260	265	270
Total	1,186	1,263	1,432	1,468	1,502	1,569	1,639
12. Brain Injured							
State	0	7	6	5	20	23	24
Federal	0	0	0	0	1	1	1
Total	0	7	6	5	21	24	25
13. Other Essential Personnel							
a. Directors/Assistants							
Directors/Supervisors							
State	167	46	52	54	54	57	59
Federal	23	83	100	104	106	108	110
Total	190	129	152	158	170	165	169
b. Social Workers/Aides							
State	541	588	631	658	678	711	746
Federal	14	12	24	29	20	32	34
Total	555	600	655	687	708	743	780
c. Psychologists							
State	392	432	441	451	471	494	518
Federal	49	34	49	44	44	46	48
Total	441	466	490	495	515	540	566

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids
 0201 SPECIAL EDUCATION - REGULAR
 (Continuation)

TABLE 2-7
 FULL-TIME EQUIVALENT (FTE STAFF)
 BY DISABILITY, BY FUNDING SOURCE
 (INCLUDES EMPLOYED AND CONTRACTED STAFF)

	Actual F.Y. 1993	Actual F.Y. 1994	Estimated F.Y. 1995	Estimated F.Y. 1996	Estimated F.Y. 1997	F.Y. 1998	F.Y. 1999
d. Adapt. Phy. Ed.							
State	281	298	313	322	332	348	365
Federal	19	11	9	12	12	15	17
Total	300	309	332	334	344	363	382
e. Occupational Therapy							
State	259	292	316	329	341	358	375
Federal	52	34	39	43	44	47	50
Total	311	326	355	372	385	405	425
f. Physical Therapy							
State	92	100	105	103	110	115	120
Federal	16	11	11	12	12	14	15
Total	108	111	116	115	122	129	135
g. Other							
State	338	351	460	530	550	577	605
Federal	299	335	348	371	380	390	395
Total	637	386	808	901	930	967	1,000
Other Essential Personnel							
Subtotal							
State	2,070	2,107	2,318	2,447	2,536	2,660	2,788
Federal	472	520	580	615	628	652	669
Total	2,542	2,627	2,898	3,062	3,164	3,312	3,457
State Totals(*)							
State	14,815	15,924	17,285	18,091	18,976	19,919	20,906
Federal	826	871	1,296	1,540	1,586	1,635	1,672
Total	15,641	16,795	18,581	19,631	20,562	21,554	22,578

(*) FTE staff are not included in Table 2-7 for programs participating in alternative funding which accounts for differences between Table 2-7 and 2-1.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0201: SPECIAL EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	196,728	243,484	281,221	318,215
2. Statutory Excess / (Shortfall)	(20)	(17)	(457)	(1,139)
3. Appropriated Entitlement	196,708	243,467	280,764	317,076
4. Adjustments				
a. Excess Funds Transferred In / (Out)	20	33	0	(288)
b. Transfer Out to Special Pupil		(113)		
5. Current Law Aid	196,728	243,387	280,764	316,788
6. Excess / (Shortfall) After Adjustments	0	(97)		
7. Current Law Levy	131,118	104,326	70,291	35,350
8. Current Law Funding: Aid & Levy	327,846	347,713	351,055	352,138

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)			280,764	316,788
a. Eliminate Current Law Transfer			0	288
b. Eliminate Aid Proration			457	1,139
c. Add Special Transportation to Special Education Formula			0	60,726
d. Add 2% Growth Factor			5,625	12,856
Recommended Aid Entitlement			286,846	391,797

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)			70,291	35,350
a. Other Policy Changes			1,405	1,428
b. Add Special Transportation to Special Education Formula			0	6,747
Recommended Levy			71,696	43,525

TOTAL RECOMMENDED FUNDING: AID & LEVY (Governor's Rec. for Revenue Target)

358,542	435,322
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APPROPRIATIONS BASIS: (a)

Prior Year	28,230	29,506	24,346	28,684
Current Year	167,202	206,834	258,162	352,618
Current Year Adj. to 90%, per M.S. 124.904		12,174		
Subtotal before Transfers	195,432	248,514	282,508	381,302
Transfers per M.S. 124.14, subd. 7	20	33		
Total State General Funds	195,452	248,547	282,508	381,302

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 03 Special Education - Special Pupil
AGENCY: Children, Families & Learning Aids

0202 SPECIAL EDUCATION - SPECIAL PUPIL

CITATION: M.S. 124.32, Subd. 6
MDCFL ADMIN: 1303 Special Education
FEDERAL: None

PURPOSE:

To assure that individuals with disabilities who are placed in residential facilities receive a free and appropriate education regardless of economic and/or family status. Special pupils are those for whom no school district of residence can be determined because parental rights have been terminated by court order, parents cannot be located, and/or no other district of residence can be established.

The specific program objectives are the same as stated for Special Education-Regular (Program 0201). Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

DESCRIPTION:

Special Pupil Aid ensures school districts will recover the full education costs for individuals with disabilities residing in a public or private residential facility within the district's boundaries. This aid covers the remaining costs of educating these individuals after all other state aids have been deducted, including the general education basic revenue, special education aid, and any other aid earned on behalf of the pupil. The aid is paid as a reimbursement in the year following the year services are provided.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Pupils Served (WADM)	81.51	67.24	70.20	74.10	75.00
District Expenditures	\$728.9	\$735.4	\$790.8	\$859.8	\$932.3
Less State Aid Deductions	\$264.1	\$224.8	\$239.2	\$274.2	\$272.0
Special Pupil Aid	\$464.8	\$510.6	\$551.6	\$585.6	\$660.3

(\$ in 000s)	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$470.0	\$479.0	\$479.0	\$479.0
B. ENTITLEMENT CHANGES PER LAW				
District Program Expend	(\$16.0)	\$18.0	\$87.0	\$159.0
Change in State Aid Deduction	\$56.0	\$55.0	\$20.0	\$22.0
Appropriation Shortfall (Excess)			\$107.0	\$181.0
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$510.0	\$552.0	\$586.0	\$660.0

BUDGET ISSUES:

A. CHALLENGES:

- The number of learners living in unstable environments is increasing. The number of learners for whom parents cannot be located and no district of residence can be established is increasing. Many of these learners are users of drugs and alcohol and are potential candidates for residential care and treatment facilities, placing a strain on school district resources.

B. STRATEGIES:

- Assure that all learning environments for students with disabilities afford these learners and their families efficient access to programs and services from state agencies and their local counterparts.
- Increase collaboration with other agencies to reduce and/or eliminate the potential for duplication of services and to assure the agency best equipped to provide needed services and support for the learner and family is involved.
- Increase the "safety net" for schools so that increased funding will be provided for students needing high cost programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$586 for F.Y. 1998 and \$644 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0202: SPECIAL PUPIL

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	510	552	586	660
2. Statutory Excess / (Shortfall)	(40)	(73)	(107)	(181)
3. Appropriated Entitlement	470	479	479	479
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Transfer Between Years	40	(40)	107	(107)
c. Transfer In from Special Education (Program 0201)	0	113	0	288
5. Current Law Aid	510	552	586	660
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	510	552	586	660
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			586	660
a. Eliminate Aid Proration			107	181
b. Eliminate General Education Funding Caps			0	(16)
c. Eliminate Current Law Transfers			(107)	(181)
Recommended Aid Entitlement			586	644
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			586	644
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	510	552	586	644
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	510	552	586	644

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0203 SPECIAL EDUCATION - HOME-BASED TRAVEL

CITATION: M.S. 124.32, Subd. 2b

MDCFL ADMIN: 1303 Special Education

FEDERAL: 0319 Individuals with Disabilities (EHA, P.L. 101-476)
 0320 Preschool Incentive (Sec. 619)
 0421 Infants and Toddlers (Part H)

PURPOSE:

To assure that all individuals with disabilities, from birth through 4 years of age, have access to early childhood special education intervention services. Early childhood staff travel aid assures:

- early childhood special education programs include the child and the family;
- early childhood special education services are provided in the home and/or at center-based sites, whichever is appropriate, when the nature of a program serving young children requires staff travel to the child and family; and
- early intervention special education services are provided to assist individuals with disabilities and their parents in learning to understand the disability, to teach skills to compensate for the disability, to help discover and focus on the individual's abilities and to support the child and the family so the child can become as independent as possible.

DESCRIPTION:

Because special education services to individuals with disabilities are mandated begin at birth, by M.S. 120.17, the unique special instructional needs of preschool learners with disabilities require that services be available in a variety of settings, including the home and center-based sites. Home-Based Travel assures that direct special education service and/or parent training and consultation can take place in the home if that is the setting most appropriate for meeting the child's needs. The state aid provides school districts with one-half of actual expenditures for necessary travel of essential personnel providing home-based services to children under age 5 and their families.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Districts	382	365	358	358	358
Unduplicated Child Count (age 0-5)	13,325	13,403	13,587	13,772	13,965
Full-time Equivalent Staff Providing					
Services (state & federal)	1,311	1,320	1,329	1,338	1,347
District Expenditures	\$198.6	\$204.7	\$210.8	\$217.1	\$223.7
Aid Earned at 50%	\$99.3	\$102.3	\$105.4	\$108.6	\$111.8

BUDGET ISSUES:

A. CHALLENGES:

- Continue to provide appropriate special education and related services in the students' home environment by providing licensed special education staff to work with the parents and the child in that setting.

B. STRATEGIES:

- Continue to provide aid to districts which will permit the professional-parent partnership in the child's natural setting. This partnership will provide parent training and support as well as direct services to the child.
- Utilize federal funds for travel when needed.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$109 for F.Y. 1998 and \$112 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$107 in F.Y. 1998 (\$8 for F.Y. 1997 and \$99 for F.Y. 1998), and \$111 in F.Y. 1999 (\$10 for F.Y. 1998 and \$101 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0203: TRAVEL FOR HOME-BASED SERVICES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	102	105	109	112
2. Statutory Excess / (Shortfall)	(25)	(24)	(28)	(31)
3. Appropriated Entitlement	<u>77</u>	<u>81</u>	<u>81</u>	<u>81</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)	<u>25</u>	<u>6</u>		
5. Current Law Aid	102	87	81	81
6. Excess / (Shortfall) After Adjustments	0	(18)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>102</u>	<u>87</u>	<u>81</u>	<u>81</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			81	81
a. Eliminate Aid Proration			<u>28</u>	<u>31</u>
Recommended Aid Entitlement			109	112
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			109	112

APPROPRIATIONS BASIS: (a)

Prior Year	6	11	8	10
Current Year	66	69	99	101
Current Year Adj. to 90%, per M.S. 124.904		4		
Subtotal before Transfers	<u>72</u>	<u>84</u>	<u>107</u>	<u>111</u>
Transfers per M.S. 124.14, subd. 7	<u>25</u>	<u>6</u>		
Total State General Funds	97	90	107	111

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0204 SPECIAL EDUCATION - EXCESS COST
 CITATION: M.S. 124.323
 MDCFL ADMIN: 1203 Special Education
 FEDERAL: None

PURPOSE:

To provide supplemental special education funding to ensure that school districts with high unreimbursed special education costs are not required to subsidize special education costs excessively from general operating funds.

In small school districts, the unreimbursed costs of serving a few high cost students can have a severe impact on the district's general fund budget. High concentrations of special education students can create similar problems in larger school districts. The special education excess cost aid provides a safety net to mitigate the impact of unreimbursed special education costs on school district general fund budgets.

DESCRIPTION:

The Excess Cost aid replaces the residential aid as more and more students with disabilities are attending public school settings. Excess Cost aid assists school districts to bear the cost of students who have multiple needs for special education and related services. These funds are available to pay for the excess special education costs for students with disabilities who are in and out of the district. A district's excess cost revenue equals 70% of the difference between the district's unreimbursed special education cost unit and 5.7% of the district's general revenue (6.0% in F.Y. 1995 and F.Y. 1996). The excess cost aid equals the excess cost revenue times 60% for F.Y. 1996, 70% for F.Y. 1997, 80% for F.Y. 1998 and 90% for F.Y. 1999

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law F.Y. 1998	F.Y. 1999
FTE Staff	17,590.2	18,335.6	19,545.8	20,741.5	21,576.9
Salary Expenditures	\$461,040.0	\$480,576.0	\$512,295.0	\$543,634.0	\$565,531.0
Contracted Staff					
Expenditures	17,593.0	18,338.0	19,549.0	20,745.0	21,580.0
Contracted Student					
Expenditures	3,185.0	3,320.0	3,539.0	3,756.0	3,907.0
Supplies and Equipment					
Expenditures	8,233.2	8,581.9	9,148.0	9,707.1	10,099.5
Total Expenditures Regular + Summer	\$490,051.2	\$510,815.9	\$544,531.0	\$577,842.1	\$601,117.5
General Revenue	\$3,382,215.6	\$3,545,386.2	\$3,812,375.2	\$3,738,309.9	\$3,517,350.9
Sped & Billing Exp - Billing Rev	493,627.4	517,100.5	551,823.3	586,267.8	620,369.5
Special Ed Revenue (inc. summer)	328,782.0	334,998.1	351,538.5	351,511.3	353,565.0

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Gross Excess Cost	164,844.6	182,102.4	200,284.8	234,756.4	266,804.5
General Revenue Deduct	156,353.1	172,118.8	183,954.4	197,348.5	196,567.0
Net Excess Cost	8,491.5	9,983.6	16,330.4	37,407.9	70,237.5
Excess Cost Revenue	--	6,988.5	11,431.2	26,185.6	49,166.2
Aid Percentage Factor	--	60%	70%	80%	90%
Gross Excess Cost Aid	\$5,944.0	\$4,193.1	\$8,001.9	\$20,948.5	\$44,249.6
Proration Factor	1.0000	1.0000	1.0000	0.7201	0.3836
Prorated Excess Cost Aid	\$5,944.0	\$4,193.1	\$8,001.9	\$15,086.0	\$16,972.0
Excess Cost Levy Revenue	--	\$2,795.4	\$3,429.4	\$5,237.1	\$4,916.6

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$6,513.0	\$13,200.0	\$15,086.0	\$16,972.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Change in Special Education Cost	(994.0)	(5,245.0)	18,866.0	42,737.0
Change in Special Education Revenue	21.0	0.0	19.0	(1,419.0)
Change in General Ed Deduction	(2,893.0)	(2,181.0)	(11,557.0)	(11,010.0)
■ LEVY DECREASE (INCREASE):				
Change in Special Education Cost	397.0	1,573.0	(3,771.0)	(4,273.0)
Change in Special Education Revenue	(8.0)	1.0	(4.0)	142.0
Change in General Ed Deduction	1,157.0	654.0	2,311.0	1,101.0
■ APPROPRIATION SHORTFALL (EXCESS)			7,749.0	31,050.0
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	4,193.0	8,002.0	20,949.0	44,250.0

BUDGET ISSUES:

A. CHALLENGES:

- The number of students with disabilities who attend residential facilities are decreasing and those students are now being served by their own school districts. The districts are experiencing additional costs for special education services because of these students' participation in district operated programs.
- The number of services for each student with disabilities is increasing as more and more children with severe and profound needs enter the public school. The costs for providing special education services have increased for these students.
- Students with severe emotional and behavioral needs are being placed in local day treatment programs which have an education component operated by the school district. These additional costs for educating students with disabilities puts more pressure on the limited resources of the districts.

B. STRATEGIES:

- Continue to encourage local districts to provide appropriate special education services in the district to children with severe and profound needs by providing aid for the excess costs for students with disabilities.
- Continue to provide aids to maintain the students with special education needs as close to his/her home school as possible and to participate with peers and family in the community.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0204 SPECIAL EDUCATION - EXCESS COST
(Continuation)

- Increase excess cost funding to ensure that limitations on regular special education revenue and the transition to base year funding do not severely impact general fund budgets in school districts with rapidly growing special education costs.

GOVERNOR'S RECOMMENDATION:

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

1. Beginning in F.Y. 1999, include special programs transportation revenue and expenditures in the computation of special education-excess cost revenue.
2. Beginning in F.Y. 1997, replace the special education tuition revenue and special education court placement revenue with an adjustment in the special education - excess cost formula to aid districts with rapidly growing costs between the base year and the current year. Under the new excess cost formula, a district's excess cost revenue will equal the greater of: (a) the revenue under the current excess cost formula, or (b) 70 percent of the increase in the district's excess cost between the base year and the current year which exceeds 1.6 percent of the district's general revenue for the current year.

The Governor recommends an aid entitlement of \$17,816 for F.Y. 1998 and \$30,384 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$16,835 in F.Y. 1998 (\$800 for F.Y. 1997 and \$16,035 for F.Y. 1998), and \$29,127 in F.Y. 1999 (\$1,781 for F.Y. 1998 and \$27,346 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0204: SPECIAL EDUCATION - EXCESS COST

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	4,193	8,002	20,949	44,250
2. Statutory Excess / (Shortfall)	2,320	5,198	(5,863)	(27,278)
3. Appropriated Entitlement	6,513	13,200	15,086	16,972
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(2,320)	(4,678)		
b. Portion of Final 10% Not Requested		(520)		
5. Current Law Aid	4,193	8,002	15,086	16,972
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	2,795	3,429	5,237	4,917
8. Current Law Funding: Aid & Levy	6,988	11,431	20,323	21,889
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			15,086	16,972
a. Eliminate Aid Proration			5,863	27,278
b. Eliminate Funding Caps and Proration of Related Programs			(2,520)	(5,856)
c. Other Policy Changes			(613)	(8,010)
Recommended Aid Entitlement			17,816	30,384
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			5,237	4,917
a. Levy Change Associated with Aid Recommendations			(784)	(1,541)
Recommended Levy			4,453	3,376
TOTAL RECOMMENDED FUNDING: AID & LEVY			22,269	33,760

APPROPRIATIONS BASIS:(a)

Prior Year	760	976	800 (b)	1,781
Current Year	5,537	11,220	16,035	27,346
Current Year Adj. to 90%, per M.S. 124.904		660		
Subtotal before Transfers	6,297	12,856	16,835	29,127
Transfers per M.S. 124.14, subd. 7	(2,320)	(4,678)		
Total State General Funds	3,977	8,178	16,835	29,127

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$1,320 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0205 SPECIAL EDUCATION EQUALIZATION AID
 0206 SPECIAL EDUCATION LEVY SUMMARY

CITATION: M.S. 124.321
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide levy revenue to school districts to supplement categorical aids for special education, secondary vocational education for students with disabilities, and limited English proficiency programs, to assure that free appropriate educational services are provided to all eligible students with disabilities and limited English proficient students. The difference between state aid and the formula revenue is provided through an equalized levy and aid.

DESCRIPTION:

Special Education Equalization Revenue

A district's special education equalization revenue for a school district, excluding an intermediate school district, equals the sum of:

1. The sum of the district's Special Education - Regular, Limited English Proficiency, Secondary Vocational Disabled and Special Education Excess Cost revenues; times
2. The statutory levy percentage (40% for F.Y. 1996, 30% for F.Y. 1997, 20% for F.Y. 1998 and 10% for F.Y. 1999.)

The levy authority for staff employed by intermediate districts and cooperatives is allocated among the participating school districts and added to the school district's levy authority. School district estimates are used to compute the initial levy for each district. The levy is adjusted in the following year using revised estimates and 3 years later based on actual data.

Special Education Levy

To receive special education levy revenue, a district may levy an amount equal to the district's special education equalization revenue as defined above multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, by \$ 3,540.

Special Education Levy Equalization Aid

A district's special education levy equalization aid is the difference between its special education levy equalization revenue and its special education levy. If a district does not levy the entire amount permitted, special education levy equalization aid must be reduced in proportion to the actual amount levied.

In the event that the special education levy equalization aid for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Levy Authorized by Fiscal Year					
Special Education - Regular	\$109,482.0	\$131,118.3	\$104,325.7	\$70,290.5	\$35,350.1
Special Education - Summer	\$1,828.1	\$2,842.0	\$118.5	\$0.0	\$0.0
Limited English Proficiency	\$4,140.5	\$4,880.8	\$3,989.7	\$2,925.8	\$1,609.2
Secondary Vocational - Handicapped	\$3,370.2	\$3,408.0	\$2,649.0	\$1,784.8	\$897.6
Excess Cost	\$0.0	\$2,795.4	\$3,429.4	\$5,237.1	\$4,916.6
Subtotal Levy Equalization Revenue	\$118,820.9	\$145,044.5	\$115,512.3	\$80,238.2	\$42,773.5
Less Equalization Aid	(\$19,363.8)	(\$25,645.0)	(\$17,832.0)	(\$9,507.0)	(\$3,957.0)
Total Levy Authority	\$99,457.1	\$119,399.5	\$97,680.3	\$70,731.2	\$38,816.5

	Payable 1994	Payable 1995	Payable 1996	Payable 1997	Payable 1998
Certified Levy by Calendar Year					
Initial Levy Year	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Initial Levy Amount	\$84,584.9	\$133,954.2	\$92,528.8	\$67,549.4	\$3,816.5
Levy Adjustment Year	F.Y. 1992	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996
Levy Adjustment Amount	\$8,117.3	(\$368.6)	\$5,657.5	\$3,737.8	\$2,941.4
Levy Adjustment Year	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998
Levy Adjustment Amount	\$7,515.5	\$8,969.1	(\$18,083.4)	\$3,292.7	\$2,741.5
Levy Adjustment Certified	\$100,217.7	\$142,554.7	\$80,102.9	\$74,579.9	\$9,499.4

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT				
(Line 3 Fiscal Page	\$25,813.0	\$17,832.0	\$11,969.0	\$5,974.0
B. ENTITLEMENT CHANGES PER LAW				
■ LEVY DECREASE (INCREASE):				
Change in Total Levy Revenue	(\$213.6)	(\$105.5)	(\$2,462.0)	(\$2,017.0)
Change in Aid Share Due to Change in Tax Capacity and Pupil Cents	\$45.6	\$282.5	\$0.0	\$0.0
■ APPROPR SHORT FALL (EXCESS)			(\$2,462.0)	(\$2,017.0)
C. STATUTORY FORMULA AID				
(Line 1 Fiscal Page	\$25,645.0	\$18,009.0	\$9,507.0	\$3,957.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$10,224 for F.Y. 1998 and \$5,100 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$10,985 in F.Y. 1998 (\$1,783 for F.Y. 1997 and \$9,202 for F.Y. 1998), and \$5,612 in F.Y. 1999 (\$1,022 for F.Y. 1998 and \$4,590 for F.Y. 1999).

The Governor recommends the following modifications in the special education - levy equalization program for F.Y. 1999:

1. Increase the equalizing factor used in computing special education levy equalization aid from \$3,540 to \$3,672, to adjust for the change in pupil unit weights (see program 0101).
2. Discontinue the limited English proficiency levy and the associated levy equalization aid. This levy is rolled into the basic skills revenue and replaced with state aid (see program 0101).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0205: SPECIAL EDUCATION EQUALIZATION AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	25,645	18,009	9,507	3,957
2. Statutory Excess / (Shortfall)	168	(177)	2,462	2,017
3. Appropriated Entitlement	25,813	17,832	11,969	5,974
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(168)	44		
5. Current Law Aid	25,645	17,876	11,969	5,974
6. Excess / (Shortfall) After Adjustments	0	(133)		
7. Current Law Levy	(25,645)	(17,876)	(11,969)	(5,974)
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			11,969	5,974
a. Eliminate Excess			(2,462)	(2,017)
b. Eliminate General Education Funding Caps			486	494
c. Other Policy Changes			231	649
Recommended Aid Entitlement			10,224	5,100
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			(11,969)	(5,974)
a. Adjust for Change in Aid			1,745	874
Recommended Levy			(10,224)	(5,100)
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0

APPROPRIATIONS BASIS:(a)

Prior Year	2,584	3,872	1,783	1,022
Current Year	21,941	15,158	9,202	4,590
Current Year Adj. to 90%, per M.S. 124.904		891		
Subtotal before Transfers	24,525	19,921	10,985	5,612
Transfers per M.S. 124.14, subd. 7	(168)	44		
Total State General Funds	24,357	19,965	10,985	5,612

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids
 0207 SECONDARY VOCATIONAL - STUDENTS WITH DISABILITIES
CITATION: M.S. 124.574;
MDCFL ADMIN: 1305 Lifework Development
FEDERAL: 0327 Secondary Vocational

PURPOSE:

Provide vocational education programs and services to assist and support students with disabilities through the career decision-making process while developing skills, attitudes, and knowledge necessary for a successful transition into the workplace. The specific objectives are to:

- apply basic computational, comprehension, communication, scientific and problem-solving skills in relevant, realistic environments as prescribed in each student's individual education plan (IEP) goals and objectives;
- utilize results-oriented curriculum which may need to be modified to meet the needs of the student and which is relevant to the occupational choice of the student;
- gain experience in the use of technological equipment appropriate for the occupational area chosen;
- acquire entry-level and employability skills prescribed by the IEP to make a successful transition into a chosen occupation; and
- explore potential careers in different occupational areas in order to better prepare students with disabilities for a smooth transition for their post-secondary education endeavors.

DESCRIPTION:

Vocational programs and services for students with disabilities are offered by school districts, cooperative centers, intermediate school districts, special education cooperatives, and Educational Cooperative Service Units (ECSUs). These programs and services are established to support student involvement in vocational education based on goals and objectives in student individualized education plans.

State Board of Education rules define the criteria that must be met in order to qualify for this vocational categorical aid. The criteria include appropriate teacher licensure and specific program and service curriculum requirements.

Starting with the 1995-96 school year, secondary vocational disabled program revenue is generated by school districts on a base year revenue concept. Secondary vocational disabled revenue generated by school districts in 1995-96 is based on expenditures incurred in 1994-95. Beginning in 1996-97, it is based on expenditures incurred in the second prior year.

The secondary vocational disabled program base revenue equals the sum of the following amounts computed using base year data:

Instructor salary: 68% of the salary of each essential licensed person who provides direct instructional services to students
 Equipment: 47% of the costs of necessary equipment
 Supplies: 47% of the costs of necessary supplies not to exceed an average of \$47 per student with a disability
 Travel: 47% of the costs of necessary travel between instructional sites.
 Contracted Services: 52% of the amount of a contract for vocational services that are supplemental to a district's vocational education program for students with disabilities. 52% of the difference between the amount of the contract and the basic revenue of the district for that pupil for the fraction of the school day the student receives service for services that are in place of a district's vocational education program for students with disabilities. 52% of the amount of a contract for vocational evaluation services for students with a disability who are in grades 10 to 12.

The secondary vocational disabled program adjusted base revenue equals the base revenue times the ratio of the current year Average Daily Membership (ADM) to the base year ADM.

A school district's secondary vocational disabled revenue equals the state total secondary vocational disabled revenue, minus new district revenue, times the ratio of the district's adjusted secondary vocational disabled base revenue to the state total adjusted secondary vocational disabled base revenue.

The state total secondary vocational disabled revenue for fiscal years 1997-98 and beyond equals (1) the state total secondary vocational disabled revenue for the preceding fiscal year times (2) the program growth factor times (3) the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

If the secondary vocational disabled base revenue for a district equals zero and no district residents were enrolled in secondary vocational disabled programs during the base year, the secondary vocational disabled revenue equals the amounts computed above using current year data.

A school district's secondary vocational disabled aid equals the district's secondary vocational disabled revenue times the aid percentage factor for that year.

These state categorical aids for vocational programs and services are used to support the assurances and initiative provisions of the federal vocational Carl D. Perkins Act.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
FTE Staff	340.2	362.2	375.4	379.4	381.6
Salary Expenditures	\$11,631.4	\$12,384.7	\$12,835.3	\$12,971.9	\$13,047.6
Contracted Services Expenditure	71.9	76.6	79.3	80.2	80.7
Equipment Expenditure	7.1	7.6	7.8	7.9	8.0
Travel Expenditures	65.5	69.7	72.3	73.0	73.5
Supplies Expenditures	68.7	73.1	75.8	76.6	77.1
Total Expenditures	\$11,844.6	\$12,611.7	\$13,070.5	\$13,209.7	\$13,286.8

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

DISABILITIES 0207 SECONDARY VOCATIONAL - STUDENTS WITH
 (Continuation)

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Base Year Revenue	--	\$8,095.4	\$8,095.4	\$8,520.0	\$8,830.0
New District Revenue	--	0.0	0.0	0.0	0.0
ADM	--	823,223.9	835,770.3	844,664.3	849,599.0
Base Year ADM	--	808,027.6	808,027.6	823,223.9	835,770.3
State Total Adjustment Base Revenue	--	8,273.1	8,423.4	9,019.8	9,820.3
State Total Revenue	--	8,520.0	8,830.0	8,924.0	8,976.1
State Total Revenue New DST	--	0.0	0.0	0.0	0.0
Aid Percentage Factor	--	60%	70%	80%	90%
Gross Aid	\$4,725.2	\$5,112.0	\$6,181.0	\$7,139.2	\$8,078.5
Levy Revenue	3,370.2	3,408.0	2,649.0	1,784.8	897.6
Proration Factor	1.00	1.00	1.00	0.99	0.97
Prorated Aid	\$4,725.2	\$5,112.0	\$6,181.0	\$7,036.0	\$7,868.0

BUDGET ISSUES:

A. CHALLENGES:

- School districts are receiving more requests to enroll students with disabilities in vocational work experience programs. There is an increased awareness of parents and special education staff of the need for vocational training required to provide students with disabilities with an opportunity for future employment.
- More support services are needed due to serving students with more severe disabilities.
- There is an imbalance between supply and demand for teachers licensed in the area of expertise. The lack of teachers is evidenced by the number of waivers issued for staff in meeting the licensure requirements and the number of schools that can not find appropriately licensed teachers to fill positions.
- Traditional school day does not correspond with the business day and transportation for students with disabilities is an additional cost item to the school district.

B. STRATEGIES:

- School districts are encouraged to provide technical tutors, job coaches and paraprofessionals for support in serving students with disabilities in mainstream vocational programs.
- School districts are encouraged to collaborate with special education, using all available resources to ensure students' needs are met.
- Vocational teacher licensure standards need to be revised to provide more flexibility for a vocational special needs license. This will reduce the staff shortage.
- School districts are encouraged to provide transportation options that meet the needs of the students.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in the secondary vocational-students with disabilities program:

1. Beginning in F.Y. 1998, change the purpose of the program from funding secondary vocational education for children with a disability to funding school-to-work activities for children with a disability.
2. Increase the state total program revenue from the F.Y. 1997 level of \$8,830 to \$8,924 for F.Y. 1998 and to \$8,976 for F.Y. 1999.
3. Beginning in F.Y. 1998, adjust the base revenue for school districts operating a program during the base year for less than the full school year to reflect the expenditures that would have occurred had the program been operated for the full school year.

The Governor recommends an aid entitlement of \$7,139 for F.Y. 1998 and \$8,079 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$7,044 in F.Y. 1998 (\$618 for F.Y. 1997 and \$6,426 for F.Y. 1998), and \$7,985 in F.Y. 1999 (\$713 for F.Y. 1998 and \$7,272 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0207: SECONDARY VOCATIONAL; STUDENTS WITH DISABILITIES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	5,112	6,181	7,139	8,079
2. Statutory Excess / (Shortfall)			(103)	(211)
3. Appropriated Entitlement	5,112	6,181	7,036	7,868
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	5,112	6,181	7,036	7,868
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	3,408	2,649	1,785	898
8. Current Law Funding: Aid & Levy	8,520	8,830	8,821	8,766
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			7,036	7,868
a. Eliminate Aid Proration			103	211
Recommended Aid Entitlement			7,139	8,079
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			1,785	898
TOTAL RECOMMENDED FUNDING: AID & LEVY			8,924	8,977

APPROPRIATIONS BASIS:(a)

Prior Year	590	766	618	713
Current Year	4,346	5,254	6,426	7,272
Current Year Adj. to 90%, per M.S. 124.904		309		
Subtotal before Transfers	4,936	6,329	7,044	7,985
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	4,936	6,329	7,044	7,985

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0208 TARGETED NEEDS:
 LIMITED ENGLISH PROFICIENCY

CITATION: M.S. 124.273; 126.261 - 269; 275.125, Subd. 8
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)
FEDERAL: None

PURPOSE:

The Limited English Proficiency Education Program provides funding, technical assistance, and in-service training to school districts serving Limited English Proficient (LEP) students. LEP students remain in the program, learning to speak, read and write in English, until they are able to participate successfully in the mainstream curriculum. The length of time a student spends in the program depends on the student's age, the level of reading and writing proficiency in the native language, and the amount of education the student had in the native language.

DESCRIPTION:

The following program delivery designs are used to serve LEP students in Minnesota:

1. **English as a Second Language (ESL)** is a program that instructs students of limited English proficiency in the four language skill areas of listening, speaking, reading, and writing. Districts using this model must also address the need to provide access to content area instruction.
2. **Bilingual** is a program of instruction that includes an ESL component and provides instruction through a student's native language in content areas such as math, science, and social studies.

Approximately 153 school districts have LEP students. There are over 70 languages spoken by Minnesota's LEP population. The six most common languages are: Hmong, Spanish, Vietnamese, Lao, Cambodian, Russian/Ukrainian.

Starting with the 1995-96 school year, limited English proficiency program revenue is generated by school districts on a base year revenue concept. Limited English proficiency program revenue generated by school districts in 1995-96 is based on expenditures incurred in 1994-95. Beginning in 1996-97, it is based on expenditures incurred in the second prior year.

The limited English proficiency program base revenue equals the sum of the following amounts computed using base year data:

Instructor salary: 68% of the salary of one full-time equivalent teacher (FTE) for each 40 pupils of limited English proficiency enrolled or 68% of the salary of 1/2 an FTE teacher in a district with 20 or fewer pupils enrolled

Supplies and Equipment: 47% of the costs of necessary supplies and equipment not to exceed an average of \$47 per student receiving instruction

The limited English proficiency program adjusted base revenue equals the base revenue times the ratio of the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the base year to the greater of 20 or the number of pupils of limited English proficiency enrolled in the district during the current year.

A school district's limited English proficiency program revenue equals the state total limited English proficiency revenue, minus new district revenue, times the ratio of the district's adjusted limited English proficiency program base revenue to the state total adjusted limited English proficiency base revenue.

The state total limited English proficiency revenue for fiscal years 1997-98 and beyond equals (1) the state total limited English proficiency revenue for the preceding fiscal year times (2) the program growth factor times (3) the ratio of the state total number of pupils with limited English proficiency for the current fiscal year to the state total number of pupils with limited English proficiency for the preceding fiscal year.

If the limited English proficiency base revenue for a district equals zero, the district's limited English proficiency revenue equals the amounts computed above using current year data.

A school district's limited English proficiency aid equals the district's limited English proficiency revenue times the aid percentage factor for that year.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
FTE Staff	545.5	551.1	600.7	660.8	726.8
Salary Expenditures	\$17,614.0	\$17,795.7	\$19,395.6	\$21,335.2	\$23,468.7
Supplies and Equipment Expenditures	889.6	898.8	979.6	1,077.5	1,185.3
Total Expenditures	\$18,503.6	\$18,694.5	\$20,375.2	\$22,412.7	\$24,654.0
Base Year Revenue	--	\$11,588.6	\$11,588.6	\$13,806.7	\$15,463.5
New District Revenue	--	0.0	0.0	0.0	0.0
The Greater of Base Year Enrollment or 20	--	20,888.3	20,888.3	25,399.1	27,821.7
Base Year Enrollment	--	20,095.0	20,095.0	24,703.0	27,173.9
The Greater of LEP Enrollment or 20	--	25,399.1	27,821.7	30,494.5	33,440.5
LEP Enrollment	--	24,703.0	27,173.9	29,891.2	32,880.4
State Total Adjustment Base Revenue	--	14,177.2	15,563.6	16,479.0	18,637.7
State Total Revenue	--	12,202.0	13,299.0	14,628.9	16,091.8
State Total Revenue New DST	--	0.0	0.0	0.0	0.0
Aid Percentage Factor	--	60%	70%	80%	90%
Gross Aid	7,448.1	7,321.2	9,309.3	11,703.1	14,482.6
Levy Revenue	4,140.5	4,880.8	3,989.7	2,925.8	1,609.2
Levy Revenue/Charter Schools	0.0	0.0	0.0	0.0	0.0
Total Levy Revenue	4,140.5	4,880.8	3,989.7	2,925.8	1,609.2
Proration Factor	1.00	1.00	1.00	0.91	0.83
Prorated Aid	\$7,448.1	\$7,321.2	\$9,309.3	\$10,639.0	\$11,969.0

BUDGET ISSUES:

A. CHALLENGES:

- To include LEP students in all aspects of educational reform
- To provide LEP students the opportunity to learn content standards
- To assess all LEP students' achievement in a fair and appropriate manner
- To develop systems of accountability that fully include LEP students
- To acknowledge the importance of abilities in non-English languages

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0208 LIMITED ENGLISH PROFICIENCY
(Continuation)

B. STRATEGIES:

- Provide information concerning the unique needs of LEP students
- Develop tests and testing procedure that include LEP students and are fair to them
- Increase opportunities for teachers and future teachers to develop expertise in the education of LEP students
- Collect and use data on the education of LEP students (including achievement data)
- Increase funding for districts with high concentrations of LEP students
- Provide districts with greater flexibility in providing services to meet the educational needs of at-risk learners.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modifications in the targeted needs - limited English proficiency program:

1. Beginning in F.Y. 1998, compute limited English proficiency (LEP) concentration revenue equal to \$100 times the LEP pupil units. LEP pupil units for each LEP pupil enrolled in a district during the current year will equal the lesser of one or the ratio of the LEP concentration percentage in the pupil's district of residence to 11.5.
2. Increase the state total LEP revenue, excluding LEP concentration revenue, from the F.Y. 1997 level of \$13,299 to \$14,629 for F.Y. 1998 and to \$16,092 for F.Y. 1999.
3. Beginning in F.Y. 1998, adjust the LEP base revenue for school districts operating a program during the base year for less than the full school year to reflect the expenditures that would have occurred had the program been operated for the full school year.
4. Beginning in F.Y. 1999, combine LEP revenue, compensatory revenue and assurance of mastery revenue to form a new basic skills block grant in the general education program (see Program 0101).

The Governor recommends an aid entitlement of \$13,552 for F.Y. 1998 and \$-0- for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$13,127 in F.Y. 1998 (\$930 for F.Y. 1997 and \$12,197 for F.Y. 1998), and \$1,355 in F.Y. 1999 (\$1,355 for F.Y. 1998 and \$-0- for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0208: TARGETED NEEDS: LIMITED ENGLISH PROFICIENCY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	7,321	9,309	11,703	14,483
2. Statutory Excess / (Shortfall)			(1,064)	(2,514)
3. Appropriated Entitlement	7,321	9,309	10,639	11,969
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	7,321	9,309	10,639	11,969
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	4,881	3,990	2,926	1,609
8. Current Law Funding: Aid & Levy	12,202	13,299	13,565	13,578
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			10,639	11,969
a. Eliminate Proration			1,064	2,514
b. Concentration Aid Initiative			1,849	2,320
c. Fold LEP Revenue into General Education Basic Skills in F.Y. 1999			0	(16,803)
Recommended Aid Entitlement			13,552	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			2,926	1,609
a. Concentration Aid Initiative			462	258
b. Fold LEP Revenue into General Education Basic Skills in F.Y. 1999			0	(1,867)
Recommended Levy			3,388	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			16,940	0

APPROPRIATIONS BASIS:(a)

Prior Year	945	1,098	930	1,355
Current Year	6,223	7,913	12,197	0
Current Year Adj. to 90%, per M.S. 124.904		466		
Subtotal before Transfers	7,168	9,477	13,127	1,355
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	7,168	9,477	13,127	1,355

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0209 TARGETED NEEDS:
ASSURANCE OF MASTERY

CITATION: M.S. 124.311
MDCFL ADMIN: 1302 Learner Options
FEDERAL: None

PURPOSE:

This program provides supplemental help to K-8 students to ensure success in the general educational program. Parents are involved in the planning of their student's educational program to increase the potential for success. Performance is based on district-established standards and instruction must vary to accommodate differing student needs. The objectives of this program under M.S. 124.311 are:

- to assure that students at risk of failure are identified and provided the additional help needed to succeed in the regular curriculum. It is expected that this approach will reduce referrals for special education instruction and services;
- to focus the effort in one or more grade levels, Kindergarten through Grade 8, to assure early intervention and prevention of later failure and drop-out;
- to promote the development of instructional strategies consistent with the state's content and performance standards. Effective instructional delivery systems will assure that all students are taught in the most efficient way;
- to assure that districts not only identify and serve students at risk of failure, but also to monitor program effectiveness and report program results to the community and state; and
- to assure district commitment to the program by requiring a local district contribution equal to the state matching amount in order to receive state funds. The local revenues must be expended in the same way as the state matching funds.

DESCRIPTION:

In 1989, M.S. 124.311 was enacted to provide funding on an optional basis to districts for their Assurance of Mastery (AOM) program in Grades K-8. In 1996, the Legislature amended M.S. 124.311. The state funding is based on the number of a district's K-8 fund balance pupil units times \$22.50. If a district expends \$22.50 times their K-8 fund balance pupil units to employ staff to provide direct instructional services to eligible K-8 pupils, the state then will match the district effort. If the district expenditures are less than that amount, the state will match the lesser amount.

Total Assurance of Mastery funding is the sum of \$22.50 state funding and \$22.50 local funding for a total of \$45.00 per fund balance pupil unit.

The Department asks school districts to design programs that help students learn how to learn, and to assist students in acquiring the necessary conceptual framework to facilitate future learning. The curriculum may be modified by time, methods, and/or materials.

CFL efforts focus on providing of technical assistance to districts in identifying and designing services for these students. The technical assistance needs of districts include training in teaming with

other adults in a classroom, recognizing learning style differences, and planning alternative instructional strategies.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
School Districts Participating	357	339	339	339	339
Students (WADMs)*	602,558	598,034	602,131	599,032	593,618
Gross Aid	\$12,397.5	\$13,455.8	\$13,548.0	\$13,478.2	\$13,356.4

BUDGET ISSUES:

A. CHALLENGES:

- In F.Y. 1995 school districts whose enrollment represents about 93% of the eligible K-8 WADMs are participating in this program. By and large, those not participating are small districts with a small amount of eligibility for matching money and small class sizes. Because of these factors, learners in these districts do not gain access to this program.

B. STRATEGIES:

- To maximize efficiency and effectiveness, decisions on the use of resources should be made as close to the learner as possible.
- Accountability for ADM was previously reported through the "Annual Report on Curriculum and Student Achievement." In the future, program effectiveness will be reported through the system accountability process currently being developed by the department

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$13,627 for F.Y. 1998 and \$-0- for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$13,619 in F.Y. 1998 (\$1,354 for F.Y. 1997 and \$12,265 for F.Y. 1998), and \$1,362 in F.Y. 1999 (\$1,362 for F.Y. 1998 and \$-0- for F.Y. 1999).

The Governor recommends the following modification in the assurance of mastery program, beginning in F.Y. 1999:

1. Combine assurance of mastery revenue, LEP revenue and compensatory revenue to form a new basic skills block grant in the general education program (see program 0101).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0209: TARGETED NEEDS: ASSURANCE OF MASTERY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	13,456	13,548	13,478	13,356
2. Statutory Excess / (Shortfall)	138	230	301	423
3. Appropriated Entitlement	13,594	13,778	13,779	13,779
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(155)(b)	(207)		
b. Portion of Final 10% Not Requested		(23)		
5. Current Law Aid	13,439	13,548	13,779	13,779
6. Excess / (Shortfall) After Adjustments	(17)	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	13,439	13,548	13,779	13,779
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			13,779	13,779
a. Eliminate Excess			(301)	(423)
b. Eliminate General Education Funding Caps			149	302
c. Fold AOM Aid into General Education Basic Skills in F.Y. 1999			0	(13,658)
Recommended Aid Entitlement			13,627	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			13,627	0

APPROPRIATIONS BASIS:(a)

Prior Year	1,979	2,039	1,354 (c)	1,362
Current Year	11,555	11,712	12,265	0
Current Year Adj. to 90%, per M.S. 124.904		689		
Subtotal before Transfers	13,534	14,440	13,619	1,362
Transfers per M.S. 124.14, subd. 7	(155)(b)	(207)		
Total State General Funds	13,379	14,233	13,619	1,362

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Includes \$17 for the prior year final and \$138 in the current year account

c) The \$1,377 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0210 TARGETED NEEDS - INTEGRATION AID

CITATION: M.S. 124.321, Subd. 5
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

To provide funding to school districts for costs associated with implementing an approved desegregation plan.

DESCRIPTION:

Under State Board of Education Rule 3535, a desegregation plan is required when the learners of color student composition in a building exceeds by the minority racial composition of the district's student population by more than 15%. Based on current rule, the desegregation plan must specify the manner and methods by which the district will limit the percentages of majority and learners of color in those buildings. The Duluth, Minneapolis and St. Paul school districts currently operate under authority of Rule 3535, and have approved desegregation plans in place. Eligible districts must maintain an approved comprehensive desegregation/integration plan.

The amount awarded to each district is specified by law. Districts must report expenditures to the Legislature. The revenue from this grant is supplemented by the Rule Compliance Levy (Program Budget 0212), and Integration Programs (Program Budget 0211). Beginning in F.Y. 1996, the Targeted Needs - Integration Revenue program was formed by combining the Integration Grant program and the Rule Compliance Levy (see program 0212).

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Districts with Desegregation Plans*	3	3	3	3	3
2. Students Enrolled: (ADM)					
Duluth	13,837	13,872	13,751	13,683	13,656
Minneapolis	44,525	46,236	47,068	48,020	48,680
St. Paul	40,751	42,719	43,604	44,830	45,775
3. Percent Minority Students Enrolled					
Duluth	8.5%	9.5%	10.0%	10.0%	10.0%
Minneapolis	61.0%	63.4%	65.5%	65.5%	65.5%
St. Paul	51.9%	52.9%	57.4%	57.4%	57.4%
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Grant Amount					
Duluth	\$1,385.0	\$1,385.0	\$1,385.0	\$1,385.0	\$1,385.0
Minneapolis	\$9,368.3	\$9,368.0	\$9,368.0	\$9,368.0	\$9,368.0
St. Paul	<u>\$8,090.5</u>	<u>\$8,091.0</u>	<u>\$8,091.0</u>	<u>\$8,091.0</u>	<u>\$8,091.0</u>
TOTAL	\$18,843.8	\$18,844.0	\$18,844.0	\$18,844.0	\$18,844.0

* Additional districts may be required to file desegregation plans pending change in the Department of Children, Families & Learning rules.

BUDGET ISSUES:

A. CHALLENGES:

- The needs of districts required by the current State Board of Education to have desegregation/integration plans are continuing to grow because of the impact of high concentrations of poverty. Improved methods of interagency collaboration are needed so that together schools, local government agencies, community groups along with learners and their families develop results-based community learning plans to address the learning needs of students.

B. STRATEGIES:

- In an effort to better utilize all of the revenue available, including that of other agencies, districts should involve all agencies which deal with children and develop a results-based collaborative approach. Improved methods of interagency collaboration are needed so that together schools, local government agencies, community groups along with learners and their families develop results-based community learning plans to address the learning needs of students.
- The districts receiving these integrating/desegregation grants will also be partners with other suburban districts regarding projects funded through the Magnet Schools and Integration Block Grant.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% appropriation of \$18,844 for F.Y. 1998. Beginning in F.Y. 1999, change program funding to 90%-10% basis. The Governor recommends an aid entitlement of \$29,026 for F.Y. 1999. Based on this entitlement, the Governor recommends an appropriation of \$26,124 for F.Y. 1999 (\$0 for F.Y. 1998 and \$26,124 for F.Y. 1999).

The Governor recommends the following modifications in the targeted needs-integration revenue program, beginning in F.Y. 1999:

1. Combine targeted needs-integration revenue and integration transportation revenue to form a new integration revenue program.
2. Compute integration revenue equal to the product of the integration revenue allowance times the actual pupil units. Set the integration allowance as follows:
 - (a) \$543 for SSD #1, Minneapolis,
 - (b) \$440 for ISD 625, St. Paul,
 - (c) \$199 for ISD 709, Duluth, and
 - (d) the lesser of \$96 or the actual integration cost per pupil unit for other school districts required to implement an integration plan.
3. Compute integration aid equal to 54 percent of integration revenue, and the integration levy equal to 46 percent of integration revenue.
4. Require integration revenue to follow students enrolled in another school district under an alternative attendance program.

See program narrative 0212 for the rule compliance levy.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0210: TARGETED NEEDS: INTEGRATION AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	18,844	18,844	18,844	18,844
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	18,844	18,844	18,844	18,844
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	18,844	18,844	18,844	18,844
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy (Rule Compliance Levy - see Program 0212)	20,624	20,702	21,561	21,746
8. Current Law Funding: Aid & Levy	39,468	39,546	40,405	40,590

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)	18,844	18,844
a. Discontinue Grant Funds	0	(18,844)
b. Replace with Integration Revenue, including Transportation	0	29,026
Recommended Aid Entitlement	18,844	29,026

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)	21,561	21,746
a. Discontinue Rule Compliance Levy	0	(21,746)
b. Replace with Integration Revenue, including Transportation		24,726
Recommended Levy	21,561	24,726

TOTAL RECOMMENDED FUNDING: AID & LEVY

40,405 53,752

APPROPRIATIONS BASIS:

Direct Appropriated Funds	18,844	18,844	18,844	26,124
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	18,844	18,844	18,844	26,124

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0211 INTEGRATION PROGRAMS

CITATION: M.S. Laws 1995, Ch. 3, Art. 8, Sec. 25, Subd. 9
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

This program integrates funding for four integration programs:

Alternative Preparation Licensing, Minority Fellowship Grants: To recruit minorities into teaching by providing fellowship grants to qualified minorities seeking alternative preparation for teacher licensure under M.S. 125.188 and site grants for program development and management.

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

Minority Teacher Incentives: To share fiscal responsibility with eligible school districts to employ additional teachers and aides or educational assistants of color. Program are to:

More teachers of color will provide opportunities among staff to increase cultural awareness and provide diversity within staff and student populations. Representation of communities of color in staffing and curriculum will increase self esteem among students of color and promote respect among all students for all persons, regardless of race. Inclusion will help reduce the dropout rate for students of color.

Cultural Exchange Program: To develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange.

DESCRIPTION:

Grants are awarded on a competitive basis for programs where the greatest need for funding is demonstrated. Each of the four programs has its own process. The Department of Children, Families & Learning uses committees of internal and external personnel to review grant applications and to recommend grant recipients to the Desegregation/Integration Advisory Board, which allocates funds from the block appropriation annually among the four programs.

Alternative Preparation Licensing, Minority Fellowship Grants (Personnel Licensing): The Alternative Preparation Licensing Program provides an alternative means of preparing people who might not otherwise seek the preparation needed to be licensed teachers in Minnesota. The candidates augment the current teaching staff with individuals whose backgrounds are especially relevant to the needs of a diverse student population. This program gives experienced individuals an alternative route to acquiring the skills needed to be successful teachers. One of the objectives of the Alternative Preparation Licensing Program is to recruit people of color into teaching. 50% of the fellowship grant is paid each year for two years. Participants who receive fellowship grants must agree to remain as teachers in the school district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Alternative preparation to teacher licensure programs are approved by the Minnesota Board of Teaching. Each approved program must be a collaborative effort between a school district, group of schools and a post-secondary institution that has a teacher preparation program. The program provides each candidate with a resident mentorship team responsible for the instructional phase before the candidate assumes responsibility for a classroom, formal instruction and peer coaching during the school year, assessment, supervision and evaluation of a candidate and the shard design and delivery of instruction.

Minority Teacher Incentives (M.S. 124.278): This program provides funding to districts that have a students of color enrollment of more than 10% or to districts that have an approved comprehensive desegregation plan. In districts were eligible to receive incentive grants. This is a two-year grant program. Districts receive one-half of a teacher's salary, not to exceed \$20,000 per year, if they employ a teacher or teachers of color who has/have not taught in a Minnesota school district during the preceding year. Districts retaining the teacher a second year are guaranteed a second grant. Reimbursements are made for each year of the biennium and according to current law, reimbursements cannot be prorated.

Eligible districts are notified of the grant application procedures and schedule. As far as possible, eligible districts submitting valid applications are provided at least one grant. Further grants are prorated in relation to the number of applications received from a district, the size of the student body, and the percentage of students of color within the student body.

Teachers of Color Program (M.S. 125.623): This program provides funding to school districts that in turn recruit persons of color who are interested in pursuing a teaching degree. The funding is used to support these persons of color as they attend college to obtain their teaching certification. In return, the newly trained teacher is committed to teaching in the supporting district for at least two years. If no job is available in that district, the new teacher may work out his/her commitment in another Minnesota school. All school districts with a growing population of color are eligible to apply for a grant. All districts are notified of the grant application procedure.

Cultural Exchange Program: Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the Department of Children, Families & Learning and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with these goals:

- developing curriculum reflective of particular ethnic, racial and other cultural aspects of various demographic groups in the state;
- developing immersion programs that are coordinated with the above programs;
- creating opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence;
- creating opportunities for staff exchanges on a cultural basis.

The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

In the only year that funding was allocated to this program, three projects were funded:

- The Minneapolis (SSD 001) - Bloomington (ISD 217) Walkabout Program;
- The Minneapolis (SSD 001) - Hopkins (ISD 270) Arts and Community Building Blocks Program; and
- The St. Paul (ISD 625) - Stillwater (ISD 834) College for Kids Program.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0211 INTEGRATION PROGRAMS

(Continuation)

PROGRAM STATUS:

STATUTE	PROGRAM	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
M.S. 125.188	Alternative Preparation Li- censing, Minority Fellow- ship Grants (Personnel Licensing)	\$150.0	\$155.0	\$150.0	\$175.0	\$175.0
M.S. 125.188	Alternative Preparation Li- censing Minority Fellowship Programs (Personnel Licensing)	included above	\$62.0	\$135.0	\$100.0	\$100.0
M.S. 125.623	Teachers of Color (MEEP II)	\$500.0	\$650.0	\$650.0	\$750.0	\$750.0
M.S. 124.278	Minority Teacher Incentives (Desegregation and Educa- tional Diversity)	\$311.6		\$75.0		\$75.0
M.S. 126.43	Cultural Exchange (unassigned/unallocated)	\$142.0	\$0.0	\$0.0		
	TOTALS	\$1,103.6	\$1,000.0	\$1,000.0	\$1,000.0	\$1,000.0

BUDGET ISSUES:

A. CHALLENGES:

- As the demographics of the state continue to change, bringing increasing diversity to urban, suburban, exurban/rural communities and, especially, school districts throughout the state, the needs for programs such as the four included in this desegregation/integration block continue to grow. The demand for staff reflective of the diverse student populations and the increased interest in education careers among people of color keep the three programs that offer staffing and licensing support at capacity. This has led the Desegregation/Integration Advisory Board to place all funding in those programs over the past biennium. Further, the Cultural Exchange Grant Program presents its own difficulties due to the requirement that activities occur in the summer.
- The Minority Teacher Incentives Program faces challenges in continuing support of candidates across biennia and/or in using the full allocation when prorating is not allowed. Also, despite its name, not only teachers, but other educational program staff (aids and educational assistants) are eligible for funding.
- With the exception of the Minority Fellowships Program, administrative responsibilities for these programs have been assigned to new people in the department every year.

B. STRATEGIES:

- The Desegregation/Integration Advisory Board uses the flexibility of the block allocation to fund programs where the greatest needs exist and where the opportunities for success are greatest. For example, when the Board allocated a reduced level of funding to the Minority Teacher Incentives Program, it specified that the grants would go first to schools in Greater Minnesota.

- With guidance provided by the Desegregation/Integration Advisory Board, the success and impact of these programs can be correlated with the Magnet School Planning Grants program, which the board also oversees. Communication with eligible districts is enhanced and awareness of the programs increases. The need for a comprehensive approach for the recruitment of candidates should include activities at local, state and national levels.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% appropriation of \$1,000 for F.Y. 1998 and \$1,000 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0211: INTEGRATION PROGRAMS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,000	1,000	1,000	1,000
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,000	1,000
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,000	1,000
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,000	1,000	1,000	1,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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1998-99 Biennial Budget

RULE COMPLIANCE LEVY TAX RATES AND AMOUNTS

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

 0212 RULE COMPLIANCE LEVY

CITATION: M.S. 124.912, Subd. 2 and 3
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

Levy Year	Revenue Recognition Year	Eligible School Districts	Maximum Tax Rates/Formula
1987 Pay 1988	1987-88	Mpls., St. Paul, Duluth	1 mill
1988 Pay 1989	1988-89	St. Paul Mpls., Duluth	2 mills ⁽¹⁾ 1 mill ⁽²⁾
1989 Pay 1990	1989-90	St. Paul Mpls., Duluth	1.6% AGTC 0.8% AGTC
1990 Pay 1991	1990-91	St. Paul Mpls., Duluth	3.0% ANTC 2.0% ANTC
1991 Pay 1992	1991-92	St. Paul Mpls., Duluth	3.0% ANTC 2.0% ANTC
1992 Pay 1993 ⁽³⁾	1992-93	Mpls. St. Paul Duluth	\$160/WADM \$163/WADM 2.05% ANTC
1993 Pay 1994	1993-94	Mpls. St. Paul Duluth	\$ 197/WADM \$ 197/WADM 2.0% ANTC + \$ 660,000
1994 Pay 1995	1994-95	Mpls. St. Paul Duluth	\$ 197/WADM \$ 197/WADM 2.0% ANTC + \$ 660,000
1995 Pay 1996	1995-96	Mpls. St. Paul Duluth	\$ 197/WADM \$ 197/WADM 2.0% ANTC + \$ 660,000
1996 Pay 1997	1996-97	Mpls. St. Paul Duluth	\$ 197/WADM \$ 197/WADM 2.0% ANTC + \$ 660,000

⁽¹⁾ converted to 1.6% of adjusted gross tax capacity
⁽²⁾ converted to 0.8% of adjusted gross tax capacity
⁽³⁾ 1992 Pay 1993 change in formula

ANTC is adjusted net tax capacity. AGTC is adjusted gross tax capacity.

PROGRAM STATUS:

Current Law					
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Duluth	\$1,404.3	\$1,460.9	\$1,537.0	\$1,583.4	\$1,632.3
Minneapolis	\$9,909.5	\$10,226.3	\$10,289.0	\$10,327.1	\$10,352.6
St. Paul	\$9,310.3	\$9,014.3	\$9,735.4	\$9,835.1	\$9,861.7
TOTAL	\$20,624.1	\$20,701.5	\$21,561.4	\$21,745.6	\$21,846.6

PURPOSE:

To provide additional funding for costs associated with implementing an approved desegregation plan (Program 0212), in accordance with State Board of Education Rule 3535.

To assist in the integration of all learners, the special tax levies authorized in M.S. 124.912, Subd. 2 and 3 provide financial support to the Duluth, Minneapolis, and St. Paul school districts. Proceeds of these levies are used for the purpose of:

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

DESCRIPTION:

Under State Board of Education Rule 3535, a desegregation plan is required when the minority student population in a school building exceeds by 15% the district average for those grade levels. The Duluth, Minneapolis and St. Paul school districts currently operate under authority of Rule 3535, and have approved desegregation plans in place.

Districts operating under Rule 3535 are permitted to levy for rule compliance. The revenue from this levy supplements the state aid received by eligible districts through the Integration Aid program (Program 0210). Beginning in F.Y. 1996, the two programs were combined to form the targeted needs-integration revenue program. The tax rates and per pupil unit amounts permitted have varied over time. Unlike most levies, the entire amount levied is recognized as revenue in the fiscal year in which the levy is certified. This levy is not considered in computing the aid reduction for the tax levy revenue recognition change under M.S. 124.155.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0212 RULE COMPLIANCE LEVY
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Urban school districts continue to experience enrollment increases in the percentage of learners of color. The Minnesota State Board of Education and the Department of Children, Families & Learning are in the process of strengthening policies and rules that promote effective, integrated education throughout the state.

B. STRATEGIES:

- The purpose for which the proceeds of these levies are used will be reviewed by the Department to determine that the levies support effective desegregation/integration plans which positively impact all learners, aid in closing the learning gap and improve the acceptance and understanding of the varied and rich cultures of our society.

GOVERNOR'S RECOMMENDATION:

See Program 0210 for recommendations related to integration programs.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

 0213 MAGNET SCHOOL GRANTS

CITATION: M.S. 124C.498
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

The purpose of this legislation is to promote integrated education for all students prekindergarten through Grade 12, increase mutual understanding among all students and to address the inability of local school districts to provide required construction funds through local property taxes. The program seeks to encourage school districts located in whole or in part within the seven county metropolitan area to make available to school age children residing in the metropolitan area, those educational programs, services and facilities that are essential to meeting children's needs and abilities. In addition, this legislation provides incentives to metropolitan school districts to engage in a variety of activities which promote and support interdistrict desegregation and integration of students and educational staff.

DESCRIPTION:

Laws 1994 required the Commissioner of Children, Families & Learning, in consultation with the desegregation/ integration advisory board under M.S. 121.1601, to award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

The following institutions are eligible to receive Magnet School Planning Grants:

- A. Public Schools in the Seven County Metropolitan Area;
- B. Joint Powers Boards which are the recipients of magnet school bonding revenue. (If Joint Powers Boards have not been finalized, a host district may be the recipient until such time that the Joint Powers Board is established); and
- C. Chartered Schools in the Seven County Metropolitan Area.

Grant recipients must use the grant money to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

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

PROGRAM STATUS:

<u>HOST DISTRICT</u>	<u>PROJECT</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Bloomington	Metro Learning Alliance					
ISD 271		\$85.0	\$85.0	\$0.0		
Columbia Heights	Metro Professional Development Center	N/A	\$125.0	N/A		
ISD 013						
Hopkins	Metro Professional Development Center	N/A	N/A	\$95,625.0		
ISD 270						
Hopkins	WMEP (West Metro Education Program)					
ISD 270	Coordination/New Initiatives	N/A	N/A	\$43,875.0		
Minneapolis	Metro Professional Development Center	\$250.0	N/A	N/A		
SSD 001						
Minneapolis	WMEP Interdistrict					
SSD 001	Downtown School	\$450.0	\$450.0	\$525.0		
Robbinsdale	NW Suburban Magnet School	N/A	\$170.0	\$87.5		
ISD 281						
St. Paul	Collaborative Initiatives	\$130.0	\$0.0	\$0.0		
ISD 625						
St. Paul	Project Common Ground	\$135.0	\$220.0	N/A		
ISD 625						
St. Paul	TriDistrict Magnet School	\$450.0	\$450.0	N/A		
ISD 625						
Stillwater	Project Common Ground	N/A	N/A	\$220.0		
ISD 834						
TriDistrict	TriDistrict Magnet School					
Joint Powers Board 62-6067		N/A	N/A	\$525.0		
TOTAL		\$1,500.0	\$1,500.0	\$1,500.0		

Grant amounts are allocated by the Desegregation/Integration Advisory Board. This board, comprised of eight metro-area superintendents and four representatives of the statewide cultural councils, meets bimonthly and advises the Commissioner of the Department of Children, Families & Learning and the Desegregation and Educational Diversity Unit in matters related to desegregation and integration. Since 1994, the board has funded eight projects:

The Metro Learning Alliance received funding for two years to implement a multi-district magnet school at the Mall of America in Bloomington. Other districts joining fiscal host Bloomington are Minneapolis, Richfield, St. Louis Park, and St. Paul. In 1995-1996, the school served 119 high school students from the five districts and four students from Rosemount and Cannon Falls. Courses, including English, Social Studies and Math, are geared to business and entrepreneurship, environmental issues, graphic arts and computer technology.

The Metro Professional Development Center for Leadership exists to assist staff and board members in activities related to desegregation/integration and diversity. All Twin City metro districts are invited to participate in workshops, conferences, teacher exchanges, leadership shadowing and min-grant programs.

The West Metro Education Program (WMEP) is a Joint Powers (agreement among a consortium of nine school districts, including Minneapolis and eight of its neighboring suburbs: Brooklyn Center, Columbia Heights, Edina, Hopkins, Richfield, Robbinsdale, St. Anthony/New Brighton and St. Louis

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0213 MAGNET SCHOOLS GRANTS
(Continuation)

Park. During 1994-1995, WMEP began planning for an interdistrict magnet school in downtown Minneapolis. The school will open in 1997-1998.

Beginning in 1996-1997, WMEP will use grant funds for WMEP coordination of several projects, including the Metro Professional Development Center and look at new initiatives which may include a southwest suburban magnet school.

The Northwest Suburban Magnet School will be a collaborative effort of several districts within WMEP under the leadership of the Robbinsdale school district. The interdistrict magnet will open in 1998-1999. The current planning committee includes 22 active members from seven of the nine WMEP districts.

During 1994-1995, the St. Paul Public Schools received funding to develop collaborative initiatives with Inver Grove and the New Heights Charter School. Progress during that year was not sufficient for the Advisory Board to recommend that funding continue in the next biennium.

The St. Paul Public Schools are working with Stillwater and the Wilder Foundation to develop Project Common Ground, which is linking suburban and urban students and staff members in environmental and cultural studies. The project may lead to another interdistrict magnet school for the east suburban area.

The TriDistrict Magnet School is a cooperative venture of the Saint Paul Public Schools, which was the original fiscal host, and two suburban districts: North St. Paul-Maplewood-Oakdale and Roseville. The TriDistrict Magnet School, which opened to K - 6 students in August 1996 and moved into its own new building in November 1996, is operated by the TriDistrict Joint Powers Board. Its thematic approach combines studies in community cultures and environmental cultures and environmental science.

BUDGET ISSUES:

A. CHALLENGES:

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

B. STRATEGIES:

- In order to better assure the success of integration/desegregation policy, a number of strategies need to be implemented including significant efforts to improve learning for all students as well as closing the learning gap.
- Beginning in F.Y. 1995, the Office of Desegregation/Integration, with advice from the Desegregation/Integration Advisory Board, awarded grants for magnet schools and programs. The Office, in consultation with the Advisory Board, administers other programs relating to

desegregation/integration. Those include Teachers of Color Program, Minority Teachers Incentive Program, Cultural Exchange Program, and the Alternative Licensure Fellowship Program. The Board of Teaching is responsible for the alternative licensure program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,750 for F.Y. 1998 and \$1,750 for F.Y. 1999.

The Governor recommends increasing the appropriation from the base of \$1,500 each year to \$1,750, an increase of \$250 per year for voluntary desegregation efforts in the metropolitan area and to accelerate the desegregation and integration process in school districts. The increase in funding will be used for the following:

(\$ in 000s)	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Interdistrict Student Leadership Academies	\$50.0	\$50.0
Summer Interdistrict Desegregation Activities	\$50.0	\$50.0
Student Forums	\$25.0	\$25.0
International Cultural Activities	\$25.0	\$25.0
Short-Term Interdistrict Exchanges for Students, Teachers or Administrators	\$100.0	\$100.0
Total	\$250.0	\$250.0

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0213: MAGNET SCHOOL GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,500	1,500	1,500	1,500
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,500	1,500	1,500	1,500
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,500	1,500	1,500	1,500
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,500	1,500	1,500	1,500
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,500	1,500
a. Voluntary Metro Desegregation			250	250
Recommended Aid Entitlement			1,750	1,750
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,750	1,750
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,500	1,500	1,750	1,750
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,500	1,500	1,750	1,750

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0214 AMERICAN INDIAN LANGUAGE AND CULTURE

CITATION: M.S. 126.44 - 126.55
MDCFL ADMIN: 1304 Indian Education
FEDERAL: None

PURPOSE:

To improve the quality of education for all students by: making school curriculum more relevant to the needs, interests, and cultural heritage of American Indian pupils; providing positive reinforcement of the self-image of American Indian pupils; and developing intercultural awareness among pupils, parents and staff, thereby improving the educational potential of American Indian pupils and enhancing academic achievement potential of at-risk students. Eligible applicants include elementary and secondary public schools, and nonsectarian, nonpublic, community, tribal, and alternative schools enrolling American Indian students.

To meet the needs of American Indian pupils, projects may include:

- instruction in American Indian language and culture;
- activities to improve the nature and quality of teaching for all students in all curriculum areas;
- provision of personal and vocational counseling for Indian students; and
- development of curriculum that is accurate and relevant to American Indian students, modification of existing curriculum, and modification of instructional methods and administrative procedures.

DESCRIPTION:

Grants are awarded on a competitive basis through the submission of proposals that have been developed with maximum involvement of parents of children enrolled in the program. Proposals are reviewed by the American Indian Education Committee whose membership is representative of significant segments of the population of American Indians, and is appointed by the Minnesota Department of Children, Families & Learning. The Committee makes recommendations to the State Department concerning program approval, modifications, disapproval, and funding level. The program includes a yearly request for proposal (RFP) cycle, a semi-annual progress report by each grantee, and an evaluation of each project. CFL continues to place a \$50,000 "cap" on individual grant awards so that additional projects can be funded in new areas of the State. As a result, additional sites have been funded.

In F.Y. 1997, seven projects are doing curriculum development or revision of existing curriculum. The other seven F.Y. 1997-funded projects are working in the areas of language and cultural enrichment.

PROGRAM STATUS:

Current Law

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grants	13	14	16	15	15
Participating Indian Students	3,750	5,896	6,188	6,042	6,042
Grant Award Range	12-50	31-45	12-46	10-48	10-48
Average Grant Award	41	42	37	37	37
funds Requested by Applicants	1,405	1,341	1,212	1	1
Districts Applying	33	32	31	32	32
Percent Funded	40	41	52	47	47
Eligible Indian Students in Schools Applying	8,153	9,088	8,178	8,631	8,631
Percent Served	46	65	76	70	70

- Since the program's inception in 1979, the total number of proposals funded have increased from 11 to its present 16 funded in 1997.
- In the past 10 years, curriculum development was addressed in a large number of the grants funded. The curriculum produced is geographically and tribally orientated, dependent upon where produced, and has been implemented in the school and districts. The curriculum has produced individual courses that are part of the general curriculum, open to all and given credit toward graduation.
- In the past 3 years, the use of technology has been increasing. The use of computers for language, history and culture instruction has increased due to the increasing amount of curriculum available on CD-ROM and the Internet.

BUDGET ISSUES:**A. CHALLENGES:**

- CFL will continue the pursuit of long-range planning of Indian Education for school districts on a voluntary basis. The purpose is to provide resources for the unique and special education needs of Indian students, to evaluate the potential of district policies and procedures affecting the education of Indian learners, and to more effectively coordinate existing school district planning with a consideration of the unique needs of Indian learners.
- The American Indian Language and Culture Education program, is reaching a very low percentage of schools and districts with a significant population of American Indians. A trend has been seen in the last few years: the proposals are asking for less operating budgets and coordinating their programs with other available grant and district money. This allows for the increase of the number of grants being funded. The program has successfully opened new ground in cooperative liaisons in many districts and schools between the administration and Indian Education programs.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0214 AMERICAN INDIAN LANGUAGE AND CULTURE
(Continuation)

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services given available funding.
- Since each of the projects funded under this grant program is, by law and design, grantee-unique, and specific objectives within the projects are unpredictable prior to grant proposal submission, there will be a commitment to increase the program's accountability by gathering and developing effectiveness outcome data and information from each project funded.
- An increase in project sites and numbers of students being served is not expected. However, activities to increase the success of projects will be initiated, including increased technical assistance for project application, implementation and evaluation utilizing the Indian Education Section's field office staff for more geographic-based assistance to grantees, and a proposal writing workshop for applicants of this program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$591 for F.Y. 1998 and \$591 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$591 in F.Y. 1998 (\$59 for F.Y. 1997 and \$532 for F.Y. 1998), and \$591 in F.Y. 1999 (\$59 for F.Y. 1998 and \$532 for F.Y. 1999).

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0214: AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	591	591	591	591
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	591	591	591	591
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	591	591	591	591
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	591	591	591	591
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			591	591
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			591	591
<hr/>				
APPROPRIATIONS BASIS:(a)				
Prior Year	88	88	59	59
Current Year	503	503	532	532
Current Year Adj. to 90%, per M.S. 124.904		29		
Subtotal before Transfers	591	620	591	591
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	591	620	591	591

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

 0215 INDIAN EDUCATION

CITATION: Laws 1995, Chap. 3, Sec. 19, Subd. 19
MDCFL ADMIN: 1304 Indian Education
FEDERAL: None

PURPOSE:

To provide general support funds to school districts in lieu of funds which are no longer available from the federal government pursuant to the Johnson-O'Malley Act, P.L. 73-167, or Code of Federal Regulations, Title 25, Sec. 273.31.

These state funds are available to 6 school districts which have traditionally maintained Indian village elementary schools on Indian reservations, and which have formerly received operational support from the federal Johnson-O'Malley program in addition to federal impact aid.

By providing general operating funds to school districts that maintain an American Indian village school, this funding allows eligible small schools to remain open in the Indian community thereby allowing greater community, parent, and student interaction in the educational process. The village schools allow for the family, in all its forms, to take an active role in the education of the students and increase the self-esteem of students attending local schools. The opportunity to participate in both community and educational processes enhances all these goals.

DESCRIPTION:

The legislature specifies grant amounts for general use which are released to the 6 school districts upon evidence of compliance with requirements identified in the appropriation. The requirements include: evidence of compliance with uniform financial accounting and reporting standards, evidence that the district has conducted a special education needs assessment, and evidence that the district has compiled accurate daily pupil attendance records. Funds can be expended only in the interest of American Indian students.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants	\$6	\$6	\$6	\$6	\$6
Cook County/Grand Portage	10	10	10	10	10
Nett Lake	42	42	42	42	42
Mahnomen	15	15	15	15	15
Pine Point	55	55	55	55	55
Red Lake	39	39	39	39	39
Waubun	14	14	14	14	14
Total	\$175	\$175	\$175	\$175	\$175

BUDGET ISSUES:

A. CHALLENGES:

- The Minnesota Department of Children, Families & Learning through the Indian Education Team will continue to address the unique educational and cultural needs of American Indian students by providing grant programs and technical assistance to school districts, alternative, charter and tribal schools in the state, as requested. The schools and school districts will be provided with resources to help them develop long range plans, curriculum and to meet legislative requirements as they provide culturally appropriate educational services for American Indian students.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of program services with available funding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$175 for F.Y. 1998 and \$175 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$175 in F.Y. 1998 (\$17 for F.Y. 1997 and \$158 for F.Y. 1998), and \$175 in F.Y. 1999 (\$17 for F.Y. 1998 and \$158 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0215: AMERICAN INDIAN EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	175	175	175	175
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	175	175	175	175
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	175	175	175	175
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	175	175	175	175
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			175	175
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			175	175

APPROPRIATIONS BASIS:(a)

Prior Year	26	26	17	17
Current Year	149	149	158	158
Current Year Adj. to 90%, per M.S. 124.904		9		
Subtotal before Transfers	175	184	175	175
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	175	184	175	175

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0216 INDIAN POST-SECONDARY PREPARATION PROGRAM

CITATION: M.S. 124.481
MDCFL ADMIN: 1304 Indian Education
FEDERAL: None

PURPOSE:

To better prepare American Indian students for enrollment and success in postsecondary education and provide funding in response to formally identified student needs. The program serves American Indian students in Grades 7-12.

The Indian Postsecondary Preparation Program (PSPP) provides direct student services that are designed to improve productivity and performance in the classroom and increase opportunities for students to improve educational achievement.

DESCRIPTION:

Grants are made to school districts for secondary American Indian students of 1/4 or more Indian ancestry. Participants must have the capability of benefitting from higher education.

Projects may include the following:

- improved retention;
- remedial or tutorial services in areas of need, emphasizing college preparation subjects;
- attendance, achievement or graduation incentives;
- high potential/low achievement programs;
- advocacy and liaison services; and
- plans or innovative procedures to reduce alienation or conflicts that may inhibit Indian students from reaching their potential.
- counseling services in the areas of academics and career planning.

Parental participation is required toward the development implementation of these projects by district Parent Advisory Committees. PSPP grantees also promote and support direct parental involvement in classroom, tutoring and extra-curricular activities. Students served by PSPP are identified at-risk students, who are able to benefit from postsecondary education.

Grants are awarded on a competitive basis for proposals developed with maximum involvement of parents of children enrolled in the program. Proposals are developed and programs are implemented in direct consultation with parent advisory committees. Proposals are reviewed by the Minnesota Indian Scholarship Committee, which is appointed by the Minnesota Department of Children, Families & Learning to be representative of significant segments of the American Indian population. The committee makes recommendations to the State Department concerning approval, modifications or disapproval of the grant. The program includes an annual request for proposal (RFP) cycle, semi-annual progress reports by each grantee and an evaluation of each project. CFL continues to place a \$50,000.00 "cap" on individual grant awards. This cap allows for a maximum number of grants to be funded throughout the state.

A majority of projects funded in the F.Y. 1997 cycle include activities in the areas of direct student services such as: counseling services in the areas of academics and career planning, incentives for improved academics, attendance and graduation, improved retention, and remedial or tutorial services in the area of need, but with an emphasis on college preparatory subjects.

PROGRAM STATUS:

Since the programs inception in 1984 with a starting budget of \$277,379.73, the program has funded 22 grants with an average grant award of \$12,608.00. At its present funding level, the program serves 25 schools or districts, providing all eligible students with direct student services. Since the services offered are American Indian specific, the students benefit directly and a needed liaison between the administration/staff and the American Indian students is provided by the Indian Education section via PSPP. This program is successful in reducing alienation, increasing retention and ensuring the success of the student in pursuit of postsecondary careers.

Current Law

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants	24	25	25	25	25
Participating Indian Students	2,450	3,732	3,424	3,578	3,578
Grant Award Range	\$16-\$73	\$4.3-47.5	\$8.9-45.8	\$10-48	\$10-48
Average Grant Award	\$35	\$34	\$34	\$34	\$34
Funds Requested by Applicants	\$1,311	\$1,282	\$1,254	0	0
Districts Applying	36	36	34	36	36
Percent Funded	0	69	74	69	69
Eligible Indian students in school applying	4,008	4,472	4,129	4,311	4,311
Percent Served	61	83	83	83	83

BUDGET ISSUES:

A. CHALLENGES:

- The Department of Children, Families & Learning, through the Indian Education Team, will continue to address the unique educational and cultural needs of American Indian students by providing grant programs and technical assistance to school districts, alternative, charter and tribal schools in the state, as requested. The schools and school districts will be provided with resources to help them develop long range plans, curriculum and to meet legislative requirements as they provide culturally appropriate educational services for American Indian students.
- The Postsecondary Preparation Program (PSPP), though serving a large number of American Indian students, does not reach a majority of American Indian students in the state. The program cannot be held accountable for all American Indian students in schools or districts. The true success of the program can be measured in the retention and graduation rates of those programs funded multi-year.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services with available funding.
- Since each of the projects funded under this grant program are, by design, grantee-unique and specific objectives within the projects are unpredictable prior to grant proposal submission, there will be a commitment to increase the program's accountability by gathering and developing effective outcome data and information from each project funded.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0216 INDIAN POST-SECONDARY PREPARATION PROGRAM
(Continuation)

- An increase in project sites and numbers of students being served is not expected. However, activities to increase the success of projects will be initiated, including increased technical assistance for project application, implementation, reporting and evaluation utilizing the Indian Education Section's field office staff for more geographical-based technical assistance to grantees during the grant writing process.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$857 for F.Y. 1998 and \$857 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0216: AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	857	857	857	857
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	857	857	857	857
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	857	857	857	857
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	857	857	857	857
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			857	857
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			857	857
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	857	857	857	857
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	857	857	857	857

1998-99 Biennial Budget

BUDGET ISSUES:

- Efforts will be made to maintain existing levels of programs and services given available resources.
- In order to meet rising costs and the reduced ability to serve students in need, the department has identified the following alternative for consideration given the annual base level of funding:
 - The Minnesota Indian Scholarship Committee will continue to seek private fund raising for the State Indian Scholarship Program. Funds raised would be awarded to students utilizing the same criteria as those for the state funded program.
 - The Minnesota Indian Scholarship Program (MISP) has developed a model of collaboration among state government, tribal government and private industry. All grants awarded by MISP are packaged with Tribal scholarship programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,600 for F.Y. 1998 and \$1,600 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0217 INDIAN SCHOLARSHIPS

CITATION: M.S. 124.48
MDCFL ADMIN: 1304 Indian Education
FEDERAL: No flow through funds. The State Scholarship Program cooperates with the Federal/Tribal scholarship programs to jointly meet the financial needs of the American Indian Students.

PURPOSE:

To provide need-based financial assistance to American Indian students who, without such assistance, may not be able to pursue postsecondary education and the opportunity to develop their potential. The Minnesota Indian Scholarship Program (MISP) promotes partnerships between state government, tribal governments, and private industry.

DESCRIPTION:

Grants are awarded on the basis of criteria established by the State Board of Education upon recommendation of the Minnesota Indian Scholarship Committee. Eligibility is restricted to American Indian students of 1/4 or more Indian ancestry, in residence in Minnesota, and enrolling in accredited Minnesota post-secondary institutions. Each student's needs and circumstances are reviewed and grants are based on financial need remaining after all other sources of available financial assistance have been applied. Therefore, the state program represents the last resource available for Indian students wishing to attend post-secondary education. Payments are made to the post-secondary institution for the benefit of the individual student.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of students funded	976	883	850	810	810
Number of students denied (lack of funds)	800	700	650	650	650
Number of grads 4 & 2 yr. Inst.	250	225	225	220	220
Number of MISP students w/ GEDs	398	413	420	400	420
Number of MISP students in teacher preparation programs	135	155	175	170	180
Graduate students funded	30	19	40	50	55

- approximately 35 part-time students are assisted;
- approximately 60% of the applications received are female, 40% are male;
- each year since 1990 the number of students pursuing teaching careers has been increasing;
- American Indian students continue to take out student loans in record numbers.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0217: AMERICAN INDIAN SCHOLARSHIPS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,600	1,600	1,600	1,600
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,600	1,600	1,600	1,600
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,600	1,600	1,600	1,600
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,600	1,600	1,600	1,600
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,600	1,600
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,600	1,600
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,600	1,600	1,600	1,600
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,600	1,600	1,600	1,600

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids
 0218 INDIAN TEACHER PREPARATION GRANTS
CITATION: M.S. 125.62
MDCFL ADMIN: 1304 Indian Education
FEDERAL: None

PURPOSE:

To assist American Indian people to become teachers and provide additional education for American Indian Teachers. In addition, this program provides a source of certified American Indian teachers to specific school districts with significant concentrations of American Indian students.

This program provides grants and loans to American Indian students who have the potential to complete a teacher training program and have a demonstrated financial need. Grants are given to provide for costs of tuition, books and fees. Any further financial need is covered in the form of a loan. This loan covers costs that may deter a student from completing a program. After graduation, if the student is employed in a Minnesota school, preferably the sponsoring district/school, the loan is forgiven after 4 years.

Incentives provided for American Indians to become teachers ensure the success of the student, who may otherwise not continue college due to financial constraints. The American Indian teacher pool will increase, allowing for more Indians in the classrooms. American Indian teachers are needed in the classroom as role models to demonstrate the importance of learning and education to all American Indian Students.

DESCRIPTION:

Grant awards are made by the Minnesota Department of Children, Families & Learning based on applications from project sites specified in the legislation. Payments are made to either the school districts of the post-secondary institution, determined by agreement, that is acting as the fiscal agent for this program. Currently, project sites include:

1. Bemidji State University and ISD #38, Red Lake
2. Moorhead State University, Mahnomen and other districts on the White Earth Nation
3. University of Minnesota, Duluth and ISD #709, Duluth
4. Augsburg College and SSD #1, Minneapolis and ISD #625, St. Paul

The following American Indian people are eligible for scholarships/grants:

- a student who intends to become a teacher and is enrolled in one of the post-secondary institutions receiving a grant;
- a teacher aid who intends to become a teacher and who is employed by a district receiving a joint grant; and
- a licensed employee of a district receiving a joint grant who is enrolled in a master of education degree program.

PROGRAM STATUS:

Current Law

(\$ in 000s)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants	4	4	4	4	4
Number of Participants	19	20	20	20	20
University of Minnesota, Duluth and ISD #709, Duluth	\$77.0	\$70.0	\$70.0	\$70.0	\$70.0
Moorhead State University and Mahnomen/White Earth Nation	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0
Bemidji State University and ISD #38, Red Lake	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0
Augsburg College and SSD #1, Minneapolis and ISD #625, St. Paul	\$40.0	\$40.0	\$40.0	\$40.0	\$40.0
Number of Graduates	8	6	6	6	6

- There have been 38 graduates of the program to date. The average graduation is 5 per year.
- The average time a student spends in the program is 3 years.
- The average loan in \$3,942.00 per year, and the average loan at graduation in \$10,770.00.
- 90% of all graduates are employed in a Minnesota school/district, with the other 10% being recent graduates who have yet to report.
- A total of 62 American Indians have participated or are participating in the program to date. Of these participants, 2% are deceased (one of which was a graduate teaching in the sponsoring district) and 8% have dropped the program for various reasons, and are currently in loan repayment.

BUDGET ISSUES:

A. CHALLENGES:

- This program is successfully addressing one aspect of a critical shortage of American Indian teachers in Minnesota.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services with available funding.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$190 for F.Y. 1998 and \$190 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0218: INDIAN TEACHER PREPARATION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	190	190	190	190
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	190	190	190	190
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	190	190	190	190
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	190	190	190	190
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			190	190
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			190	190
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APPROPRIATIONS BASIS:				
Direct Appropriated Funds	190	190	190	190
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	190	190	190	190

1998-99 Biennial Budget

PROGRAM STATUS:

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0219 TRIBAL CONTRACT SCHOOLS

CITATION: M.S. 124.86
MDCFL ADMIN: 1304 Indian Education
FEDERAL: Bureau of Indian Affairs Funding (Not a Federal flow-through program)

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Schools	4	4	4	4	4
Number of Pupil Units Eligible for Aid	1,100	1,200	1,300	1,300	1,300

PURPOSE:

To promote equal education opportunity for students enrolled in Tribal contract schools (as compared to public schools), by providing state funds to schools based on the difference between the amount of aid provided by the federal government and the state per pupil aid amount.

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$257.0	\$968.0	\$968.0	\$968.0
B. ENTITLEMENT CHANGES PER LAW:				
Change in WADM	(\$7.5)	(\$8.1)	(\$1.6)	(\$15.6)
Change in Federal Funding	(\$249.5)	(\$216.9)	(\$105.4)	(\$160.6)
Appropri Shortfall (Excess)			(\$107.0)	(\$145.0)
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$0.0	\$743.0	\$861.0	\$823.0

DESCRIPTION:

Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code title 25, section 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid provided that:

- a) the school must plan, conduct, and administer an education program that complies with the requirements of either chapter 124 and chapters 120, 121, 122, 123, 124A, 124C, 125, 126, 129, and 268A or Code of Federal Regulations title, 25, sections 31.0 to 45.80. and
- b) the school must comply with all other state statutes governing independent school districts or their equivalent in the Code of Federal Regulations, title 25.

BUDGET ISSUES:

A. CHALLENGES:

- Develop equitable funding resources for the program and to account for the effect of mid-year student transfers from public schools.

B. STRATEGIES:

- Tribal schools will work with the Manager of the Indian Education Section on reporting data on retention/dropout statistics.

The amount of aid is derived by:

GOVERNOR'S RECOMMENDATION:

The Governor recommends the following modification in the tribal contract aid program:

- multiplying the formula allowance under section 124A.22, subd. 2, times the difference between
 - the actual pupil units as defined in section 124A.02, subd. 15, in average daily membership, excluding section 124.17, subd. 2f, and
 - the number of pupils for the current school year, weighted according to section 124.17, subd. 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;
- subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through grade 12, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;
- dividing the result in clause (2) by the actual pupil units in average daily membership, excluding section 124.17, subdivision 2f; and
- multiplying the actual pupil units, including section 124.17, subdivision 2f, in average daily membership by the lesser of \$1,500 of the sum of result in clause (3) plus \$300.

1. Beginning in F.Y. 1998, provide AFDC funding for tribal contract schools; and
2. Beginning in F.Y.1999, compute tribal contract aid using the formula allowance less \$176 to adjust for the change in pupil unit weights and the general education formula.

The Governor recommends an aid entitlement of \$2,798 for F.Y. 1998 and \$2,921 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$2,593 in F.Y. 1998 (\$74 for F.Y. 1997 and \$2,519 for F.Y. 1998), and \$2,908 in F.Y. 1999 (\$279 for F.Y. 1998 and \$2,629 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0219: TRIBAL CONTRACT SCHOOLS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	743	861	823
2. Statutory Excess / (Shortfall)	257	225	107	145
3. Appropriated Entitlement	257	968	968	968
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(257)	(203)		
b. Portion of Final 10% Not Requested		(22)		
5. Current Law Aid	0	743	968	968
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	743	968	968
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			968	968
a. Eliminate Excess			(107)	(145)
b. Eliminate General Education Funding Caps			167	248
c. Formula Adjustment - AFDC			1,770	1,850
Recommended Aid Entitlement			2,798	2,921
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			2,798	2,921

APPROPRIATIONS BASIS: (a)

Prior Year	19	38	74 (b)	279
Current Year	219	823	2,519	2,629
Current Year Adj. to 90%, per M.S. 124.904		49		
Subtotal before Transfers	238	910	2,593	2,908
Transfers per M.S. 124.14, subd. 7	(238)	(241)		
Total State General Funds	0	669	2,593	2,908

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$96 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids
 0220 TRIBAL CONTRACT SCHOOLS-ECFE
CITATION: M.S. 124.86, Subd. 4
MDCFL ADMIN: 1304 Indian Education
FEDERAL: None

PURPOSE:

The purpose of the regular Early Childhood Family Education (ECFE) program and the function for this grant program is to enhance the ability of parents to provide for their children's optimal learning and development through education and support during the early childhood years, from birth to kindergarten enrollment. The mission of the Tribal Contract Schools—ECFE program is to encourage community-based parent-child participation and maximize the use of available resources to provide cost-effective prevention/risk reduction services for all young children and their families through the cooperation and collaboration of agencies, services, and other community resources available to the tribal schools.

DESCRIPTION:

The Tribal School Early Childhood Family Education programs were established by the legislature in 1991. The schools eligible for the grants are Bug-o-nay-ge-shig, Leech Lake; Circle of Life, White Earth; Fond du Lac Ojibway, Cloquet; and Nay Ah Shing, Mille Lacs. Programs established at the four schools use culturally appropriate materials and strategies to deliver the basic Early Childhood Family Education program with an added emphasis on preserving their culture. An example is storytelling by Tribal elders to convey American Indian history to young children and their parents. Such programs require the direct presence and substantial involvement of the children's parents and may include any or all of the following:

- programs to educate parents about the physical, mental, and emotional development of children;
- programs to enhance the skills of parents in providing for their children's learning and development;
- learning experiences for children and parents;
- activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- activities and materials designed to encourage self-esteem, skills and behaviors that prevent sexual and other interpersonal violence;
- educational materials which may be borrowed for home use;
- home visits or center based activities;
- information on related community resources; or
- other programs or activities to improve the health, development and learning readiness of children.

The school must make affirmative efforts to encourage participation by fathers. Admission may not be limited to those enrolled in or eligible for enrollment in a federally recognized Tribe.

The revenue equals 1.5 times the statewide average expenditure per participant under ECFE, M.S. 124.2711, times the number of children and parents participating full time in the program.

PROGRAM STATUS:

	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Participants					
Fond du Lac	55	60	60	65	65
Circle of Life	120	140	145	150	155
Bug-o-nay-ge-shig	160	180	185	190	195
Mille Lacs	100	105	105	110	110
Funding	\$68.0	\$68.0	\$68.0	\$68.0	\$68.0

BUDGET ISSUES:

A. CHALLENGES:

- Ongoing efforts will be needed to maintain the momentum of program development and to facilitate increased sharing of effective strategies and resources by tribal schools and other Early Childhood Family Education programs servicing American Indian families.
- Communication and connections of tribal school programs with other ECFE programs throughout the state need to be enhanced for the benefit of American Indian families who move to and from the reservation served by the tribal school so their participation will continue.

B. STRATEGIES:

- Tribal schools will work with the Manager of Indian Education on report data.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$68 for F.Y. 1998 and \$68 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0220: EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	68	68	68	68
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	68	68	68	68
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	68	68	68	68
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	68	68	68	68
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			68	68
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			68	68
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	68	68	68	68
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	68	68	68	68

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
 AGENCY: Children, Families & Learning Aids
 0221 BASIC SKILLS SUMMER SCHOOL
 CITATION: M.S. 124.17
 MDCFL ADMIN: 1301 Learner Improvement
 FEDERAL: None

PURPOSE:

To provide funding for remedial summer school programs for secondary students who have not passed an assessment of basic graduation standards in reading, writing, or mathematics.

DESCRIPTION:

When a pupil who has not passed an assessment of basic graduation standards in reading, writing, or mathematics is enrolled in a mastery of basic skills summer school program that is not a part of the regular school term and the student has a total enrollment time of more than 1,020 hours in a school year, the pupil may be counted as more than one pupil in average daily membership for purposes of this subdivision only. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of 1,020 hours. For each pupil, only the amount of summer school enrollment time attributable to basic skills instruction may be used to calculate the additional hours in the school year. Basic skills instruction is defined in Minnesota's rules on graduation standards and includes reading, writing and mathematics. Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A pupil for whom payment is made under this subdivision may be counted by a district only for the computation of basic revenue, according to section 124A.22, subd. 2, minus \$300. In F.Y. 1997, basic revenue minus \$300, is \$3,205.

PROGRAM STATUS:

	Current Law	
	F.Y. 1998	F.Y. 1999
Estimated Number of Students	15,391	19,527
Secondary Weighting	1.30	1.25
Basic Formula	\$3,205	\$3,130
Number of Summer School Hours	60	60
Hours in School Year	1,020	1,020
Total Funding (\$ in 000s)	\$3,772.1	\$4,494.3

Note: F.Y. 1998 will be the first year for this program.

(\$ in 000s)	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 on Fiscal Page)	\$891.0	\$1,255.0
B. ENTITLEMENT CHANGES PER LAW Number of Pupils Participating	2,881	3,239
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$3,772.0	\$4,494.0

Note: Appropriation was based on data available and estimates from program staff in February, 1996. Actual test results and district planning projections account for the variance between the appropriation and the statutory formula aid required.

BUDGET ISSUES:

A. CHALLENGES:

- Failing a test once is not indicative of a need for summer school. A more reasonable and cost-effective procedure would be to provide this program for students who, by the end of 9th grade, have still not passed.
- Changing to qualification after 9th grade is being proposed.
- Since the first summer school session under this program will occur after mid-June 1997, at this time, many districts are still in the planning stages of developing the basic skills summer program. Since this is a voluntary program, school districts are not sure how many students will be participating and what the length of the program will be. This makes forecasting difficult.

B. STRATEGIES:

- The department will continue to provide assistance to districts in the planning of the basic skills summer program.
- Student participation will be monitored through the MARSS student accounting system.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$3,772 for F.Y. 1998 and \$4,635 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$3,395 in F.Y. 1998 (\$0 for F.Y. 1997 and \$3,395 for F.Y. 1998), and \$4,549 in F.Y. 1999 (\$377 for F.Y. 1998 and \$4,172 for F.Y. 1999).

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

The Governor recommends the following modification in the basic skills summer program, beginning in F.Y. 1999:

1. To adjust for the change in pupil unit weights and the general education formula, compute basic skills summer program aid using the formula allowance less \$176.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0221: BASIC SKILLS SUMMER SCHOOL

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid			3,772	4,494
2. Statutory Excess / (Shortfall)			(2,881)	(3,239)
3. Appropriated Entitlement	0	0	891	1,255
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	891	1,255
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	891	1,255
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			891	1,255
a. Eliminate Shortfall			2,881	3,239
b. Adjust Formula for Change in Pupil Weights in F.Y. 1999			0	141
Recommended Aid Entitlement			3,772	4,635
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			3,772	4,635

APPROPRIATIONS BASIS: (a)

Prior Year			0	377
Current Year			3,395	4,172
Current Year Adj. to 90%, per M.S. 124.904				
Subtotal before Transfers	0	0	3,395	4,549
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	3,395	4,549

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0222 AMERICAN SIGN LANGUAGE - TEACHER EDUCATION
HEARING IMPAIRED

CITATION: M.S. Laws 1993, chap. 224, Art. 3, Sec. 32, Sec. 2, Clause L; Laws
1993, Chap. 224, Art. 3, Sec. 38, Subd. 22; Laws 1994, Chap. 647,
Art. 3, Sec. 21, Subd. 22
MDCFL ADMIN: 1303 Special Education
FEDERAL: None

PURPOSE:

To assist school districts in greater Minnesota in educating teachers in American Sign Language, American Sign Language Linguistics, and deaf culture.

DESCRIPTION:

In 1992 the licensure requirements for teachers of the deaf/hard of hearing were significantly changed by Minnesota Statute, section 125.189. To encourage and assist teachers of the deaf/hard of hearing to increase their American Sign Language (ASL) proficiency levels and acquire the higher number of continuing education credits required for licensure renewal, the legislature appropriated a total of \$60,000 from the general fund to the Department of Education to assist school districts in educating these teachers in American Sign Language, American Sign Language Linguistics, and deaf culture.

The legislature allocated funds to provide training in the areas of American Sign Language (ASL), ASL linguistics, and Deaf Culture for Minnesota teachers for the Deaf/Hard of Hearing. Collaboratively, during nine planning meetings the Facilitators for the Regional Low Incidence Projects, the Director of the Resource Center of the Deaf/Hard of Hearing, and representatives of the DHS-Deaf Services Division Regional Resource Centers of the Deaf/Hard of Hearing designed a coordinated program of activities, workshops, etc., across the state based on needs identified by teachers of the Deaf and Hard of Hearing.

There are about 332 teachers of the Deaf and Hard of Hearing employed by Minnesota schools. The grant offers these teachers the following training opportunities during the school year: 1) ASL/SCPI workshops in each region of the state, 2) Saturday activities to help teachers practice their ASL skills with the aid of instructors and members of the Deaf community, 3) a Summer Family Camp, and 4) a statewide Youth Leadership Day which provides teachers opportunities to practice and improve their ASL skills and sessions about Deaf Culture.

Continuing Education Units (CEUs) for licensure renewal are made available to the teachers who participate by the host agencies of the various sessions and activities.

BUDGET ISSUES:

A. CHALLENGES:

- Students who are deaf or significantly hard of hearing are a low incidence group. Traditionally, these students (who usually require some type of sign language or cued/oral transliteration) have

attended the Academy for the Deaf in Faribault or their families migrate to larger cities where classes for deaf/hard of hearing students are feasible. As more families with deaf/hard of hearing children choose to live in greater Minnesota the need for teachers proficient in ASL, cued speech, deaf culture, etc., increases also. The acquisition and maintenance of a high ASL proficiency level is challenging even when coursework, inservice and ASL consumers are readily available. As with the learning of any language, quality instruction and continuous opportunity to practice need to be available anywhere a teacher of the deaf/hard of hearing is employed. These funds enable a variety of agency staff and consumers to plan and conduct instruction, practice opportunities, and deaf culture experiences for more of these teachers living and working in greater Minnesota.

B. STRATEGIES:

- The program administrators will continue to use one fiscal host to hold down administrative costs.
- The program administrators will continue to do needs assessments with targeted population(s) to get input on the creation of a statewide plan to address the needs of hearing impaired students.
- When possible, program funds will be used with other staff development funds to most fully utilize staff development resources.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$13 for F.Y. 1998 and \$12 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0222: AMERICAN SIGN LANGUAGE; TEACHER EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	13	12	13	12
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	13	12	13	12
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	13	12	13	12
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	13	12	13	12
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			13	12
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			13	12
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APPROPRIATIONS BASIS:				
Direct Appropriated Funds	13	12	13	12
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	13	12	13	12

1998-99 Biennial Budget

GOVERNOR'S RECOMMENDATION:

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0223 MEXICAN ORIGIN EDUCATION GRANTS

CITATION: M.S. Laws 1995, Chap. 3, Art. 3, Sec. 13, Subd. 1
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

The Governor recommends an aid entitlement and 100% current appropriation of \$50 for F.Y. 1998 and \$25 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

PURPOSE:

The Mexican origin education pilot program was established to assist school districts and communities in meeting the educational and culturally related academic needs of students of Mexican origin.

DESCRIPTION:

Grant recipients shall use the funds for programs designed to improve the school success of students of Mexican origin. Grant proceeds may be used for curriculum and staff development, tutoring, mentoring, parent involvement, and other programs that are designed to:

- improve student achievement and reduce dropout rates;
- increase student knowledge and understanding of Mexican history
- improve instruction by developing the cultural competence skills of teachers and other staff; and
- increase parent involvement in education and the school community.

PROGRAM STATUS:

F.Y. 1996 was the first year for this program. Due to program start-up, grants were not awarded for F.Y. 1996. The funds will be awarded to districts in F.Y. 1997.

BUDGET ISSUES:

A. CHALLENGES:

- State and federal reporting does not have a single category for "Mexican". Data is collected for person that would qualify for this program under the category of Hispanic. Hispanic includes a person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race. Because of this, three factors impact identification of hispanic persons: Race: it is estimated that 60% of hispanic people are Caucasian; language: there is not one single language for this category; and location: by federal definition, the area of origin is very large.

B. STRATEGIES:

- The department will work closely with school districts in the identification of eligible students for appropriate programs.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0223: MEXICAN ORIGIN EDUCATION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	50	25	50	25
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	<u>50</u>	<u>25</u>	<u>50</u>	<u>25</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	<u>50</u>	<u>25</u>	<u>50</u>	<u>25</u>
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>50</u>	<u>25</u>	<u>50</u>	<u>25</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			50	25
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			50	25
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APPROPRIATIONS BASIS:				
Direct Appropriated Funds	50	25	50	25
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	<u>50</u>	<u>25</u>	<u>50</u>	<u>25</u>

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0224 LAY ADVOCATES

CITATION: M.S. Laws 1995, First Special Session, Chap. 3, Art. 3, Sec. 19,
Subd. 12

MDCFL ADMIN: 1303 Special Education
FEDERAL: None

PURPOSE:

To provide advocates as called for in M. S. 120.17 providing reimbursement to individuals for their time and expenses for being advocates for children with disabilities who attend public schools.

PROGRAM STATUS:

This program provides up to \$150 reimbursement to a lay advocate for assisting parents and students in resolving disputes. The Department of Children, Families & Learning notified school districts and advocacy groups of the program and distributed application materials to school districts and advocacy groups. The program started slowly but is gaining momentum as parents and advocates become aware of it. If the parents perceive there is a dispute with the district, they are entitled to invite a lay advocate to the meeting and the advocate is eligible for financial support through this program.

BUDGET ISSUES:

A. CHALLENGES:

- There has been some confusion over who determines whether there is a dispute between a school district and the parents.

B. STRATEGIES:

- The application process has given the discretion to the parents as to when to invite a lay advocate for dispute resolution.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$10 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0224: LAY ADVOCATES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	10	0	10	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			10	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			10	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	10	0	10	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0225 OPTIONS PLUS PILOT PROGRAM

CITATION: M.S. Laws 1995, First Special Session, Chap. 3, Art. 3, Section 11
MDCFL ADMIN: 1303 Special Education
FEDERAL: None

PURPOSE:

A pilot program is established to support general education classroom teachers who teach children with specific learning disabilities. The goals of the pilot program are to:

- increase participation of these children in non-categorical programming designed to encourage their maximum potential and maintain their self-esteem;
- demonstrate results in measurable educational outcomes;
- provide alternatives to special education that focus on children's educational progress and results, respond to the individual child, are efficient and cost-effective, and ensure the rights of eligible children and their families to due process;
- increase general education's ability to educate in a manner that decreases the need for pull-out programs for students with specific learning disabilities; and
- implement alternative approaches to conflict resolution.

DESCRIPTION:

An Options Plus applicant must be a school district or districts that cooperate for a particular purpose. The application to the Department of Children, Families & Learning must describe:

- how the applicant will ensure that eligible children receive accommodations, modifications, and personalized instruction;
- the methods to be used to develop a learner plan for each child participating in the program and to evaluate individual progress, outcomes and cumulative results including parent satisfaction;
- the projected number of students participating in the program;
- the current and projected level of educator competency at each district site where an Options Plus program will be established;
- procedures for assessing and determining eligibility of students with specific learning disabilities in accordance with Minnesota Rules, parts 3525.1325 to 3525.1347;
- procedures for informing the parent and child, as appropriate, of all procedural safeguards and dispute resolution alternatives available under the Individuals with Disabilities Education Act (IDEA), United States Code, title 20, section 1400 et seq., American with Disabilities Act of 1990 (ADA), United States Code, title 42, section 12101 et seq., Rehabilitation Act of 1973, United States Code, title 29, section 794, and applicable state law;
- alternative dispute resolution methods to be implemented if agreed upon by the parent and are instituted in a timely manner not to exceed 30 days or in accordance with current laws; and
- any additional information required by the Commissioner.

Districts shall continue accounting procedures for documenting that federal special education funds are expended for child find, identification, and evaluation consistent with federal law. A district shall not include children participating in the Options Plus program in special education child counts or funding formulas.

Any child enrolled in an Options Plus pilot program may withdraw at any time upon written request of the parent or child and seek or reinstate eligibility for services under M. S. 120.17. If a child who withdraws was previously served through an individual education plan under M. S. 120.17, the parent shall retain the right to immediately reinstate the last agreed upon individual education plan.

A school district receiving an Options Plus pilot program grant shall report to the commissioner of Children, Families & Learning on the educational impact and cost-effectiveness of the Option Plus program by February 15, 1997. The commissioner will evaluate the effectiveness of the Options Plus program and will recommend to the education committees of the legislature by February 15, 1998, whether the program should be continued or expanded statewide and whether to include other disability areas.

PROGRAM STATUS:

Four school districts have received the Options Plus grants for F.Y. 1996 and F.Y. 1997, serving students in eleven building sites within those districts.

BUDGET ISSUES:

A. CHALLENGES:

- Loss of federal P.L. 101-476 funds for students no longer served on an IEP through special education.
- Perceived constraint on special education reimbursement for special education staff when consulting to regular education.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$150 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0225: OPTIONS PLUS PILOT GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	150	0	150	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	150	0	150	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	150	0	150	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	150	0	150	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			150	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			150	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	150	0	150	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	150	0	150	0

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

0226 LOW INCOME CONCENTRATION GRANTS

CITATION: M.S. Laws 1994, Chap. 647, Art. 8, Sec. 43
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)
FEDERAL: None

PURPOSE:

The purpose of the low-income concentration grant program is to provide additional resources to school buildings in which the concentration of children from low income families is high compared to the district-wide concentration. Eligible districts may receive up to \$50,000 per eligible building.

DESCRIPTION:

In order to qualify for a grant, the building must be located in a district that meets the following criteria:

- 10% or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;
- 10% or more of the district's pupils are students of color;
- the district has at least 1,500 students in average daily membership; and
- the district's administrative office is located in the seven county metropolitan area, but not in a city of the first class.

The grant must be used according to M. S. 124A.28. The grant may only be used in buildings in the district where the percent of children in the building eligible for free and reduced lunch is at least 20% and the number of minority students is at least 20%.

In addition to the grant, ISD 279 - Osseo, was permitted to levy \$500,000 for taxes payable in 1996 and \$800,000 for taxes payable in 1997.

PROGRAM STATUS:

		(\$ in 000s)				
Dist #	Name	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
13	Columbia Heights	\$50.0	\$44.2	\$50.0	\$50.00	\$50.00
197	W. St. Paul Mendota Heights	66.1	88.5	100.0	100.0	100.0
271	Bloomington	100.0	88.5	150.0	150.0	150.0
279	Osseo	366.7	398.1	500.0	500.0	500.0
Dist #	Name	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
280	Richfield	133.2	176.9	200.0	200.0	200.0
281	Robbinsdale	133.3	176.9	150.0	150.0	150.0
286	Brooklyn Center	100.0	88.5	100.0	100.0	100.0
623	Roseville	<u>50.0</u>	<u>44.2</u>	<u>50.0</u>	<u>50.0</u>	<u>50.0</u>
	To Be Allocated		44.2			
	Total	\$999.3	\$1,150.0	\$1,300.0	\$1,300.0	\$1,300.0

F.Y. 1998 and F.Y. 1999 allocations may change due to changes in the law or changing demographics.

BUDGET ISSUES:

A. CHALLENGES:

- To assure that these funds are used collaboratively with other state and federal funds to target the needs of low achieving students in a comprehensive manner.

B. STRATEGIES:

- This program serves suburban metro students that meet certain criteria. These students are located in every district throughout the state. Other state and federal revenue exists that could provide similar services to this population of students.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,000 for F.Y. 1998 and \$-0- for F.Y. 1999.

The Governor recommends discontinuing this activity in F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0226: LOW-INCOME CONCENTRATION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,150	1,300	1,300	1,300
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,150	1,300	1,300	1,300
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,150	1,300	1,300	1,300
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	0	500	800	0
8. Current Law Funding: Aid & Levy	1,150	1,800	2,100	1,300
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,300	1,300
a. Reduce Funding in F.Y. 1998; Eliminate Funding in F.Y. 1999			(300)	(1,300)
Recommended Aid Entitlement			1,000	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			800	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,800	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,150	1,300	1,000	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,150	1,300	1,000	0

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1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0227 FIRST GRADE PREPAREDNESS PROGRAM

CITATION: M.S. 124.2613
MDCFL ADMIN: 1401 Teaching and Learning
FEDERAL: None

PURPOSE:

The purposes of the First Grade Preparedness (FGP) program are to ensure that every child has the opportunity before first grade to develop the skills and abilities necessary to read and succeed in school and to reduce the underlying causes that create a need for compensatory revenue.

DESCRIPTION:

This program was created by the 1996 legislature. The first year for the program is F.Y. 1997. The FGP programs were legislated to provide either four-year-olds with a half-day everyday school experience or five-year-olds with full-day everyday kindergarten experience. Eligibility was based on school sites ranking from highest to lowest free and reduced lunch count as a percentage of the fall enrollment using the October 1 enrollment data. The ranked sites were separated into geographical areas with each region receiving twenty-five percent of the funding. The geographical areas are: Minneapolis, St. Paul, metro suburban and greater Minnesota.

The FGP programs must encourage and plan for parental involvement and demonstrate collaboration with other providers of school readiness and child development services. The board of the qualifying school site are required to develop and approve a plan to provide extended day services to serve as many children as possible.

The establishment of an evaluation process for school sites to use in documenting their results is the responsibility of a committee of educators and parents. The evaluation tool must elicit both empirical and qualitative data to demonstrate: that each child entering first grade has the skills necessary to be successful, student readiness for first grade and measurement of parental satisfaction and involvement in the FGP program.

PROGRAM STATUS:

FIRST GRADE PREPAREDNESS PROGRAM F.Y. 1997

Minneapolis Sites

Dist #	Dist Type	Dist Name	School #	School Name
1	3	Mpls	287	Hall Elementary
4004	7	Charter	10	Cedar Riverside Comm
4010	7	Charter	10	Frederick Douglas Middle School
1	3	Mpls	107	Bethune Elementary
1	3	Mpls	185	North Star Elementary
1	3	Mpls	282	Lucy Craft Laney Elementary
1	3	Mpls	284	West Central Academy

St. Paul Sites

Dist #	Dist Type	Dist Name	School #	School Name
4014	7	Charter	10	Right Step Academy
4015	7	Charter	10	Community of Peace Academy
625	1	St. Paul	449	East Consolidated Elementary
625	1	St. Paul	554	Roosevelt Elementary
625	1	St. Paul	461	Franklin Magnet Elementary
625	1	St. Paul	579	Amer Indian
625	1	St. Paul	500	Jackson Elementary

Metro Suburban Sites

Dist #	Dist type	Dist Name	School #	School Name
271	1	Bloomington	459	Valley View Elementary
279	1	Osseo	681	Zanewood Elementary
281	1	Robbinsdale	10	Meadow Lake Elementary
281	1	Robbinsdale	19	Northport Elementary
286	1	Brooklyn Center	480	Earle Brown Elementary

Out State Sites

Dist #	Dist Type	Dist Name	School #	School Name
25	1	Pine Point	70	Pine Point Elementary
38	1	Red Lake	20	Ponemah Elementary
38	1	Red Lake	10	Red Lake Elementary
115	1	Cass Lake	10	Cass Lake Elementary
318	1	Grand Rapids	137	Squaw Lake Elementary
432	1	Mahnomen	30	Naytahwaush Elementary
435	1	Waubun	20	Ogema Elementary
435	1	Waubun	10	Waubun Elementary
486	1	Swanville	10	Swanville Elementary
707	1	Nett Lake	1	Nett Lake Elementary
709	1	Duluth	515	Lincoln Elementary
2170	1	Staples	10	Motley Elementary
4012	1	Charter	10	Emily Charter School

**TOTAL
AVAILABLE
FUNDING**

(\$ in 000s)

\$3,500.0

BUDGET ISSUES:

A. CHALLENGES:

- The primary challenges for the qualifying sites were space and personnel. Space for a full day everyday kindergarten program doubled for most sites. Additional staffing was needed with a good portion of their allocated funds being directed to salaries.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0227 FIRST GRADE PREPAREDNESS PROGRAM
(Continuation)

- The uncertainty of not qualifying for FGP in subsequent years was a deterrent to several schools. These schools chose not to participate in the program. Others elected to participate, but are afraid that if they do not qualify for funds next year, they will have to disband their FGP program.
- Parents are not convinced that full-day everyday kindergarten is a good option for their children. A greater Minnesota school board withdrew from the FGP program because parents objected to full-day every day kindergarten. A study (A Longitudinal Study of the Consequences of Full-Day Kindergarten) commissioned by the Evansville-Vanderburgh School Corporation found that children who attend full-day kindergarten when compared to children who attend half-day kindergarten consistently have higher achievement test scores in all areas tested except hand writing.
- The staff development for teachers proved to be a challenge. Funding from Goals 2000 was finally obtained which allowed Department staff to assist early childhood and kindergarten teachers with a better understanding of research-based practices and performance assessment as they relate to their FGP program. It also became important for these educators to understand their connection to the state's Graduation Standards.

B. STRATEGIES:

- A connection between the Office of Teaching and Learning and Community Services was made. Staff from both offices have worked closely together to bridge early childhood education with K-12 initiatives.
- Teachers in the FGP program are delighted to have a chance to develop a program for students that is research-based and student centered. The increase in student contact time is allowing teachers an opportunity to do more individual work with students.
- The program is one vehicle the Department of Children can use to assess the consequences of the full-day everyday kindergarten and the half-day everyday four-year-old program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$3,500 for F.Y. 1998 and \$3,500 for F.Y. 1999, to be funded on a 90/10 basis. Based on these entitlements, the Governor recommends an appropriation of \$3,150 in F.Y. 1998 (\$0 for F.Y. 1997 and \$3,150 for F.Y. 1998) and \$3,500 in F.Y. 1999 (\$350 for F.Y. 1998 and \$3,150 for F.Y. 1999).

The Governor also recommends the following changes:

- Once a school site is determined to be eligible for the program, it will remain eligible for the duration of the pilot program.
- First Grade Preparedness revenue, paid to a charter school for which a school district is providing transportation, shall be decreased by \$170 times the pupil units associated with the program. This amount will be paid to the school district providing transportation for associated costs.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0227: FIRST GRADE PREPAREDNESS PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	3,500	3,500	3,500
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	3,500	3,500	3,500
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	3,500	3,500	3,500
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	3,500	3,500	3,500
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			3,500	3,500
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			3,500	3,500

APPROPRIATIONS BASIS:

Prior Year	0	0	0	350
Current Year	0	3,500	3,150	3,150
Current Year Adj. to 90%, per M.S. 124.904		n/a		
Subtotal before Transfers	0	3,500	3,150	3,500
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	3,500	3,150	3,500

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0228 SPECIAL EDUCATION - INDIVIDUALS WITH DISABILITIES

CITATION: Individuals with Disabilities Act (P.L. 101-476)
MDCFL ADMIN: 1303 Special Education

PURPOSE:

- To ensure that all individuals with disabilities (ages birth to 22 years) have available to them a free, appropriate public education which includes specially designed instruction and related services to meet their unique needs;
- To ensure that the rights of individuals with disabilities and their parents are protected;
- To assist states and localities to provide for the education of individuals with disabilities; and
- To assess and ensure the effectiveness of efforts to educate individuals with disabilities.

DESCRIPTION:

Minnesota receives an annual federal grant based on an unduplicated child count which is taken by school districts on December 1 of each year and submitted to the Minnesota Department of Children, Families & Learning (CFL). The December 1 child count is used to determine the state's entitlement for the subsequent school term. States are required to allocate a minimum of 75% of the state grant to local school districts on an entitlement basis. Minnesota allocates approximately 80% to local school districts and retains 5% for central administration of the program and 15% for state initiated discretionary projects. Operation of the P.L. 101-476 Grant Program is as follows:

- the Minnesota Department of Children, Families & Learning (CFL) must submit a State Plan to the federal office that ensures all learners with disabilities are identified and receive a free appropriate education before funds are released to the state;
- the State Plan is submitted to the Federal Office of Special Education for approval every three years or amended if changes occur prior to the renewal date;
- requirements of the State Plan include provision for nondiscriminatory testing, educating learners with disabilities with those without disabilities to the extent appropriate, to include parents in decision making, and assure due process protection under the law;
- the state allocates 80% of P.L. 101-476 funds to local school districts. The law requires at least 75% flow-through to school districts;
- CFL retains 5% of the P.L. 101-476 allocation for central administration of the program; and
- CFL retains 15% of the P.L. 101-476 funds for discretionary or state initiated projects.

Priorities include:

- a. regional low incidence projects to stimulate services for children and youth who have vision or hearing impairments, physical handicaps, severe or profound mental handicaps, multi-handicaps or autistic behavior;
- b. comprehensive System of Personnel Development (CSPD) to complement local district, higher education and state efforts in CSPD;

- c. meetings of regional directors of discretionary projects to strategically plan for and administer regional special education discretionary projects;
- d. studies of special education program effectiveness that are designed to increase research and data analysis skills of district personnel;
- e. providing support for the State Office of Monitoring and Compliance;
- f. initiating projects to support innovative or new ideas for enhancing special education services; and
- g. miscellaneous expenditures for state supported technical assistance to develop guidelines, curriculum, and to provide in-service to targeted groups.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Districts	376	366	355	355	355
Total Funding	\$36,000.0	\$36,000.0	\$36,000.0	\$36,000.0	\$36,000.0
Allocation of Funds:					
Aid to School Districts	\$29,000.0	\$29,000.0	\$29,000.0	\$29,000.0	\$29,000.0
Administration	\$1,800.0	\$1,800.0	\$1,800.0	\$1,800.0	\$1,800.0
Discretionary Low Incident Projects	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0	\$2,000.0
Other Discretionary Grants	<u>\$3,000.0</u>	<u>\$3,000.0</u>	<u>\$3,000.0</u>	<u>\$3,000.0</u>	<u>\$3,000.0</u>
Total Allocations	\$35,800.0	\$35,800.0	\$35,800.0	\$35,800.0	\$35,800.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- Federal P.L. 101-476 funds can be used only to supplement those services which have previously been provided with state and local funds. In other words, federal funds cannot replace state funding for special education services or activities, on a district basis or statewide basis, that have been previously supported with state and local funds. These federal funds may be used for the expansion of special education services to the degree the school district entitlement allows.
- The number of students with disabilities will continue to increase primarily in the areas of emotionally disturbed and early childhood special education. These funds are critical in supporting the expansion of special education services for these children.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0229 SPECIAL EDUCATION - PRESCHOOL INCENTIVE

CITATION: Individuals with Disabilities Act (P.L. 101-479, Sec. 619)
MDCFL ADMIN: 1303 Special Education

PURPOSE:

To provide funds for direct and support special education services for children 3 - 5 years of age, who have disabilities, and their families. Preschool grant funds must be used for new and expanded programs and cannot be used to supplant programs previously funded with state and local funds.

The specific program objectives are the same as stated under Program 0301 Special Education Regular. Special education services for preschool includes such things as screening, assessment, health services that enable children with disabilities to benefit from early intervention services, family education and counseling, home visits, and other more specific special education services.

DESCRIPTION:

Minnesota receives an annual federal preschool incentive grant based on an unduplicated count of children ages 3, 4, and 5 which is taken by school districts on December 1 of each year. The December 1 count is used to determine the state entitlement for the subsequent school term. Operation of the grant program in Minnesota is as follows:

- the state retains 5% of the grant for central administration of the program;
- the state retains 15% of the grant for discretionary or state initiated projects in preschool activities;
- 80% of the grant flows to local school districts;
- funds may be used by local education agencies to employ staff, purchase supplies and equipment, provide personnel development; and
- discretionary funds support regional resource personnel and interagency efforts to assure a comprehensive system of special instruction and services for young children with disabilities.

Other facts of note are that:

- All school districts in Minnesota receive preschool incentive funds either individually or through a cooperative arrangement. The December 1, 1995 child count for children ages 3-5 was 10,781.
- Pre-school children receive special education services in center-based programs, public schools and in the home setting.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Districts	376	366	355	355	355
Total Funding	\$7,228.0	\$7,228.0	\$7,228.0	\$7,228.0	\$7,228.0
Allocation of Funds					
Entitlement Funding	\$5,782.0	\$5,782.0	\$5,782.0	\$5,782.0	\$5,782.0
Discretionary Grants	<u>\$1,200.0</u>	<u>\$1,084.0</u>	<u>\$1,084.0</u>	<u>\$1,084.0</u>	<u>\$1,084.0</u>
Entitlement Funding	\$6,982.0	\$6,866.0	\$6,866.0	\$6,866.0	\$6,866.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The number of young children with disabilities needing special education services is expected to continue to increase but at a slower pace for the next few years.
- The number of children who have been exposed to alcohol and other chemicals prior to birth is expected to increase.
- The number of services required to address the needs of preschool children with disabilities is expected to increase due to the severity of their disabilities.

B. STRATEGIES:

- Utilize federal funds to expand services needed because of severity of disabilities.
- Utilize federal funds to expand services to increased numbers of children.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0230 SPECIAL EDUCATION - DEAF/BLIND

CITATION: Education for the Handicapped Act Part-C, Sec. 622 (P.L. 101-476)
MDCFL ADMIN: 1303 Special Education

PURPOSE:

- To initiate and improve statewide educational services for deaf-blind children, birth to age 22;
- To provide transition services for Minnesota youth and young adults with deaf-blindness as they move from secondary special education to post-secondary education, employment and community living.
- The specific program objectives are the same as stated under 0301 Special Education Regular. Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of post-secondary education programs available.

DESCRIPTION:

Minnesota receives a grant from the United State Department of Education for implementing the Part-C, Sec. 622 (P.L. 101-476) of the Deaf-Blind program.

The Department of Children, Families & Learning contracts, in part, with the East Metro Services Cooperation Unit, to achieve the program objectives which include:

- Assisting children birth to age 22 to receive education services in the least restrictive environment;
- Identifying and addressing the in-service needs of teachers, parents, personnel, and Local Education Agency special education coordinators;
- Working with Advisory Council; and
- Implementation of interagency collaboration to effect systems change;

CFL is responsible for administering the funds for general supervision of the grant to East Metro Services Cooperation Unit.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Entitlement Funding	\$242.0	\$242.0	\$242.0	\$242.0	\$242.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- Services are needed for individuals with deaf-blindness in the context of their families.
- Providing direct assistance and support to school districts serving individuals with deaf-blindness.
- Collecting data annually for the Minnesota Registry on deaf-blindness.
- Providing services for children on Indian Reservations.

B. STRATEGIES:

- Minnesota has developed a family enrichment weekend for individuals with deaf-blindness and their families. This is an inter-agency effort that includes approximately 150 families, volunteers and staff.
- Development of a statewide training program on emergency care procedures for First Responders to utilize with individuals with deaf-blindness with 22 other agencies and programs.
- Development of a functional assessment center in conjunction with the Faribault State Academies.
- Implement the new requirement under federal law that the state must provide direct services to children and youth with deaf-blindness residing on Indian Reservations.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0231 NEGLECTED & DELINQUENT YOUTH WITH DISABILITIES
 IN STATE CORRECTION FACILITIES

CITATION: Education Consolidation Improvement Act, Ch. 1 (P.L. 100-297)
MDCFL ADMIN: 1303 Special Education

B. STRATEGIES:

- Utilize funds for full and partial payment for staff positions, supplies, materials, and equipment and staff development activities.
- Continue CFL's responsibility for the administration of this program, including application process, program review and monitoring.

PURPOSE:

To provide funding to the Department of Corrections to meet the special education needs of neglected and/or delinquent children in State Correction facilities

These funds are used to support the special education needs of individuals with disabilities who are neglected and delinquent and are housed in state correction facilities.

DESCRIPTION:

Federal funding is based on the number of youth assigned to state correctional institutions for whom the state provided an educational program during the prior year. Operation of the program in Minnesota is as follows:

- funds are used to supplement the basic education program for youth under 22 years of age; and
- funds are used to provide grants to state correctional institutions at Red Wing, Sauk Centre, Willow River and St. Cloud.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Pupils Served (000s)	338	338	338	338	338
Entitlement Funding	\$218.0	\$218.0	\$218.0	\$218.0	\$218.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:**A. CHALLENGES:**

- In the 1995-96 school year, 484 persons received services.
- The students served were between the ages of 13 and 20. The emphasis of institutions is in reading and mathematics.
- The needs continue to be great for correctional programs to serve neglected and delinquent youth as well as other adjudicated youth in Minnesota.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0232 TRANSITION SERVICES FOR YOUTH WITH DISABILITIES

CITATION: P.L. 101-476
MDCFL ADMIN: 1305 Lifework Development

PURPOSE:

To improve the transition of youth with disabilities from school to work through the following activities:

- Increase the availability, access, and quality of transition assistance through the development and improvement of policies, procedures, systems, and other mechanisms for youth with disabilities and their families, as such youth prepare for and enter adult life;
- Improve working relationships among education personnel, both within Local Education Agencies (LEAs) and in postsecondary training programs, relevant state agencies, the private sector (especially employers), rehabilitation personnel, local and state employment agencies, local Private Industry Councils, authorized by the Job Training Partnership Act, and families of students with disabilities and their advocates to achieve consensus on the nature and application of transition services to meet the needs of youth with disabilities.

DESCRIPTION:

The Department of Children, Families & Learning, in conjunction with the Department of Economic Security, applied for and received a five-year system improvement grant for transition services. The funds from this grant were used to pay for two staff positions and a variety of projects that have been targeted statewide to enhance the system of delivery for transition services. Minnesota is one of 12 states that received these funds on the first round competitive application.

Funds are used to achieve the project goals as is outlined in the grant application, including:

- Improvement of state-level planning and policy development for transition. We are developing an individually-based information system that provides management and policy related information on anticipated services and post-school outcomes of youth with disabilities.
- Enhancing consumer and family participation in achieving successful transitions from school to work and community living. This goal is intended to equip students and parents with the information, skills, self-determination, and capacity to advocate and effectively case-manage the transition from school to work and community living.
- Demonstration and technical assistance. The demonstration of Minnesota Community Transition Interagency Committees (CTICs) that were legislated by the state in 1987 to achieve their goals and purpose is supported by this grant. Each CTIC receives funds directly during years 4 and 5 of the grant.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of students			--	--	--
Age 14-21 years served	22,750	22,750			
Number of Districts Receiving Grants	16	16	--	--	--
Average Grant Amount	\$5.0	\$5.0	--	--	--
Grants to Agencies/Schools	\$80.0	\$80.0	--	--	--
Statewide Training	\$1,000.0	\$1,500.0	--	--	--
Evaluation and Special Projects	\$100.0	\$100.0	--	--	--
Transition Service Systems					
Development	\$179.4	\$179.4			
Entitlement Funding	\$495.0	\$495.0	--	--	--

F.Y. 1996 is the final year for this program.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The transition systems improvement initiative is funded by the Individuals with Disabilities Education Act. Minnesota has had mandated transition planning from school to adult life for individuals with disabilities since 1987. Federal funds will be available with annual continuing funding applications through September 30, 1996. Resources are targeted for activities that generate systems improvement.
- The intent of this project is that by September 30, 1996, Minnesota will have in place an interagency model of service delivery for all youth with disabilities as they leave school and enter adult life. The work that will take place during the next two years will train and inform parents, schools, individuals with disabilities and adult service agencies about their role in making these transitions successful. The focus of this federal program is on systems improvement through policy development, state agency rules and regulations, and strategies for interagency collaboration. A community advisory group and state level policy developers group is working with the State Transition Interagency Committee to make this come about.

B. STRATEGIES:

- During F.Y. 1996-97 the federal grant will fund demonstration projects in local school districts; hence, only 4 school districts will be directly impacted. The models that demonstrated effective transition services delivery will be replicated throughout the area.

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0233 TITLE I IASA

CITATION: P.L. 130-761; Education Consolidation Improvement Act
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

Title I is a federal program funded under the Improving America's Schools Act. Five program components are authorized through the act. They include:

1. **Title I, Basic:** To provide supplemental services to students in Pre-Kindergarten through grade 12 who are most at risk of not meeting our state content and performance standards.
2. **School Improvement:** To identify schools whose students are not showing academic success as measured by district established outcomes and nationally normed achievement tests and to develop and implement a program improvement plan based on an assessment of the programs by administrators, classroom teachers, Title I and parents.
3. **Capital Expenditure:** To encourage the participation of nonpublic students in Title I by reimbursing school districts for non-instructional expenses incurred in delivering Title I services to non-public students.
4. **Neglected (Part D of Title I):** To provide supplementary instruction to students, ages 5-21, who are neglected and have been placed in a locally operated residential institution for such students.
5. **Even Start Family Literacy Programs: (Part B of Title I of ESEA)** To improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program. The program is to be implemented through cooperative projects that build on existing community resources to create a new range of services.

Most education programs contribute to more than one education goal. This program provides federal flow-through funding to school districts throughout the state so that districts can provide essential programs and services that contribute to one or more of the Department of Children, Families & Learning's goals and priorities.

DESCRIPTION AND STATUS:

1. Title I, Basic

The specific objectives of Title I, Basic are to:

- align Title I evaluation measures with student achievement and system performance measures;
- identify and serve students who are most at risk of not meeting our state content and performance standards;
- increase success in the regular classroom through coordination of supplemental services with

- classroom instruction and curriculum;
- provide for the involvement of parents in the education of their children;
- provide intensive and sustained staff development ; and
- coordinate with state and federal programs designed to meet the needs of the target population to maximize the services available for these at-risk students and to increase the number of students receiving services.

The Title I program provides federal funds for supplemental services to assist students who are most at risk of not meeting our state's content and performance standards. Although the funds are allocated to state and local education agencies on the basis of data reflecting economic deprivation, children from eligible attendance areas are selected to participate in the program who are substantially at risk of not meeting the State's high content and performance standards.

In accordance with the intent of the law to promote the coordinating federal programs under IASA with other federal and state programs designed to meet the needs of the same target population, a consolidated application which includes Titles I, II and VI. This application is designed to promote planning and coordination across programs and data based decision making.

The state entitlement, as well as district entitlements, are based on economic data. Data include number of foster care children and children from homes receiving Aid to Families with Dependent Children (AFDC) funds. Services are based on educational needs with priority given to those children who are in greatest need. Each district submits a program application which describes the criteria used to identify students, number of public and nonpublic students to be served, the program model, how Title I staff will coordinate with the classroom instruction and curriculum, staff development to be provided, parental involvement component, an evaluation design, and a budget.

Districts may use federal Title I funds to match AOM state aid. Districts which use Title I to match AOM state aid must meet all Title I requirements as well as the AOM requirements. During the 1995-96 school year, approximately 300 school districts used a total or partial amount of Title I funds to match AOM revenue.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. Students Participating (Unduplicated Count)					
Pre-Kindergarten	659	2,000	4,000	6,000	6,000
Kindergarten	10,939	11,411	12,153	12,943	12,943
Grade 1	18,656	19,858	21,149	22,524	22,524
Grade 2	16,673	17,757	18,911	20,140	20,140
Grade 3	14,445	15,384	16,384	17,449	17,449
Grade 4	11,004	11,719	12,480	13,291	13,291
Grade 5	8,240	8,776	9,346	9,954	9,954
Grade 6	5,813	6,191	6,593	7,022	7,022
Grade 7	2,092	2,228	4,473	4,764	4,764
Grade 8	1,881	2,003	2,133	2,272	2,272
Grade 9	974	876	3,063	3,262	3,262
Grade 10	615	655	698	743	743

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0233 TITLE I IASA
 (Continuation)

Grade 11	374	398	424	452	452
Grade 12	<u>134</u>	<u>143</u>	<u>152</u>	<u>162</u>	<u>162</u>
Total	93,579	99,399	111,959	120,978	120,978

B. Staff Employed, Full-Time Equivalent (FTE)

Teachers	1,091	1,162	1,238	1,318	1,318
Instructional Aids	1,792	1,908	2,032	2,164	2,164

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
C. Entitlement Funding	\$81,000.0	\$83,000.0	\$85,000.0	\$85,000.0	\$85,000.0

2. School Improvement:

The Department of Children, Families & Learning state plan for school improvement sets minimum aggregate student achievement for schools providing Title I services. The state plan outlines steps and timelines for aligning the Title I school improvement criteria with the state's student and systems accountability measures. If a school does not meet these standards, based on an annual evaluation of academic achievement, the school must develop a local plan to improve student performance. Districts may apply to the department for grants to implement school improvement efforts and activities. Grants are awarded based on the needs and activities described in the local action plan and the availability of funds.

School support teams consisting of state Title I staff, MEEP coordinators, best practice staff and distinguished educators from districts provide special technical assistance were established to assist districts in assessing their Title I projects and developing the local action plan. These technical assistance activities are also supported by the school improvement funds. Ninety grants were awarded in F.Y. 1995.

3. Capital Expenditure:

The Title I Capital Expense funds are used for two purposes:

- to pay districts for ongoing noninstructional costs to provide service to nonpublic students; and
- to pay for anticipated noninstructional costs due to an increase in the numbers of nonpublic students to be served.

Districts apply to the Department of Children, Families & Learning for reimbursement of costs incurred during the school year. Grants are awarded for current expenditures and to purchase or rent mobile units or portable classrooms to increase the number of nonpublic students served.

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Total Number of Grants Awarded	6	78	78	78	78
Entitlement Funding	\$8,099.0	\$7,420.0	\$7,420.0	\$7,420.0	\$7,420.0

4. Neglected and Delinquent (Part D of Title I):

Instructional services provided to these students are operated by the local school district in which the institution is located. No federal funds under this program flow directly to the institution, nor may these funds may be used to provide any state-mandated educational requirements. Funding for services to delinquent students is competitive.

The instructional services are provided by the staff of the school district in which the institution is located.

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. Entitlement	\$800.0	\$800.0	\$800.0	\$800.0	\$800.0
B. Institutions Participating					
Institutions	53	22	22	22	22
School Districts	31	14	14	14	14
Students Participating	1,939	2,660	2,660	2,660	2,660

5. Even Start Family Literacy Programs:

Funds are awarded on a competitive basis and are used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

Each program includes the following elements:

- Identification and recruitment of eligible families
- Screening and preparation of parents and children for participation
- Appropriate design of program and provision of support services
- Instructional programs that promote adult literacy, train parents to support the educational growth of their children, and prepare children for success in the regular school programs
- Special training to enable staff to develop the necessary skills to work with parents and young children in an integrated program
- Provision and monitoring of integrated instructional services through home-based programs; and
- Coordination with ESEA programs and other relevant programs.

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
1. Number of Programs	5	5	5	5	5
2. Total Amount	\$1,118.0	\$1,125.0	\$1,125.0	\$1,125.0	\$1,125.0

1998-99 Biennial Budget

PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0233 TITLE I IASA
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- The reauthorization of the Elementary and Secondary Education Act requires a consolidated application from districts, the development of new fiscal and administrative procedures, the provision of more flexibility on program implementation to districts with more accountability for student performance, and the use of state standards and assessments packages tied to these standards.

1. Title I Basic:

- To provide comprehensive services to students in the poorest schools by targeting resources to those schools.
- To increase the percent of eligible students receiving service. Title I is the largest federally funded instructional program. Through the combined efforts of Title I and AOM, approximately 65% of the total number of eligible students received service in 1992-93.

2. Program Improvement/School Support Teams:

- Continue identification of districts and schools for program improvement. Schools and districts identified must show that services provided are effective in assuring that Title I students are succeeding in the regular classroom. A system of regional school support teams has been established to provide technical assistance and recommendations to schools in need of program improvement

3. Capital Expenditures:

- To encourage participation of nonpublic students by providing grants for noninstructional equipment and services involved in delivering service to private school students and to reimburse districts for prior administrative expenditures. The U.S. Supreme Court, in its landmark 1985 decision of *Aguilar v. Felton*, prohibited public school employees from providing onsite instruction to private school students. As a result, school districts were required to provide alternative ways of providing Title I services to nonpublic students. To provide Title I services to nonpublic students, most districts bused or walked private school students to nearby public schools; some rented space at neutral sites; a few purchased or built portable classrooms which were located close to, but off the premises of the nonpublic school. Despite the efforts by districts, nonpublic student participation declined sharply.
- The *Aquila vs. Felton* case may be revisited by the Supreme Court. If placed on the slate, the decision would most likely be revised.

4. Neglected and Delinquent (Part D of Title I):

- To provide supplemental services to a highly mobile population, including transition services and drop-out prevention strategies.
- While the U.S. Department of Education does not require standardized testing for evaluation for local neglected or delinquent Title I projects, these students are expected to show some evidence of academic achievement. Many of the institutions provide short-term care, where the average length of stay is 2 to 3 weeks. These programs do not lend themselves to accepted qualitative measures of student progress. In long-term care institutions, where the length of stay is 6 months or longer, the growth rate of students receiving Title I service is approximately 1 month's growth for each month of service.

5. Even Start Family Literacy Programs:

- Even Start programs were first funded in 1989-90. Programs were administered by the U.S. Department of Education. Fiscal Year 1992-93 was the first year that Even Start programs were administered by state education agencies. Evaluation of the program which currently exist in Minnesota will be available at the end of the four years.

B. STRATEGIES:

1. Title I Basic:

- Continue major efforts in the following areas:
 - coordination with AOM;
 - coordination with the regular classroom teacher/curriculum;
 - the use of learner outcomes to identify students and evaluate the success of the program;
 - the use of different learning techniques, approaches, and materials so that lessons are adapted to the learning style of individual students;
 - parental involvement so that parents become more involved in the education of their children; and
 - coordination with the other programs under the ESEA.

2. Program Improvement:

- Title I school improvement initiatives need to be integrated into Minnesota's student and system performance accountability system.

3. Capital Expenditure:

- Continue major efforts in Title I Capital Expense projects.

4. Neglected and Delinquent (Part D of Title I):

- Due to the short-term services provided, we are unsure of implications of any changes reauthorization might bring.

5. Even Start:

- Congress has and will continue to place major emphasis on this program based on the importance of early intervention as well as the importance of meeting the needs of the family. It is expected that Even Start will see major increases in funding.

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0233 TITLE I IASA
(Continuation)

In order to provide districts with greater flexibility, this program will be included as a part of a block grant to districts to address the needs of students which will result in closing the learning gap. The state and federal resources included in this Block Grant are: Compensatory Aid, Assurance of Mastery (AOM), Limited English Proficiency (LEP), and Chapter/Title I (federal). Districts will be afforded maximum flexibility in terms of how the resources are to be used in exchange for increased accountability for learner results.

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0234 MIGRANT EDUCATION

CITATION: P.L. Improving America's Schools Act (1994) Title I, Part C
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

To ensure that migratory children are provided with appropriate educational services (including support services) that address their special needs in a coordinated and efficient manner; and that they have the opportunity to meet the same challenging state content standards and challenging state student performance standards that all children are expected to meet.

DESCRIPTION:

Migrant students exemplify many of the characteristics associated with the label of "at-risk": poor school attendance, high rate of mobility, low interest in school, poor academic performance, overage for grade, parents with low educational levels and low socioeconomic status, geographic isolation, and limited proficiency in English. Migrant students have the highest dropout rate of any identifiable group and are widely recognized as the most educationally disadvantaged of all students.

The "Improving America's Schools" Act defines a migratory child as a child who is, or whose parent, spouse, or guardian is a migratory agricultural worker, including a migratory dairy worker, or a migratory fisher, and who, in the preceding 36 months, in order to accompany such parent, spouse, or guardian in order to obtain temporary or seasonal employment in agricultural or fishing work, has moved from one school district to another.

The Minnesota Migrant Education Program enrolls approximately 3500 students during the school year and in the summer program. The program serves approximately 5000 pre-school, elementary and secondary-aged migratory students through two program models: a comprehensive 6 to 7 week summer school program and a bilingual home-school liaison program during the school year.

Program services are generally provided through local school districts who apply for the discretionary funds on an annual basis. Allocations are determined by the number of students to be served and the length and scope of program services. During F.Y. 1996, fourteen 6 to 7 week school projects were funded, with 10 of those sites including evening programs for secondary students. Sixteen school-year projects were also funded, with services ranging from home outreach activities to supplemental classroom instruction. In addition, four other grants were made to agencies which provided supportive services to the educational program, including health services, outreach and record-keeping, and supplemental instructional resources.

Important components of the Migrant Education Program include:

- consolidated plan within IASA for school improvement;
- involvement of migrant parents through local and state Parent Advisory Councils;
- staff development activities to increase the ability of staff to meet the unique needs of migratory students;
- curriculum and instructional practices based on the latest research and trends;
- accrual and transfer of academic credit for secondary students;
- interstate coordination with Texas and other homebase states;
- coordination with Migrant Head Start, Migrant Health Services, Inc., State Departments of Economy Security and Human Services, and Tri-Valley Opportunity Council.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Districts					
Summer	13	14	14	14	14
School Year	16	16	15	15	15
Number of Students Served					
Pre-K	749	1,486	1,486	1,486	1,486
1 - 6	1,760	2,293	2,293	2,293	2,293
7 - 12	870	1,215	1,215	1,215	1,215
TOTAL	3,379	4,994	4,494	4,494	4,494
Entitlement Funding	\$1,794.0	\$2,337.0	\$2,326.0	\$2,326.0	\$2,326.0

BUDGET ISSUES:

A. CHALLENGES:

- Because these students may attend several schools during the year and may be in Minnesota for only a short-term period, it is difficult to know exactly where each child should be placed and exactly what services should be provided. The Migrant Student Network, an electronic student record system has been established. This system stores data and allows for the transfer of student records.
- The legislation requires that migrant students benefit from state and local systemic reforms. This will require the states and school districts plan for the inclusion of migrant students in all educational programming combining and utilizing resources in new ways to meet the unique needs of these students.

B. STRATEGIES:

- A major focus of the migrant program in the future will be to increase the number of students served, particularly at the secondary level, and to make certain that secondary students receive credit for the work that they complete.
- There is an ongoing need to coordinate educational programming with homebase states, especially Texas, to maximize instructional continuity. Distance learning is one strategy to accomplish this, as well as hiring Texas teachers to work in the summer program and setting up exchange visits between Minnesota and Texas educational personnel.

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0235 EMERGENCY IMMIGRANT EDUCATION PROGRAM

CITATION: P.L. 103-382, Sec. 7301 (Part C of Title VII of IASA)
MDCFL ADMIN: 1202 Learner Options Division

PURPOSE:

To provide support for school districts for supplementary educational services to immigrant children.

DESCRIPTION:

Funds received under this federal program may be used to meet the costs of providing supplementary educational services, including: 1) family literacy, parent outreach, and parent training; 2) salaries of personnel who have been specifically trained to provide services to immigrant children and youth; 3) tutorials, mentoring, and academic or career counseling; 4) identification and acquisition of curricular materials, educational software and technologies; 5) basic instructional services.

Federal funds are available to school districts in which the number of immigrant children enrolled is equal to at least 500, or is equal to at least 5% of the total number of children enrolled. Immigrant children are defined as children who were not born in any state, and who have been attending schools in one or more states for less than three complete academic school years.

A state agency awards grants to eligible, local educational agencies for the following activities: 1) family literacy, parent outreach, and parent training; 2) salaries of personnel who have been specifically trained to provide services to immigrant children and youth; 3) tutorials, mentoring, and academic or career counseling; 4) identification and acquisition of curricular materials, educational software and technologies; 5) basic instructional services. Grants to districts will be awarded by Minnesota Department of Children, Families & Learning in F.Y. 1997.

PROGRAM STATUS:

Based on the federal eligibility criteria, the Minneapolis, St. Paul, St. James, Roseville, Glencoe, Worthington, and Lynd districts were eligible for funds for the 1996-97 school year.

Current Law

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Districts	4	4	4	4	4
Immigrant Students	3,528	3,500	3,500	3,500	3,500
Entitlement Funding	\$170.0	\$170.0	\$170.0	\$170.0	\$170.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

- Funds for this program have gradually increased. The number of eligible school districts and students are remaining fairly constant.

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PROGRAM: 02 Special Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0236 GOALS 2000: EDUCATE AMERICA ACT

CITATION: P.L. 103.446
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

To develop and implement Minnesota's content and performance standard's and assessment system, to align curriculum and instruction with the standards, and to coordinate state and federal programs at the state and local levels so all students attain the State's high standards and performance.

DESCRIPTION:

The Minnesota Department of Children, Families & Learning, in cooperation with the Governor's Office, successfully developed both the Education Improvement and the Technology plan under Title III of the Goals 2000: Educate America Act.

Goals 2000 is not an additional initiative, but is intended to "umbrella" all programs which address school improvement, providing consistency and unity of purpose and eliminating duplication and waste. In Minnesota, movement toward academic graduation standards is an integral part of the Goals 2000 initiative, with Local Development/Implementation funds assisting schools in moving toward results-orientation as directed by the Legislature.

Second and third year funding were contingent upon approval of Minnesota's Education Improvement Plan. In January 1996, a peer review committee of educators reviewed and approved Minnesota's plan. Upon receiving the grant award, 90% of the funds were distributed to districts for the purpose of implementing the State content and performance standards and assessment system. In school year 1996-97, 90% of the funds received will also be distributed to districts. The Department of Children, Families & Learning is allowed to maintain 10% of these funds.

Education priorities in Minnesota are closely aligned with the initiatives in Goals 2000. Minnesota's graduation standards will form the foundation for the requirement in Goals 2000, to develop challenging content and performance standards with assessment packages tied to these standards. The eight goals: School Readiness, School Completion, School Achievement & Citizenship, Teacher Education & Professional Development, Mathematics & Science, Adult Literacy & Lifelong Learning, Safe, Disciplined and Alcohol & Drug Free Schools, and Parental Participation are aligned with activities under Minnesota 2000, the Student Survey, the Family Collaborative Service Programs. Efforts and activities funded through Goals 2000 dollars will be coordinated with other state technical assistance initiatives under programs such as Education Effectiveness, the Graduation Standards, and programs in the federal Elementary and Secondary Education Act.

Portions of various staff members have been assigned the duties required to accomplish the objectives. Services needed on a one time basis will be acquired through honorariums or contracts.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Agency	\$473.0	\$538.0	\$506.0	\$506.0	\$506.0
School District Grants	\$709.0	\$4,839.0	\$4,556.0	\$4,556.0	\$4,556.0
Technology Plan	<u>\$75.0</u>	<u>\$75.0</u>	<u>\$75.0</u>	<u>\$75.0</u>	<u>\$75.0</u>
TOTAL	\$1,257.0	\$5,377.0	\$5,062.0	\$5,062.0	\$5,062.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carry over provisions and state accounting period closing requirements.

BUDGET ISSUES:**A. CHALLENGES:**

- Providing staff development resources and technical assistance to schools.
- Increasing piloting to ensure effective implementation in schools of varieties of sizes, structures, locations, experience with standards, and other considerations;
- Increasing the capacity of the schools to deliver and verify standards;
- Increasing available technology and related training for data recording and reporting of student achievement; and
- Increasing public information and input.

B. STRATEGIES:

- Increase piloting projects to more schools of even greater demographic differences;
- Provide "Best Practice" implementation training throughout the state;
- Implement the reading and mathematics standards statewide;
- Increase availability of technology;
- Continue promotion and increase networking with the public, post-secondary institutions, business, industry, policy-makers, etc; and
- Assist school districts with planning to implement the Graduation Standards.

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COMMUNITY AND SCHOOL SERVICES (03)

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0301 ADULT BASIC EDUCATION

CITATION: M.S. 124.26
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: 0326 Adult Education

PURPOSE:

To provide educational opportunities and support services for adults whose low educational levels are barriers to productive participation in their families and in our society.

According to the 1990 Census, 514,000 Minnesotans age 20 and over have not graduated from high school. In addition, many other adult Minnesotans are unable to read, write, compute, problem-solve or cope with changing conditions sufficiently well to meet the requirements of adult life. These individuals are disproportionately represented among the working poor, single parents, welfare recipients, the incarcerated, racial, ethnic and language minorities, displaced workers, the unemployed, and the homeless. These "functionally illiterate" adults often are the parents of "at risk" children and youth.

Adult Basic Education (ABE) funding helps undereducated adults deal more effectively with their own and their families' lives by establishing, improving and maintaining adult learning options that:

- Provide adult education and risk-reduction support services that enable adults to identify, plan for, and achieve their personal learning and living goals in a timely and efficient manner;
- Stimulate adults to explore appropriate career choices, master basic education levels so they can enroll in and benefit from job training and retraining programs, and to get and retain productive employment so they enjoy more fully the benefits and responsibilities of citizenship; and
- Assist adults, regardless of their age, national origin, prior educational level, family status or other unique needs, through appropriate learner-centered options, to continue their education to at least the secondary school completion level.

DESCRIPTION:

Adult education options include family literacy, work force education, literacy tutoring, English proficiency for speakers of other languages, citizenship training, work readiness, corrections education, adult education for homeless people, basic skills enhancement, General Educational Development (GED) equivalency preparation, and alternative high school diploma programs.

Adults are eligible to participate when they are at least 16 years old, are not enrolled in school, and function below the high school completion level in basic skills.

Aid and levy authority is available to public school districts alone or in groups of districts and other education providers and support service and resource agencies that submit an application for adult education program design approval and funding to MDCFL.

	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Enrollment	52,263	53,024	51,944	51,785	51,785
Percent of Total Eligible	12	12	12	11	11
Adult ESL	17,195	17,710	15,739	15,691	15,691
Adult Elementary	22,055	21,157	21,193	21,128	21,128
Adult Secondary	13,013	14,157	15,012	14,966	14,966

PARTICIPANT DEMOGRAPHICS

	33 yrs.	33 yrs.	33 yrs.	29 yrs.	29 yrs.
Average Age	33 yrs.	33 yrs.	33 yrs.	29 yrs.	29 yrs.
Unemployed	56%	48%	50%	51%	51%
Employed	37%	31%	29%	31%	31%
Welfare Recipients	46%	32%	39%	39%	39%
Disabled	13%	10%	16%	17%	17%
Refugee/Immigrant	24%	24%	25%	25%	25%
Racial/Ethnic Minority	52%	52%	52%	51%	51%
Corrections/ Institutionalized	16%	16%	17%	17%	17%

Between 1992 and 1996, the number of adult learners who attended for at least 12 hours has decreased somewhat, but those who enroll are in need of more in-depth programming and related services. The trend is for learners to continue in the program for longer periods of time until their academic goals are accomplished. During this same time period, 12,233 learners got off welfare, 36,198 got a job or a better job, 13,312 enrolled in higher education, and 39,283 earned a diploma or GED.

Since 1992, however, both state adult education aid and local levy authority have decreased. The result has been fewer classes, decreased enrollment, fewer hours available to each learner, and increased numbers of people on enrollment waiting lists. At the same time learners with multiple needs are coming to adult education and staying longer in the programs to achieve their goals.

A. Regular ABE Programs:

If the ABE program were fully funded, state aid would be equal to a project's full time equivalent student count multiplied by 65% of the general education formula allowance, with the limitation that state aid cannot exceed total cost minus federal aid. Full-time equivalent is defined as 408 hours for learners at the adult secondary instructional level, and 240 hours for learners at elementary and English-as-a-Second Language (ESL) levels. State aid is based on a hold harmless equal to a project's 1991-92 state aid plus 0.09% of the total adjusted net tax capacity of the project's member school districts.

Indicators of Adult Basic Education Program Quality have been developed to evaluate local ABE programs. A system of self-assessment and state review exists to ensure program compliance with the indicators. The indicators are grouped into eight categories:

1. Program Planning, Evaluation, and Continuous Improvement
2. Learner Education Gains
3. Other Learner-Specific Goals
4. Learner Recruitment, Development and Retention
5. Learner-Centered Assessment and Instruction
6. Community and Program Development
7. Staff Recruitment, Development and Retention
8. Program Management and Fiscal Planning

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0301 ADULT BASIC EDUCATION
(Continuation)

Program Approval Process:

Application review and approval criteria are:

1. how the needs of different levels of learning will be met;
2. for continuing programs, an evaluation of results;
3. anticipated number and education level of participants;
4. coordination with other resources and services;
5. participation in a consortium, if any, and money available from other sources;
6. management and program design;
7. volunteer training and use of volunteers;
8. staff development services;
9. program sites and schedules; and
10. program expenditures that qualify for aid.

Program applications are approved for five years when they demonstrate the capacity to:

1. offer comprehensive, appropriate and accessible learning and support service options;
2. provide participatory, experiential learning based on individual needs;
3. plan, coordinate and develop cooperative agreements for support services;
4. collaborate with business, industry, labor unions, and family and occupational education providers;
5. provide sensitive, well-trained adult education personnel who participate in in-service education;
6. participate in program reviews and evaluations; and
7. submit accurate and timely performance and fiscal reports.

B. Contracts with Private, Nonprofit Organizations:

State adult education aid also is available to private non-profit organizations to provide services that are not offered by or that are supplemental to a consortium's program. Applications for private non-profit program approval and aid must be approved according to the same criteria used for district-based programs. (Levy is not available to public or private non-profit agencies.)

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Projects (Consortia)	53	53	53	53	53
Private Nonprofit Contracts	5	5	5	6	6
Districts and Agencies Involved	857	857	857	875	875
Learning Sites	595	580	570	570	570
Full-Time Sites	80	80	80	80	80

(continued)

Regular Programs:

Aid Based on Formula

Restriction

Hold Harmless Entitlement

Entitlement Amount Above

Hold Harmless

Prorated Hold Harmless

Entitlement

	F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law F.Y. 1998	F.Y. 1999
\$13,900.5	\$14,125.4	\$19,073.4	\$20,272.3	\$22,800.9	
\$8,422.6	\$8,206.3	\$8,360.3	\$8,514.2	\$8,681.9	
\$5,477.9	\$5,919.1	\$10,713.1	\$11,758.1	\$14,318.1	
\$8,174.9	\$8,174.9	\$8,174.9	\$8,174.9	\$8,174.9	

Contracts with Private, Nonprofit

Organizations

Contract Amounts

Proration Factor

\$199.1	\$199.1	\$199.1	\$199.1	\$199.1
1.000	1.000	1.000	1.000	1.000

Total Aid

(Regular and Contract)

\$8,374.0	\$8,374.0	\$8,374.0	\$8,374.0	\$8,374.0
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Other Revenues

Federal Basic Grant

State Aid Plus Federal Grant

Certified Local Levy

Other Local Revenue

Total Local Revenue

TOTAL REVENUE

State + Federal Portion of

Revenue (Cannot Exceed 100%)

\$2,429.8	\$2,478.1	\$2,478.1	\$2,478.1	\$2,478.1
\$10,803.8	\$10,852.1	\$10,852.1	\$10,852.1	\$10,852.1
\$3,348.7	\$3,398.3	\$3,702.1	\$4,140.7	\$4,438.2
\$9,240.2	\$10,642.5	\$11,907.8	\$13,247.6	\$14,666.3
\$12,588.9	\$14,040.8	\$15,609.9	\$17,388.3	\$19,104.5
\$23,392.7	\$24,892.9	\$26,462.0	\$28,240.4	\$29,956.6
46.2%	43.6%	41.0%	38.4%	36.2%

Current Law

(\$ in 000s)

F.Y. 1996 F.Y. 1997 F.Y. 1998 F.Y. 1999

A. APPROPRIATED ENTITLEMENT

(Line 3 Fiscal Page)

\$8,374.0	\$8,374.0	\$8,374.0	\$8,374.0
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B. ENTITLEMENT CHANGES PER LAW

Number of Pupils Participating

5,951	10,899	12,097	14,626
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C. STATUTORY FORMULA AID

(Line 1 Fiscal Page)

\$14,325.0	\$19,273.0	\$20,471.0	\$2,300.0
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Current Law

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
FTE-based Aid Entitlement	\$26,377.0	\$19,670.0	\$21,416.0	\$21,620.0	\$21,826.0
State Aid as Restricted by Law	\$13,534.1	\$13,615.4	\$16,522.7	\$16,522.7	\$16,522.7
State Aid Appropriation	\$8,374.0	\$8,374.0	\$8,374.0	\$8,374.0	\$8,374.0
Appropriation Shortfall	\$5,160.1	\$5,241.4	\$8,148.7	\$8,148.7	\$8,148.7
Proration	62.0%	62.0%	51.0%	51.0%	51.0%

Learner Outcomes: Programs are changing in response to learner needs. Outcomes identified in ABE participants' personal education plans have changed. Basic skills and competencies people need in order to participate fully and effectively in society as workers, consumers, family members and citizens,

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0301 ADULT BASIC EDUCATION
(Continuation)

now include: Reading; Writing; Listening and Speaking; Creative Thinking and Problem-Solving; Personal Effectiveness; Group Effectiveness; Societal Effectiveness, and Knowing How To Learn.

These basics reinforce each other to become tools that people can use to address the changing conditions at work and in their families and communities. To improve learning and ease the transition to life outside the classroom, learners need to experience using these skills to accomplish meaningful problem-solving tasks. Adult education programs are striving to respond.

BUDGET ISSUES:

A. CHALLENGES:

- The profile of learners coming to Adult Basic Education is changing in three specific ways. First, an increasing number of learners who seek ABE services are on welfare and have children. Consequently, the need to provide basic education instruction to the family as a whole in order to reduce the impact of intergenerational illiteracy is increasing. Providing necessary support services or referrals for child care, nutritional snacks, and transportation subsidies additionally stretches ABE budgets. Local ABE programs report hundreds of people on waiting lists to enroll in existing Family Literacy programs. The demand for services is eight times greater than current program capacity.
- The second dramatic change in the learners is the number of refugees and non-native speakers of English. Minnesota is currently home to more than 50,000 refugees, and an additional 2,500 refugees settle here each year. The immigrant and migrant population is also on the increase. At least 18,000 limited English proficient adults in Minnesota currently want and need ESL instruction, but are unable to find classroom openings. It takes an average of 1,300 hours of instruction to enable one non-native English speaker to become competent enough in English to be able to find, obtain, and retain adequate employment.
- Another shift is the number of those with disabilities who are seeking ABE classes and services. According to the 1990 Census, over 159,000 Minnesotans have a limiting disability. With the passage of the Americans with Disabilities Act, individuals with disabilities are empowered to seek services from all public (and private) agencies. Many adults are learning that their lack of success in school is due to "hidden" disabilities, such as learning disabilities. The challenge for Adult Basic Education programs is to serve the wide array of those seeking services, some of whom require nearly one-to-one services to succeed.

B. STRATEGIES:

- Increased collaborative efforts among local providers, local, regional and state governmental agencies and the private sector;
- A review of the "hold harmless" statute to more fairly distribute the available Adult Basic Education funds;
- Development of, and coordination with new investors in Adult Basic Education; and
- Continued exploration of means and methods to produce maximum results from limited resources.

- To deal more effectively with the changing needs of learners who are parents, increase collaboration with early childhood family education (ECFE) programs as well as public and private programs that can provide support services (day care, transportation, nutrition, etc.) in order to expand the Family Literacy program capacity statewide.
- To deal with the needs of ESL learners, identify exemplary collaborative models for Family Literacy and ESL programs, and develop dissemination strategies and training to enable local ABE programs to pursue similar, proven strategies for offering new or expanded programming in these areas.
- To better serve those with disabilities, enhance the training of Adult Basic Education instructors, and increase collaboration with other agencies who have skill and experience in assisting this population of learners.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$9,424 for F.Y. 1998 and \$9,424 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$9,319 in F.Y. 1998 (\$837 for F.Y. 1997 and \$8,482 for F.Y. 1998), and \$9,424 in F.Y. 1999 (\$942 for F.Y. 1998 and \$8,482 for F.Y. 1999).

The Governor recommends continuation of authority allowing up to \$199 each year to be used for contracts with private, non-profit organizations for approved programs.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0301: ADULT BASIC EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	14,325	19,273	20,471	23,000
2. Statutory Excess / (Shortfall)	(5,951)	(10,899)	(12,097)	(14,626)
3. Appropriated Entitlement	8,374	8,374	8,374	8,374
4. Adjustments				
a. Excess Funds Transferred In / (Out)	5,951	2,733		
5. Current Law Aid	14,325	11,107	8,374	8,374
6. Excess / (Shortfall) After Adjustments	0	(8,166)		
7. Current Law Levy	3,398	3,702	4,141	4,438
8. Current Law Funding: Aid & Levy	17,723	14,809	12,515	12,812
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			8,374	8,374
a. Increase Funding			1,050	1,050
Recommended Aid Entitlement			9,424	9,424
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			4,141	4,438
TOTAL RECOMMENDED FUNDING: AID & LEVY			13,565	13,862

APPROPRIATIONS BASIS:(a)

Prior Year	1,256	1,256	837	942
Current Year	7,118	7,118	8,482	8,482
Current Year Adj. to 90%, per M.S. 124.904		419		
Subtotal before Transfers	8,374	8,793	9,319	9,424
Transfers per M.S. 124.14, subd. 7		2,733		
Total State General Funds	8,374	11,526	9,319	9,424

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

 0302 ADULT GRADUATION AID

CITATION: M.S. 120.06, Subd. 3; 124.17, Subd. 2e; 124.261; 126.22, Subd. 2d and 3
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

Adult Graduation Aid is designed to attract and retain individuals in high school education programs, and to provide individuals with more options and opportunities to earn their high school diplomas.

DESCRIPTION:

This program is designed for learners age 21 and older who have less than 14 years of public or nonpublic education and who qualify under one of the following criteria:

- eligible for unemployment benefits or have exhausted unemployment benefits;
- eligible for and receiving income maintenance or support services; or
- eligible under the displaced homemaker program, state wage subsidy program, or any program under the Jobs and Training Act.

Eligible adult learners may enroll in Area Learning Centers, post-secondary courses if eligible through Post-secondary Enrollment Options, Public Alternative Programs, or any public high school (provided that the local school board has adopted a resolution approving enrollment of individuals age 21 and over). Free admission is currently limited to two school years or the equivalent, or until the adult learner completes the course work required for graduation.

The aid amount for each eligible pupil equals 65% of the General Education formula allowance times the Average Daily Membership (ADM) for the pupil. Adult Graduation Aid paid by the state is in addition to any other aid to the district. These pupils may not be counted by the district for any other purpose other than Adult Graduation Aid. The state Adult Graduation aid follows each enrolled adult to the school district and/or post-secondary institution attended.

PROGRAM STATUS:

Participation in the Adult Graduation Aid program has steadily increased since its implementation. The number of learners enrolled in the program has grown from 422.78 in F.Y. 1991 to an estimated 935 in F.Y. 1997.

The percentage of appropriation expended has also increased. Prior to F.Y. 1989, less than the full appropriation was expended. Beginning in F.Y. 1992 demand exceeded supply and the aid to districts was necessarily prorated. At current funding levels, that proration is estimated to be 91% in F.Y. 1996 and 86% in F.Y. 1997.

		Current Law				
(\$ in 000s)		<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Participants						
Average Daily Membership (ADM)		835	885	935	985	1,035
Formula Allowance per ADM						
(65% of General Education Allowance						
x 1.30)		\$2,661.8	\$2,708.2	\$2,708.2	\$2,644.9	\$2,441.4
Aid Entitlement before PSEO		\$2,224.6	\$2,397.8	\$2,534.2	\$2,508.0	\$2,530.8
Aid Entitlement after PSEO		\$2,302.1	\$2,475.3	\$2,611.7	\$2,585.5	\$2,608.3

* Average Daily Membership

** This is the appropriation-implied entitlement based on the F.Y. 1995 aid appropriations adjusted as necessary for the 85-15% funding basis or other relevant adjustments.

*** 65% of General Education Allowance x 1.30 in F.Y. 1995, 1996, and 1997. Allowance x 1.25 in 1998; and 1.20 in 1999.

BUDGET ISSUES:

A. CHALLENGES:

- As participation continues to increase, the prorating of state aids is expected to become more severe. Because of the proration, many providers are considering dropping this diploma program.

B. STRATEGIES:

- Continue to provide technical assistance to Adult Diploma providers to help them offer both efficient and effective educational programming. This assistance might include the utilization of other funding programs such as Adult Basic Education, Area Learning Centers, and public and private alternative educational providers in meeting fiscal and learner needs.
- Develop specific economic criteria for program continuation in case the other funding programs listed above are eliminated.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$2,245 for F.Y. 1998 and \$2,245 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$2,245 in F.Y. 1998 (\$224 for F.Y. 1997 and \$2,021 for F.Y. 1998), and \$2,245 in F.Y. 1999 (\$224 for F.Y. 1998 and \$2,021 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0302: ADULT GRADUATION AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	2,475	2,612	2,586	2,608
2. Statutory Excess / (Shortfall)	(230)	(367)	(341)	(363)
3. Appropriated Entitlement	2,245	2,245	2,245	2,245
4. Adjustments				
a. Excess Funds Transferred In / (Out)	231	92		
b. Payment of Prior Year Claims	(1)			
5. Current Law Aid	2,475	2,337	2,245	2,245
6. Excess / (Shortfall) After Adjustments	0	(275)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	2,475	2,337	2,245	2,245
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			2,245	2,245
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			2,245	2,245

APPROPRIATIONS BASIS:(a)

Prior Year	336	336	224	224
Current Year	1,909	1,909	2,021	2,021
Current Year Adj. to 90%, per M.S. 124.904		112		
Subtotal before Transfers	2,245	2,357	2,245	2,245
Transfers per M.S. 124.14, subd. 7	231	92		
Total State General Funds	2,476	2,449	2,245	2,245

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 03 School Services
AGENCY: Children, Families & Learning Aids

0303 GED TEST REIMBURSEMENT

CITATION: M.S. Laws 1993, Chap. 224, Art. 4, Sec. 44, Subd. 10
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: 0324 Adult Education

PURPOSE:

To provide increased access for eligible individuals to complete the Tests of General Educational Development (GED) by paying 60% of the fees for taking the full battery of GED. The average fee for a complete GED battery in 1996 is \$37.50.

Successful completion of the GED test battery results in the awarding of a State of Minnesota GED Diploma by the Department of Children, Families & Learning. A high school diploma or GED Diploma is required by many employers and 95% of Minnesota post-secondary educational institutions.

DESCRIPTION:

Effective July 1, 1992, the state began to pay 60% of the fee charged to an eligible individual for the full battery of the GED test, but not more than \$20 for an eligible individual.

To be eligible for the program, an individual must meet two criteria: be a Minnesota resident and have been so for at least 90 days and not be currently enrolled in a program leading to a high school diploma. Eligible individuals applying for retesting under the reimbursement program must also verify that 30 calendar days have passed since their last examination and that additional study has been undertaken.

At the end of each fiscal quarter, each of the 64 Minnesota testing centers submits to the Minnesota Department of Children, Families & Learning the number of eligible persons registering for the complete test batteries as well as the number taking partial tests. Based on that information, reimbursement is made to each Center in relation to a fee established locally prior to the start of the fiscal year. Total annual allocation for the program for F.Y. 1994 and F.Y. 1995 was \$180,000. For F.Y. 1996 and F.Y. 1997, it was \$125,000.

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law	
				F.Y. 1998	F.Y. 1999
GED Candidates	10,611	10,795	11,000	11,220	11,445
GED Graduates	6,270	6,329	6,445	6,575	6,707
Number of Sites	65	65	64	64	64
Number of Participants	5,040	5,670	5,750	6,250	6,250
Average GED Test Fee	\$35	\$37.50	\$40	\$42.50	\$45
Statutory Formula Aid	\$100.8	\$113.4	\$115.0*	\$125.0	\$125.0

* This estimate assumes a participation of 5,750 and that the available resources of \$137 for F.Y. 1997 (\$125 plus \$12 balance forward from F.Y. 1996) will not be fully expended.

BUDGET ISSUES:

A. CHALLENGES:

- Increased consumer demand for GED Test reimbursement.

B. STRATEGIES:

- Continue to use available resources to provide GED Test reimbursement.
- Explore other sources of revenue for GED Test reimbursement.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$125 for F.Y. 1998 and \$125 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0303: GED TESTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	113	125	125	125
2. Statutory Excess / (Shortfall)	12			
3. Appropriated Entitlement	125	125	125	125
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(12)	12		
5. Current Law Aid	113	137	125	125
6. Excess / (Shortfall) After Adjustments	0	12		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	113	137	125	125
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			125	125
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			125	125
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	113	137	125	125
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	113	137	125	125

1998-99 Biennial Budget

PROGRAM STATUS:

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0304 ALCOHOL-IMPAIRED DRIVER EDUCATION

CITATION: M.S. 171.29, Subd. 2, Sec. 4
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: Substance Abuse and Mental Health Services Administration Block Grant

PURPOSE:

This program exists to address the problem of youth drinking alcohol and driving. Traffic collisions are the leading cause of death and injuries among Minnesota's young people today. The target audience is children in kindergarten through secondary grades.

DESCRIPTION:

The alcohol-impaired driver education program is divided into three areas:

- The Kids Teaching Kids (K-T-K) elementary program is designed to make safety belt use socially desirable and drinking and driving unacceptable. Elementary school children are at the best developmental stage for the acquisition of good habits and the formation of life-long values of health and safety.
- The Student Centered program is aimed at grades 7 through 12 and supports the implementation and delivery of alcohol-impaired driver prevention initiatives. The Minnesota Student Safety Program (MnSSP) serves as the umbrella organization for the coordination of student centered activities conducted by SADD, PRIDE, STOPS, Peer Helpers and many other groups.
- The Driving While Intoxicated (DWI) demonstration program utilizes electronic driver analysis equipment to show the impact of consuming alcohol on driver performance. These demonstrations provide a forum for youth age 16 to 19 to discuss the issues associated with drinking and driving and help to make drinking and driving socially unacceptable.

The F.Y. 1996 legislature changed the F.Y. 1997 appropriation language whereby \$188,000 that was designated for development of the Health and Safety graduation rule may be spent for the Alcohol Impaired Driver Education Program. The program is administered by the Department of Children, Families & Learning through a grant to the Minnesota Highway Safety Center at St. Cloud State University.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Funding Level*	\$314.0	\$314.0*	\$464.0*	\$314.0*	\$314.0*
K-T-K					
Funding Level	\$133.0	\$133.0	\$258.7	\$133.0	\$133.0
Programs Provided	125	111	200	111	111
Number of Students Served	36	31	63	31	31
MnSSP					
Funding Level	\$88.0	\$88.0	\$89.8	\$88.0	\$88.0
Programs Provided	0	0	0	0	0
Number of Students Served	35	38	40	41	41
DUI					
Funding Level	\$93.0	\$93.0	\$115.4	\$93.0	\$93.0
Programs Provided	0	0	0	0	0
Number of Students Served	12	10	17	20	20

* An additional \$188.0 is appropriated in the agency budget from the special revenue fund for the graduation rule for use in development efforts in health-related standards and assessments.

The commissioner may transfer any portion of this appropriation from the special revenue fund not needed for the development of health-related standards and assessments to the Minnesota highway safety center at St. Cloud State University. If additional funds are made available for this program, the number of programs provided and the number of students served will increase.

BUDGET ISSUES:

A. CHALLENGES:

- As the number of children entering the highway traffic system, as passengers, bicyclists and drivers, increases so will the number of traffic related crashes and the resulting deaths and injuries.

B. STRATEGIES:

- For F.Y. 1997, the increase in funding will allow the updating of both the DUI simulator and the MnSSP materials during the F.Y. 1998-99 biennium. In addition, there will be a 6% increase in the number of students exposed to the program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation from the special revenue fund of \$314 for F.Y. 1998 and \$314 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0304: ALCOHOL-IMPAIRED DRIVER EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	314	464	314	314
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	314	464	314	314
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	314	464	314	314
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	314	464	314	314
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			314	314
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			314	314
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	314	464	314	314
Transfers per M.S. 124.14, subd. 7				
Total State Special Revenue	314	464	314	314

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0305 CHEMICAL ABUSE PREVENTION GRANTS

CITATION: M.S. 121.8355; 171.29, Subd. 2, Paragraph (b), Clause (4)
MDCFL ADMIN: 1402 Prevention
FEDERAL: None

PURPOSE:

This program funds service collocation with funds received from a portion of the driver's licence reinstatement fee. This grant program complements the Family Service Collaboratives in improving access to services, expanding service delivery systems and building better collaboration among schools, counties, communities and other service providers.

DESCRIPTION:

The Chemical Abuse Prevention grants target children and youth who experience multiple risk factors that make learning especially challenging. The Minnesota Student Survey in 1995 revealed a high degree of environmental stressors (physical, sexual and chemical abuse) that challenge young people's ability to cope and learn. Community leaders, parents, schools, social service organizations and youth have creatively come together to respond to the unique needs within their communities. Each program works to foster community and agency collaboration, involvement of the target population in the planning, parental involvement and implementation and evaluation of the projects. The Department of Children, Families & Learning provides fiscal administration and contract management functions for these grantees.

Funding is available annually on a competitive basis to public or non-profit entities including schools, school districts, groups of school districts, regional entities, community health boards, community social service agencies, community correction agencies, parent groups, community action agencies and other community-based organizations. Applications for funding are reviewed by a broad-based team and recommendations for funding are made to the Commissioner of Children, Families & Learning.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grants	4	1	2	2	2
Funding	\$294.4	\$200.0	\$200.0	\$200.0	\$200.0

Grants are made late in the fiscal year because of uncertainty about amount of revenue that will be collected from drivers' licences reinstatement.

BUDGET ISSUES:

A. CHALLENGES:

- The complexity of creating and funding integrated education, social service and health programs is an ongoing challenge.

B. STRATEGIES:

- Coordinate this funding source with the Family Service Collaboratives to provide ongoing integration of services at the local level.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation from the special revenue fund of \$200 for F.Y. 1998 and \$200 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0305: CHEMICAL ABUSE PREVENTION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	200	200	200	200
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	200	200	200	200
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	200	200	200	200
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	200	200	200	200
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			200	200
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			200	200
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	200	200	200	200
Transfers per M.S. 124.14, subd. 7				
Total State Special Revenue	200	200	200	200

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0306 VIOLENCE PREVENTION EDUCATION GRANTS

CITATION: M.S. 126.78
MDCFL ADMIN: 1402 Prevention
FEDERAL: None

PURPOSE:

To help students learn how to resolve conflicts within their schools, families and communities in nonviolent ways, and to develop and implement a violence prevention program for students in grades kindergarten through 12 that can be integrated into existing curriculum.

DESCRIPTION:

This grant program makes funds available to school districts, education districts, or groups of school districts to support curriculum development and teacher training in areas of violence prevention. Local school districts and groups of districts apply for non-competitive funding on a biennial basis. The application combines violence prevention funding with federal funds for Safe and Drug Free School and Communities. Annual progress reports are submitted. Onsite monitoring and technical assistance is provided to about one-third of the districts annually.

The expected outcome of the grants is that Minnesota schools will be free of violence, and offer nurturing, safe and disciplined environments conducive to learning and that promote the emotional and physical well-being of all children.

During the 1995-96 school year, districts provided a wide range of violence prevention activities such as comprehensive training for staff, students, and parents in: conflict resolution, peer mediation and crisis management. Other activities include: community surveys, networking with community agencies to provide youth and family services, curricular development, creation of education plays, all-school assemblies for education speakers and theatrical performances related to violence prevention, policy revision, and purchase of materials on violence prevention. Progress reports show that schools are experiencing increasing demands for attention to violence prevention and that the funding and technical assistance provided by these grants is therefore increasingly valuable to them.

PROGRAM STATUS:

Virtually all school districts received grants or were members of groups of districts that received grants in F.Y. 1997.

BUDGET ISSUES:

A. CHALLENGES:

- School districts are experiencing increases in violence in school settings.
- Calls from schools and communities requesting assistance have tripled in the past year.
- Calls seeking counsel and advice for handling violent incidents, including weapons violations have become very complex and require time-consuming strategies.

B. STRATEGIES:

- Encourage collaborative prevention strategies between schools and other prevention efforts in the community;
- Work collaboratively with all prevention-focused sections of the Department of Children, Families & Learning;
- Continue to provide comprehensive training and technical assistance to school districts;
- Continue to publish a newsletter on violence prevention topics;
- Continue to combine the application process for the federal Safe and Drug Free School Program with the application process for the state Violence Prevention Education Grant to reduce local and state paperwork in order to direct more staff time to technical assistance.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,500 for F.Y. 1998 and \$1,500 for F.Y. 1999.

The Governor recommends continuation of authority to use up to \$50 for program administration and continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0306: VIOLENCE PREVENTION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,500	1,500	1,500	1,500
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,500	1,500	1,500	1,500
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,500	1,500	1,500	1,500
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,500	1,500	1,500	1,500
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,500	1,500
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,500	1,500
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,500	1,500	1,500	1,500
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,500	1,500	1,500	1,500
Aid	1,450	1,450	1,450	1,450
Administration	50	50	50	50

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0307 MALE RESPONSIBILITY

CITATION: M.S. 126.84
MDCFL ADMIN: 1206 Prevention
FEDERAL: None

PURPOSE:

To increase education about parenting responsibilities and to prevent teen pregnancy and crime, by making grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

DESCRIPTION:

Grants are awarded on a competitive basis, to programs designed to prevent teen pregnancy and to prevent crime in the long term. Recipient programs must assist youth to:

- understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and parenting;
- understand the long-term responsibility of fatherhood;
- acquire parenting skills and knowledge of child development; and
- find community support for their roles as fathers and nurturers of children.

Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Programs with a higher match have a greater chance of receiving a grant.

In 1996 DCFL awarded 14 grants to youth and parenting programs that collaborate with schools to help young people, especially males in the 10-21 age range, to gain information related to teen pregnancy prevention and gain information and skills to improve their potential for successful parenting.

Each grant application included a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers would reflect the cultural backgrounds of the population served and that the program content would be culturally sensitive. Grant recipients must, at a minimum, provide education in responsible parenting, child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, mentoring and peer teaching. A grant applicant must establish an advisory committee to assist the applicant in planning and implementation of a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

PROGRAM STATUS:

Grantees were selected through the Prevention and Intervention funding process, a competitive process with citizen review. Fourteen -two year grant awards, for up to \$50,000 each, were made in December of 1995 for program implementation starting January 1, 1996 and continuing to December 31, 1997. The average annual grant award was \$33,300.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants	15	14	14	15	15
Amount of Grants	\$490.8	\$373.0	\$375.0	\$375.0	\$375.0
MN ENABLE*	--	\$250.0	--	--	--
Total	\$490.8	\$623.0	\$375.0	\$375.0	\$375.0

* Program is discontinued.

BUDGET ISSUES:**A. CHALLENGES:**

- Calls for resources and assistance continue to increase as pilot programs are developed.

B. STRATEGIES:

- Encourage development of networking among the departments and service organizations to identify effective strategies.
- Continue to include RFP in Prevention and Intervention process to ease the application procedure.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$375 for F.Y. 1998 and \$375 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0307: MALE RESPONSIBILITY GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	623 (a)	375	375	375
2. Statutory Excess / (Shortfall)	2			
3. Appropriated Entitlement	625	375	375	375
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Cancellation	(2)	0		
5. Current Law Aid	623	375	375	375
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	623	375	375	375
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			375	375
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			375	375

APPROPRIATIONS BASIS:

Direct Appropriated Funds	623	375	375	375
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	623 (a)	375	375	375

a) \$248 of this amount is a one-time appropriation for the MnENABL program

1998-99 Biennial Budget

PROGRAM: 03 Community & School Services
AGENCY: Children, Families & Learning Aids

0308 AFTER SCHOOL ENRICHMENT PROGRAMS

CITATION: M.S. 119A.31
MDCFL ADMIN: 1402 Prevention
FEDERAL: None

PURPOSE:

To reduce juvenile crime, school suspensions and dropouts; increase student achievement, school attendance, mentoring, youth involvement in community services; and increase the skills of youth in computers, the arts, athletics and other activities by providing grants to selected neighborhoods and communities so that they may offer after-school programs for 9 - 13-year-olds.

DESCRIPTION:

In each designated neighborhood and community, a collaborative including representatives of the county, city, school districts and grass-roots organizations serving youth has developed plans to use local resources to provide after-school programs at least five days a week. Programming must include skill building in the use of computers, in the arts, in athletics and for other culture enrichment activities to engage youth in constructive activities and more effectively use school buildings and other public spaces during after-school and weekend hours.

A survey of programs is underway to report on the number of youth served, which community organizations are represented and how funds are distributed to each, barriers encountered and evaluation measures being applied.

Qualifying after-school enrichment projects may include, but are not limited to the following:

- Community-based programs designed to provide youth age 9-13 with after school and summer enrichment activities;
- recreational, employment, health or social services that promote the positive development of youth;
- programs that address the gender specific needs of young females;
- community and school-based programs designed to enrich the educational, cultural or recreational opportunities of children and youth including programs designed to keep youth from dropping out of school and encourage school dropouts to return to school;
- programs that are proven successful at increasing the rate of school success or the rate of post-secondary education attendance to high-risk students;
- programs designed to reduce truancy;
- community-based projects designed to discourage involvement in unlawful drug or street gang activities.
- community-based collaboratives that coordinate multiple programs and funding sources to address the needs of at-risk youth including but not limited to collaboratives that address the continuum of services for juvenile offenders and those at risk of becoming juvenile offenders;
- community-based projects designed to provide services to children 9-13 who are juvenile offenders or who are at risk of becoming juvenile offenders.

PROGRAM STATUS:

In 1996, the legislature appropriated \$5 million dollars for After-School Enrichment Programs for specifically designated neighborhoods in Minneapolis and St. Paul as well as communities in Greater Minnesota.

Pre-implementation plans for each site indicated the following approaches:

- Albert Lea - \$76,398 - Programs four days a week at school sites and one day in community;
- Bemidji - \$33,820 - Programs in theater, computers, sports, service learning and mentoring;
- Brooklyn Center - \$112,308 - Offerings center on life enrichment, tutoring and prevention skills;
- Cloquet - \$50,778 - Extended youth center hours, a fee waiver fund and expanding offerings;
- Columbia Heights - \$64,764 - Mentoring tutoring, skills classes, recreational activities;
- Duluth - \$316,524 - Establish youth board, ethnic, cultural and family programming, mentoring;
- Mankato - \$92,810 - Youth will help prioritize needs for youth and families at service locations;
- Moorhead - \$118,104 - Open new centers, a bookmobile, aquatics and new school programs;
- Thief River Falls - \$29,610 - Recreational activities, field trips, classes with fee waiver fund;
- Willmar - \$79,884 - Increase offerings, cultural parent groups and remedial summer classes;
- Minneapolis
 - Near North/Hawthorne/Sumner - \$758,300 - Academics, cultural enrichment, community arts, athletics and skill building are focus areas;
 - Phillips/Whittier - \$688,190 - Parent/youth/community board assesses needs and allocates funds to assure academic achievement, skill building and accessible programs;
 - Powderhorn/Central - \$503,510 - Sports, cultural, educational, recreational and entrepreneurial activities;
 - St. Paul
 - North End/Payne-Phalen/Dayton's Bluff - \$519,548 - Expanding existing programs including arts, sports, mentoring and tutoring through school-community collaboration;
 - Summit-University/Thomas-Dale - \$1,038,813 - Computer skills, academics, athletics, art, violence prevention and community service activities;
 - Westside - \$391,639 - Computer skills, literacy, tutoring, cultural awareness, career development and recreational activities.

F.Y. 1996 was the first year for this program. Funding was provided in Law 1996, Ch. 12, Art. 4, Section 34, Subd. 2 for F.Y. 1996.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$5,000 for F.Y. 1998 and \$5,000 for F.Y. 1999.

The Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

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CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0308: AFTER SCHOOL ENRICHMENT

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	5,000	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	5,000	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(5,000)	5,000		
5. Current Law Aid	0	5,000	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	5,000	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. Continue Program			5,000	5,000
Recommended Aid Entitlement			5,000	5,000
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			5,000	5,000
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	5,000	5,000	5,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	5,000	5,000	5,000

1998-99 Biennial Budget

PROGRAM: 03 Community & School Services
AGENCY: Children, Families & Learning Aids

0309 EARLY INTERVENTION, AGES 6 - 12

CITATION: M.S.
MDCFL ADMIN: Prevention
FEDERAL: None

PURPOSE:

To provide programs focused on young people, ages 6 -12, for prevention and early intervention activities.

Violent crime among young people under age 12 is rising. While a number of programs are targeted at the 12 to 18-year-olds, the younger age group is becoming increasingly at risk. Currently, few resources are focused on prevention and early intervention services for children ages 6 - 12. Preventing children from falling behind in school and efforts to develop life skills, work with parents, reduce critical risk factors and increase resiliency have been proven effective for this age group. Research indicates this is a cost-effective time to intervene in matters such as juvenile justice, drug abuse, crime and violence prevention and other related issues.

DESCRIPTION:

The program provides grants for services for children, ages 6 - 12. The grants will be distributed through Family Services Collaboratives. (See program 0412 for more information.)

BUDGET ISSUES:

A. CHALLENGES:

- The major challenge will be to use these resources to increase the community's capacity to respond to the needs of children ages 6 - 12. Effective service delivery will rely on a high degree of collaboration and coordination of multiple systems and programs.

B. STRATEGIES:

Projects that incorporate the following strategies have proven effective:

- Programs that strengthen family functions by offering services to children and youth.
- Programs that develop life skills among youth ages 6 - 12.
- Programs that foster competencies and commitments in children that they will need to eventually live out adult roles in a competent and responsible manner.
- Programs that teach skills in appropriate social behavior, interpersonal problem solving and anger management.
- Programs that attempt to instill basic skills successfully the first time they are taught so a child will not fall behind.
- Workshops that teach parents how to reduce critical risk factors that are important during the late elementary and middle school years.

- Programs that provide home-school services to youth at risk of being removed from home.
- Programs that offer counseling and health services to support families and children.
- Programs that offer one-on-one remedial and prevention tutoring of elementary and middle school students.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,500 for F.Y. 1998 and \$1,500 for F.Y. 1999.

The Governor recommends authority for carryover for any unexpended balance in the first year to the second year of the biennium.

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CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0309: EARLY INTERVENTION (AGES 6-12)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)	0	0
a. New Initiative	1,500	1,500
Recommended Aid Entitlement	1,500	1,500

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)	0	0
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TOTAL RECOMMENDED FUNDING: AID & LEVY

1,500 1,500

APPROPRIATIONS BASIS:

Direct Appropriated Funds	0	0	1,500	1,500
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	1,500	1,500

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids
 0310 ABUSED CHILDREN PROGRAM
CITATION: M.S. 119A.20 - 119A.23
MDCFL ADMIN: 1402 Prevention
FEDERAL: 0338 Abused Children

PURPOSE:

Federal funds from the Victims of Crime Act along with state funds enable the department to award grants which provide services to victims of child abuse and their families, adolescent victims of non familial physical or sexual assault and juvenile primary and secondary victims of crime.

DESCRIPTION:

Through the Victim of Crime Act (VOCA) of 1984, a Crime Victims Fund was established to receive funds from federal criminal penalties, fines, forfeitures and other monies collected from federal offenders. These funds serve as a source of funding for compensation and direct services for crime victims throughout the country. In 1996, \$127,000,000 was distributed to the states to fund victim assistance programs. The Abused Children's Program administers the portion of the VOCA funds Minnesota receives that are dedicated toward serving child abuse victims. Total funds coming to Minnesota include the base amount given to each state (this amount can change based on total funds available for distribution), plus a portion of remaining funds based on our state's population in relation to the population of all states. VOCA authorizes each state to subaward VOCA federal funds to the agencies and nonprofit organizations they believe will best meet the unique needs of crime victims.

Grants shall be awarded in a manner that ensures that they are equally distributed to programs serving metropolitan and non metropolitan populations.

PROGRAM STATUS:

Currently, the program provides grants to 38 abused children programs statewide. Additionally, one statewide coalition for abused children programs is funded.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Funded Grants	\$791.0	\$892.0	\$916.0	\$916.0	\$943.0
Administration	<u>\$106.0*</u>	<u>\$106.0*</u>	<u>\$106.0</u>	<u>\$132.0</u>	<u>\$136.0</u>
Total State Funding	\$897.0	\$998.0	\$1,022.0	\$1,048.0	\$1,079.0
Federal Funds	<u>\$359.0</u>	<u>\$359.0</u>	<u>\$484.0</u>	<u>\$500.0</u>	<u>\$500.0</u>
Total	\$1,256.0	\$1,357.0	\$1,022.0	\$1,048.0	\$1,079.0

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Victims Served					
Primary Victims	6,678	9,130	9,200	9,300	9,300
Secondary Victims	<u>2,557</u>	<u>4,023</u>	<u>3,953</u>	<u>4,050</u>	<u>4,050</u>
Total	9,235	13,153	13,153	13,350	13,350

* Estimated administrations costs. Due to budgeting procedures at the Department of Corrections, it was not possible to track individual program administration costs.

BUDGET ISSUES:

A. CHALLENGES:

- Programs must meet diverse cultural needs of clients.

B. STRATEGIES:

- The program has transferred to the new Department of Children, Families & Learning, offering new opportunities for collaboration and cooperation with other programs serving abused children.
- Staff is planning ongoing technical assistance contacts with grantees to address the issues involved in serving a diverse clientele.
- Agency staff is reviewing methods of grants review to make the process more efficient.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,048 for F.Y. 1998 and \$1,079 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0310: ABUSED CHILDREN PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996 (a)	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	998	1,022	1,048	1,079
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	998	1,022	1,048	1,079
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	998	1,022	1,048	1,079
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	998	1,022	1,048	1,079
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,048	1,079
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,048	1,079
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	998	1,022	1,048	1,079
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	998	1,022	1,048	1,079
Aid	892	916	916	943
Administration	106	106	132	136

(a) 1996 spending shown for historical perspective only. Program did not transfer to CFL until F.Y. 1997.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0311 DRUG POLICY AND VIOLENCE PREVENTION

CITATION: M.S. 119A.25 - 119A.33
MDCFL ADMIN: 1402 Prevention
FEDERAL: 0337 Byrne Memorial Law Enforcement Program

PURPOSE:

The Office of Drug Policy and Violence Prevention serves as a catalyst for statewide approaches to the prevention of violence and drug abuse through identifying causes, recommending policies, and coordinating statewide and community strategies. The program provides grants to a wide variety of programs whose purposes are to reduce violence and drug abuse in Minnesota.

Minnesota established the Office Drug Policy in 1989, modeling it after the Federal Office of National Drug Control Policy. In 1991, the administration of the Drug Free Schools and Communities funds were returned to the Department of Children, Families & Learning. In 1992, the state legislature amended the office's enabling language to include the violence prevention planning component. The office is now responsible for establishing drug abuse and violence prevention policy for the state, coordinating violence and drug abuse prevention activities, as well as administering approximately \$11 million in federal and state grants to state, local and non-profit agencies in Minnesota. The office also provides staffing and grants administration assistance for the Chemical Abuse and Violence Prevention Council.

DESCRIPTION:

The program administers \$2.2 million dollars per year in state funds. Minnesota Statue 119A.31 (Community Crime Prevention Programs) describes the purposes for use of these funds.

The state funds that the Office of Drug Policy and Violence Prevention receives are a match to the Byrne Formula Grant and any reduction in state funding will result in a reduction of the federal grant.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Grants Administered					
State	100	150	100	100	100
Federal	160	160	262	264	200
Program (119A)	\$4,494.0	\$2,202.0	\$2,202.0	\$2,262.0	\$2,330.0
Comm. Crime Reduction Grants			\$1,775.0		
Higher Education Center			\$75.0		
Comm. Violence Prevention Councils		\$75.0	\$75.0		
Youth Neighborhood Centers		\$25.0			
Council on Black Minnesotans			\$200.0		
Police Liaison Officers		\$500.0	\$500.0		
Truancy Reduction	\$100.0	\$100.0			

(continued)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Targeted Early Intervention		\$225.0	\$225.0		
Northwest Human Services		\$100.0	\$100.0		
Theater Project		\$50.0			
Parents Anonymous	\$50.0				
State Funding	\$4,644.0	\$3,277.0	\$5,152.0	\$2,262.0	\$2,330.0
Federal Funding	\$6,228.0	\$7,039.0	\$8,865.0	\$8,890.0	\$8,241.0
Total Funding	\$10,872.0	\$9,235.0	\$11,067.0	\$11,152.0	\$10,571.0

The legislature routinely appropriates funding for community crime and violence prevention projects. These funds are in addition to ODPUP's base budget and include the following types of programs:

Community Crime Reduction Grants, Higher Education Center, Community Violence Prevention Councils, Youth Neighborhood Centers, Council on Black Minnesotans, Police Liaison Officers, Truancy Reduction, Targeted Early Intervention, Northwest Human Services, Theater Project, and Parent Anonymous

BUDGET ISSUES:

A. CHALLENGES:

- Over the years, the office has had to shift its focus to an expanding definition of the problems to be addressed which now encompasses drugs, crime, violence, and their root causes. This has been accompanied by a continual evolution of preferred strategies to address the problems and changing national and state mandates.
- The office faces the continual challenge of funding the increasing needs of the law enforcement and criminal justice systems while at the same time providing resources for prevention.

B. STRATEGIES:

- The relocation of the office to the new Department of Children, Families & Learning will allow an unprecedented level of cooperation and coordination with other programs designed to address the problems of drug abuse, crime and violence. The office is now located with the same section as Safe and Drug Free Schools, Violence Prevention Education Grants and other programs with similar outcomes. This allows for greater collaboration and coordination among staff and between programs. The staff is actively exploring ways to better administer these programs cooperatively in an effort to enhance their effectiveness in building safe and healthy Minnesota communities. Examples of this type of coordination include streamlining grant application procedures and coordinating technical assistance and outreach efforts.
- The office continually reviews funding decisions to ensure fair distribution of funds between the metropolitan and greater Minnesota communities.

GOVERNOR'S RECOMMENDATION:

The Governor recommends transitioning the Family Visitation Center Grant Program from the Department of Human Services to the Department of Children, Families & Learning. In addition to the base amount, an increase of \$400 for the program has been requested as part of DHS's budget.

The Governor recommends an aid entitlement and 100% current appropriation of \$2,912 for F.Y. 1998 and \$2,980 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0311: DRUG POLICY AND VIOLENCE PREVENTION

	Estimated		Governor's Rec.	
	F.Y. 1996 (a)	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	2,202	2,202	2,462 (b)	2,530
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	2,202	2,202	2,462	2,530
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	2,202	2,202	2,462	2,530
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	2,202	2,202	2,462	2,530
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			2,462	2,530
a. Increase in Family Visitation Center Grants (Requested as part of DHS' budget)			450	450
			2,912	2,980
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			2,912	2,980
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	2,202	2,202	2,912	2,980
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	2,202	2,202	2,912	2,980

(a) 1996 spending shown for historical perspective only. Program did not transfer to CFL until F.Y. 1997.

(b) Includes \$200 for Family Visitation Center Grants base (DHS Transfer). Transfer also includes \$96/year in special revenue funds.

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1998-99 Biennial Budget

PROGRAM: 04 Children and Family Services
AGENCY: Children, Families & Learning Aids

0312 CHILDREN'S TRUST FUND

CITATION: M.S. 119A.10 - 119A.17
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

The Children's Trust Fund (CTF) was created to provide funding to community-based programs that are designed to help prevent child abuse and to provide education, leadership and resources to local prevention organizations. All of Minnesota's 1.2 million children and their families are potential recipients of CTF programs and services. Currently, priority consideration is given to applicants serving the most vulnerable population of children, those up to the age of 5 and families experiencing poverty.

DESCRIPTION:

1. Competitive Grant Process:

- The program priorities for competitive grant applications established by the CTF Advisory council strive to address the needs of the most vulnerable children.
- The CTF awards competitive grants to qualifying private non-profit and public agencies providing primary and/or secondary child maltreatment prevention services. To assure community input, grant applications are reviewed and ranked initially by local child abuse prevention councils before being forwarded to the CTF Advisory Council for their review and final recommendations to the Commissioner. M. S. 119A.12 - 119A.15 provide the legislative authority for local child abuse councils, the advisory council and the disbursement of money from the CTF. Small grant awards are also made annually to local child abuse prevention councils.

2. Leadership and Resources:

- In 1994, the CTF, in collaboration with the Minnesota Amateur Sports Commission (MASC), launched a prevention initiative, "Keeping Youth Sports Safe and Fun." Resources and technical assistance are provided to local councils to adapt this program to individual community needs. In 1996, an interactive booklet for parents and children ages 3-7, entitled, "The Sport in Me!" was published. This booklet has been incorporated into the START SMART Sports Development Program of the National Alliance for Youth Sports, West Palm Beach, FL.
- The CTF undertakes prevention education initiatives that are generic to all communities and lend themselves to local "customizing." Basic information, consultation, technical assistance and small grants are provided to local child abuse prevention councils (CAPCs) to enable them to provide local leadership, maintain themselves and operate at maximum capacity. A kit was developed in 1996 to be used by the CAPCs in addressing the problems of children being neglected by their parents or care givers.

- The CTF, on a quarterly basis, publishes *The Children's Fire*. This publication strives to educate the reader about child development, behavior management skills, family-enhancement techniques, features grantee programs, the activities of local child abuse prevention councils and features special in-depth subjects, i.e., the series on fathering, "Me and My Dad," and currently the series on child neglect.

3. Funding

Special Revenue

CTF receives approximately \$667,000 annually from a \$3 surcharge on birth certificates and the interest earned on a trust account. Up to \$120,00 of this amount may be used for administrative purposes. The salaries of the executive director and the support staff are paid from this account and approximately \$20,000 is used for indirect costs. The remaining balance is split with 40% put into the trust account (M. S. 119A.12); 60% disbursed in grants; and 100% of the interest earned disbursed in grants.

General Fund Appropriation

CTF receives \$247,000 annually in direct state appropriation. Up to \$22,000 may be used for administrative purposes, including Advisory Council expenses. \$225,000 is disbursed in grants.

Federal Grant Award

The federal grant, awarded annually to the Children's Trust Fund, is based on state dollars appropriated to the CTF and according to a child population formula. The amount of funds generated by the Special Revenue and the General fund appropriation have a significant impact on the amount of funds the Children's Trust Fund leverages toward the federal grant award. The amount of the Federal award received by the Children's Trust Fund October 1, 1995 was \$598,985. This amount may be expended over a 24 month period. The award received October 1, 1996 was \$494,923.

The CTF Advisory Council determined that the budget for the federal grant monies for 1995-97 and 1996-98 would be split as follows: 10% for administration, 40% for grant awards, 40% for leadership training (includes salary and expenses of Community Resource Developer), and 10% for evaluation.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Type of Revenue:					
State Sources					
Dedicated-Special*	\$581.0	\$816.0	\$674.0	\$667.0	\$667.0
Dedicated-Federal					
General Fund	<u>\$372.0</u>	<u>\$247.0</u>	<u>\$247.0</u>	<u>\$247.0</u>	<u>\$247.0</u>
Subtotal	\$953.0	\$1,063.0	\$921.0	\$914.0	\$914.0
Federal Funding	\$299.0	\$299.0	\$247.0	\$247.0	\$247.0

* Special revenue projection for F.Y. 1998 and F.Y. 1999 is based on the average amount received over the past five years (F.Y. 1993 - F.Y. 1997).

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Services
AGENCY: Children, Families & Learning Aids

0312 CHILDREN'S TRUST FUND
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- To equitably disburse grant monies when demand far exceeds available dollars.
- To develop and maintain community involvement and commitment with minimum financial support and technical assistance.

B. STRATEGIES:

- Systematically gather consumer input and incorporate suggestions into the grant award process.
- To maximize evaluation efforts and assist grantees in using evaluation to improve program efforts.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$247 for F.Y. 1998 and \$247 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0312: CHILDREN'S TRUST FUND

	Estimated		Governor's Rec.	
	F.Y. 1996 (a)	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	247	247	247	247
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	247	247	247	247
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	247	247	247	247
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	247	247	247	247
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			247	247
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			247	247
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	247	247	247	247
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	247	247	247	247

(a) 1996 spending shown for historical perspective only. Program did not transfer to CFL until F.Y. 1997.

1998-99 Biennial Budget

PROGRAM: 03 Community Services
AGENCY: Children, Families & Learning Aids

0313 MINNESOTA ECONOMIC OPPORTUNITY GRANT

CITATION: M.S. 268.52
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL:

PURPOSE:

Community Action Programs provide low-income citizens the opportunity to obtain the skills, knowledge and motivation to become self-sufficient; help remove the causes of poverty in Minnesota communities; and alleviate the effects of poverty in Minnesota.

DESCRIPTION:

Community Action Programs are delivered through a statewide network of local non-profit agencies and Indian Reservation Governments. Activities are locally determined to provide a range of services based on local needs which go beyond traditional human service delivery concepts. Activities address 3 program models:

- intervention programs designed to provide immediate basic needs to households in economic crisis;
- case management programs providing assistance in developing personal and economic self-sufficiency; and
- community investment, including economic development initiatives and entrepreneurial projects.

Issues addressed include nutrition, literacy, transportation, housing, job training, energy conservation, Head Start, youth employment and recreation, services to seniors, crisis assistance advocacy, information and referral as well as collaboration with public and private health, education and human service organizations.

PROGRAM STATUS:

In F.Y. 1995, 41 grants were awarded, providing "one-stop" access to approximately 200,000 disadvantaged households. A total of 70,000 volunteers donated 1.8 million hours to community action activities with an estimated economic value of \$9 million. Activity in future years depends on the population needing community action network services.

BUDGET ISSUES:

A. CHALLENGES:

- The Community Services Block Grant and the Minnesota Economic Opportunity Grant have remained a stable funding source for communities throughout the decade. Grantees anticipate peak demand of services as a result of welfare reform

B. STRATEGIES:

- Under the framework of M.S. 268.52, the Minnesota Economic Opportunity Grant and the Community Services Block Grant support the infrastructure of community action agencies (CAAs) through which approximately \$175 million in federal, local, state, and private funds provide a wide spectrum of programs serving the poor. This mechanism fills gaps by providing services in response to locally identified needs and by preventing families from turning to entitlement programs or providing the supportive services which enable families to extract themselves from the welfare web. Funding has remained stable.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% appropriation of \$9,000 for F.Y. 1998 and \$9,000 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0313: MINNESOTA ECONOMIC OPPORTUNITY GRANTS

	Estimated (a)		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	7,000	7,000	7,000	7,000
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	7,000	7,000	7,000	7,000
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	7,000	7,000	7,000	7,000
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	7,000	7,000	7,000	7,000
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			7,000	7,000
a. Increase Funding			2,000	2,000
Recommended Aid Entitlement			9,000	9,000
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			9,000	9,000
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	7,000	7,000	9,000	9,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	7,000	7,000	9,000	9,000

(a) 1996 and 1997 spending shown for historical perspective only. Program does not transfer to CFL until F.Y. 1998.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0314 TRANSITIONAL HOUSING

CITATION: M.S. 268.38
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

The Transitional Housing Program (THP) helps homeless families and individuals become self sufficient by providing a stable place to live and support services to learn how to live independently when they graduate to permanent housing. Support services may include child care, housing counseling, employment training, chemical dependency treatment and referrals.

DESCRIPTION:

The THP, funded under M.S. 268.38, provides operating funds to non-profit transitional housing programs to help homeless persons obtain the skills and income to live independently. Funded programs are chosen through a competitive request for proposal process. THP funding accounts for an estimated 11% of operating costs for transitional housing programs in the state.

PROGRAM STATUS:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Grants Awarded	38	41	62	62	62
Number of Homeless Served	1,262	1,304	1,304	1,304	1,304
Number of Homeless Eligible	9,989	10,000	10,000	10,000	10,000
Percent Served	13	13	13	13	13
Funds	\$860.0	\$935.0	\$935.0	\$935.0	\$935.0

These numbers are expected to increase. However, straight line estimates are used due to the difficulty of forecasting the magnitude of these increases. The 943 persons reported being turned away from shelter due to a lack of space is the highest number of turnaways recorded since the survey began in 1985 and represents a 111% increase from the May 1995 survey. The demand for food and shelter resources is on the upswing. With welfare reform, we expect demand to peak.

BUDGET ISSUES:**A. CHALLENGES:**

- Minnesota is experiencing a significant increase in the number of persons needing temporary shelter, and the ability of local programs to adequately meet the needs of homeless persons and low-income households is severely strained.
- According to the MDES Quarterly Shelter Survey, 45% of all homeless individuals reported sheltered in the May 1996 survey were children.

B. STRATEGIES:

- Maintaining the availability of transitional housing program in the state of Minnesota to meet the needs of homeless families and individuals is critical. As with all self-sufficiency programs, welfare reform will likely increase the demand for services.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% appropriation of \$935 for F.Y. 1998 and \$935 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0314: TRANSITIONAL HOUSING

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	935	935	935	935
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	935	935	935	935
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	935	935	935	935
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	935	935	935	935
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			935	935
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			935	935
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	935	935	935	935
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	935	935	935	935

(a) 1996 and 1997 spending shown for historical perspective only. Program does not transfer to CFL until F.Y. 1998.

1998-99 Biennial Budget

PROGRAM: 03 Community Services
AGENCY: Children, Families & Learning Aids

0315 THE EMERGENCY FOOD ASSISTANCE PROGRAM (TEFAP)
 0316 FOOD BANKS/SHELVES

CITATION: M.S. 268.55
MDCFL ADMIN: 1404 Self Sufficiency/Lifelong Learning
FEDERAL:

PURPOSE:

The Emergency Food Assistance Program & the Minnesota Food Shelf Program create mechanisms to provide food to low-income Minnesotans. State TEFAP funds allow Minnesota to leverage over \$500,000 in federal TEFAP funds. TEFAP state funding is a federal matching requirement.

DESCRIPTION:

The Emergency Food and Assistance Program makes surplus commodities available to food banks, food shelves, emergency meal sites and overnight shelters. Individuals or households are eligible to receive TEFAP commodities if their income is at or below 185% of the federal poverty level. The Minnesota Food Shelf Program (MFSP) provides funds to food shelves throughout the state to purchase nutritious food items for distribution to individuals and families in need. The funding for the Minnesota Food Shelf Program is given to the Minnesota Food Shelf Association which distributes funds to communities.

PROGRAM STATUS:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997*</u>	<u>F.Y. 1998*</u>	<u>F.Y. 1999*</u>
Number of Food Shelf Visits	1,291,082	1,337,320	982,564	982,564	982,564
Number Of On-Site Meals	9,566,372	10,315,000	10,315,000	10,315,000	10,315,000
USDA Pounds	3,200,000	1,600,000	1,600,000	1,600,000	1,600,000
Funding (\$ in 000s)					
TEFAP (state admin match)	\$100.0	\$97.0	\$97.0	\$97.0	\$97.0
Food Shelf Program	<u>\$600.0</u>	<u>\$700.0</u>	<u>\$700.0</u>	<u>\$700.0</u>	<u>\$700.0</u>
TOTAL	\$700.0	\$797.0	\$797.0	\$797.0	\$797.0

* These numbers are expected to increase. However, straight-line estimates are used due to the difficulty of forecasting the magnitude of these increases.

BUDGET ISSUES:

A. CHALLENGES:

- Minnesota is experiencing a significant increase in the number of persons needing food assistance and the ability of local programs to adequately meet the needs of homeless persons and low-income households is severely strained. Welfare reform will likely increase this need.

B. STRATEGIES:

- These programs are currently looking for ways to increase their use of non-public resources including number of volunteers and volunteer time, financial donations and food products.

GOVERNOR'S RECOMMENDATION:

0315 The Emergency Food Assistance Program (TEFAP)

The Governor recommends an aid entitlement and 100% current appropriation of \$97 for F.Y. 1998 and \$97 for F.Y. 1999. .

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

0316 Food Banks/Shelf

The Governor recommends an aid entitlement and 100% current appropriation of \$700 for F.Y. 1998 and \$700 for F.Y. 1999..

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0315: EMERGENCY FOOD ASSISTANCE

0316: FOOD BANK/FOOD SHELVES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1a. Statutory Formula Aid - Emergency Food Assistance	97	97	97	97
1b. Statutory Formula Aid - Food Bank/Food Shelves	700	700	700	700
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	797	797	797	797
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	797	797	797	797
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	797	797	797	797
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			797	797
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			797	797
APPROPRIATIONS BASIS:				
Direct Appropriated Funds - Emergency Food Assistance	97	97	97	97
Direct Appropriated Funds - Food Bank/Food Shelves	700	700	700	700
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	797	797	797	797

(a) 1996 and 1997 spending shown for historical perspective only. Programs do not transfer to CFL until F.Y. 1998.

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1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0317 OIL PROGRAM
0318 LIQUID PROPANE (LP) PROGRAM
0319 STATE WEATHERIZATION

CITATION: M.S. 216B.241, Subd. 2a; 239.785, Subd. 2 & 6; MN Laws 1996, Ch. 452, Sec. 6 (e) & (f)

MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

Oil program funds are used to weatherize dwelling units utilizing heating oil as its main source of heat. Liquid Propane (LP) gas program funds are used to weatherize dwelling units utilizing liquid propane as their main source of heat. The Weatherization Assistance Program (WAP) for Low-Income Persons provides funds to local non-profit and governmental organizations (subgrantees) to weatherize individual dwelling units and improves the energy efficiency of furnaces where eligible households reside.

Program funds are used to purchase conservation materials and labor, support costs, as well as training and administration.

DESCRIPTION:

Households weatherized must be:

- a recipient of an energy assistance grant having an income of 150% of the poverty guidelines;
- received cash assistance payments under the Social Security Act, Titles IV and XVI during the preceding 12 month period; or
- have an income of 125% of poverty guidelines or less.

Both Oil and LP programs utilize the WAP procedure and supplement WAP funding. After a household is determined eligible, their individual dwelling unit receives an energy audit. The conservation work called for on the audit is completed and the dwelling unit is inspected per the audit prescriptions.

The energy audit prescribes the total conservation investment to be given to the unit adjusted for the interaction between architectural and mechanical weatherization materials and their cumulative costs. It is the procedure for determining the most cost-effective measures to done on a dwelling unit and it takes into account the whole house as a system, including examining the heating system, its air exchange system and its occupants living habits and needs. The energy audit considers energy usage, energy costs, heating needs and uses advanced diagnostic and assessment techniques. Conservation activities may include attic and sidewall insulation, air infiltration reduction measures, heating system efficiency or modification activities and repair of doors and windows when it is deemed cost effective. The household also receives energy education as part of the audit.

Findings using an initial monitoring of fuel use, show an average savings of 26% of fuel in the first year which provide payback period of 10 years. A household's dwelling unit is reported complete

(weatherized) when all weatherization materials have been installed and a final inspection is performed. The inspection also includes any mechanical work performed.

A dwelling unit may be a house, mobile home, an apartment, a group of rooms or a single room occupied as separate living quarters. A household may be an individual, a family or multiple families living in owned or rented individual dwelling units. Renters and homeowners are to be treated equitably. A building containing rental units may be weatherized if the benefits of weatherization accrue primarily to the low-income tenants residing in the unit, the renters are not subjected to rent increases due to the weatherization work, no undue enhancement occurs to the value of the dwelling units and there is a written landlord agreement in place. WAP recommends financial participation of the landlord when weatherizing the property.

Priority is given to identifying and providing weatherization assistance to elderly and handicapped low-income persons and households with children. State funds follow WAP procedures. Oil funds are to improve the energy efficiency of residential oil heating equipment in low-income households and when necessary to provide weatherization services to the homes. LP funds are to improve the energy efficiency of residential LP gas heating equipment in low-income households and, when necessary, to provide weatherization services to the homes. To the maximum extent possible, weatherization works on individual dwelling units is coordinated with other federal, state, local and privately funded programs to enhance the program's effectiveness.

WAP relies on the Energy Assistance Program (EAP) for referrals of eligible households. Oil and LP funds are allocated based on the EAP distribution of those energy sources in households. State funds are allocated to subgrantees using low-income population census data and heating degree days by region. There are 34 subgrantees including 25 community action agencies, 1 non-profit, 1 housing rehabilitation authority, and 7 indian reservations. The state takes 2.5% administration out of State Weatherization, Oil and LP funds. In the Oil and LP program, subgrantees are given the flexibility to budget the funds in one or all three of the following categories: for WAP, mechanical activities, or incidental repairs which are repairs necessary for the effective performance or preservation of weatherization materials.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997*	F.Y. 1998*	F.Y. 1999*
State Weatherization**	\$0.0	\$0.0	\$190.0	\$190.0	\$190.0
State Administration	\$0.0	\$0.0	\$3.0	\$3.0	\$3.0
State Homes Weatherized	0	0	0	95	89
Homes Weatherized	0	0	0	225	219
Oil Funding	\$600.0	\$600.0	\$588.0	\$588.0	\$588.0
State Administration	\$14.0	\$14.0	\$14.0	\$14.0	\$14.0
Disabled Served	143	87	87	87	87
Children Served	418	206	206	206	206
Elderly Served	227	118	118	118	118
Homes Weatherized	42	52	50	50	50
Oil Mechanical	506	413	400	390	375

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0317 OIL PROGRAM

(Continuation)

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997*</u>	<u>F.Y. 1998*</u>	<u>F.Y. 1999*</u>
LP Funding	\$250.0	\$225.0	\$487.0	\$487.0	\$487.0
State Admin	<u>\$7.0</u>	<u>\$7.0</u>	<u>\$13.0</u>	<u>\$13.0</u>	<u>\$13.0</u>
Total	\$257.0	\$232.0	\$500.0	\$500.0	\$500.0
Disabled Served	33	54	54	54	54
Children Served	91	133	133	133	133
Elderly Served	56	73	73	73	73
Homes Weatherized	42	48	120	120	120
LP Mechanical	175	256	530	530	530
DOE Average Cost per Household	\$1,854.0	\$1,903.0	\$1,960.0	\$2,018.0	\$2,079.0

* Projected

BUDGET ISSUES:

A. CHALLENGES:

- The Liquefied Petroleum Conservation Program generates dedicated revenue through a tax on LP gas levied at the terminal. The collected funds and the interest earned are appropriated to the Commissioner of Economic Security. The revenues generated are dependent on sale of LP gas which is dependent on the weather and the demand for LP gas to heat homes.
- The state WAP activities follow the federal program rules and use the DOE average cost formula. Funding and the DOE average cost per unit weatherized dictate the number of households to be served. DOE's average cost factor is adjusted yearly to the consumer price index or a minimum of 3%. Costs on individual dwelling units have increased due to additional health and safety activities and expanded activities on heating systems.
- Oil and LP funds are allocated by distribution of fuel type. This does not provide for equitable funding of weatherization programs statewide. These are dedicated funds and are allocated to those areas where the respective fuel is used.

B. STRATEGIES:

- The weatherization program coordinates activities with local housing programs, conservation improvement programs and the local energy assistance program. With increasing service demands, the program will become more dependent on this coordination. Subgrantees will have to better target resources to those households with the highest energy burdens and greatest housing structural needs. The state will work with agencies to better focus their local resources and reduce program barriers which impede coordination.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0317: OIL PROGRAM

0318: LIQUID PROPANE (LP) PROGRAM

0319: STATE WEATHERIZATION PROGRAM

	Estimated (a)		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1a. Statutory Formula Aid - Oil Program (Transfer from Public Service)	600	588	588	588
1b. Statutory Formula Aid - Liquid Propane Program (Transfer from Revenue)	507	500	500	500
1c. Statutory Formula Aid - State Weatherization Program	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,107	1,088	1,088	1,088
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,107	1,088	1,088	1,088
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,107	1,088	1,088	1,088
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,088	1,088
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,088	1,088

APPROPRIATIONS BASIS:

Direct Appropriated Funds - Oil Program	600	588	588	588
Direct Appropriated Funds - Liquid Propane Program	507	500	500	500
Direct Appropriated Funds - State Weatherization Program	0	0	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds (b)	[1,107]	[1,088]	[1,088]	[1,088]

(a) 1996 and 1997 spending shown for historical perspective only. Programs do not transfer to CFL until F.Y. 1998.

(b) Amounts were transferred into DES from agencies noted above, and base amounts are carried in those budget recommendations.

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1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0320 STATE ENERGY ASSISTANCE
 0321 STATE EAP (RESERVE)

CITATION: MN Laws 1996, Ch. 452, Sec. 6 (e) & (f)
MDCFL ADMIN: 1404 Self Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

The Energy Assistance Program (EAP) provides funds to local non-profit government organizations to help households with incomes at 150% of the federal poverty level or lower meet the costs of home energy by paying a portion of their heating costs and providing energy conservation and emergency furnace repair activities. The money is available to supplement the federal Low-Income Home Energy Assistance Program and is to be used and allocated in the same manner as the federal money is used and allocated.

DESCRIPTION:

This program assists low-income households, particularly those that pay a high proportion of their income for home heating costs or energy needs in relationship to income and taking into account family size, in meeting their immediate home heating energy needs and in attaining the capacity to meet such needs independently in the future. The program pays a percentage of the eligible households previous year's heating costs and that payment is applied as a credit to the household's energy supplier. A household must submit income documentation and the previous year's heating costs, if available, when applying for the program. The program will dispatch a furnace technician to an eligible household residence to correct a faulty furnace or to alleviate any health and safety risks so as to ensure that the household has heat during the heating season. Besides heating payments and furnace repair, EAP agencies try to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance by doing needs assessment, counseling and working with energy vendors on behalf of the household. The program goal is to ensure that no low-income Minnesotan goes without heat in the winter because of an inability to pay energy costs or a malfunctioning furnace.

EAP program activities include outreach designed to assure that eligible elderly and disabled households and households with high home energy burdens are made aware of assistance. The program assures that home energy suppliers receiving payments on behalf of households do not discriminate through the costs of goods or services they provide to the eligible households. EAP agencies work with the local community and other resources available to them to provide energy crisis intervention for eligible households. Under crisis intervention, agencies try to provide some form of assistance that will resolve the energy crisis no later than 48 hours after the household applies for the program or within 18 hours, if the household is in a life-threatening situation. State EAP is used as a leverage resource under the federal leveraging incentive program in the Leveraging Report that identifies nonfederal resources used to help low income households meet their home energy needs. The percentage of EAP households served by fuel type are: 53% natural gas, 20% fuel oil, 14% liquid propane, 8% electric, 4% wood and other. The program is administered at the local level by 41 agencies. These include: 26 Community Action Agencies, 7 counties, 1 local nonprofit and 7 Indian Reservation governments.

PROGRAM STATUS:

A \$9.0 million Home Energy Assistance Contingency state appropriation is to be released in January, 1997 under Laws 1996, Chapter 452, Section 6(f). The release of this money was triggered because federal money allocated to Minnesota under LIHEAP for federal F.Y. 1996 was less than the amount received in federal F.Y. 1995. Total federal LIHEAP funding for F.Y. 1996 was \$42,148,986 compared to F.Y. 1995 of \$56,392,220. This was a 25% decrease. The contingency fund is to be released to mitigate the hardships low income households are having because of difficulties in recovering from the record cold weather and heating bills for the winter of 1995-96, the abnormally cold 1996 November with heating degree days ranging from 17-38% colder than normal, 1996-97 fuel prices running 28% higher for oil and 46% higher for liquid propane gas, and federal funds for F.Y. 1997 are 33% lower than F.Y. 1995.

(\$ in 000s)	Current Law		
	F.Y. 1997	F.Y. 1998	F.Y. 1999
State EAP	\$9,000.0	--	--
State Administration	\$146.0	--	--
Primary Heat Payments	\$7,600.0	--	--
# of Households Served	\$20,800.0	--	--
Average Assistance Payment	\$365.0	--	--
# of ERR Households	\$0.0	--	--
Average ERR Expense	\$0.0	--	--

BUDGET ISSUES:

A. CHALLENGES:

- The Energy Assistance Program is predominately federally funded in Minnesota with supplemental state general funds. Funding levels have gradually declined from F.Y. 1986 to F.Y. 1997. Federal funding was reduced by 32% in F.Y. 1996 from the previous year, F.Y. 1995. State general funds are available to supplement the start of the program in F.Y. 1997.
- The number of households participating in the program is somewhat dependent on economic conditions, winter weather and fuel prices. A change in any one of these factors can affect how many people receive assistance or the amount of their assistance. Low-income households generally have inefficient furnaces and use multiple energy sources for heating, whatever is affordable or available at the time. There are many low-income customers who just cannot afford energy. The energy industry, itself, is going through changes. Small community or family owned oil and LP companies are consolidating into larger companies. Small bulk dealers do not have the financial ability to provide lines of credits to their low-income customers. Bulk fuel prices fluctuate seasonally based on national markets and impact low-income customers hardest. And, the electric industry is going through changes, nationally as well as locally. Many of the changes affecting the energy industry will have an impact on low-income customers pertaining to the following issues: the equitable distribution of benefits to customers, access to service, social programs, i.e. low-income discount rate and cold weather rule, and customer service.
- In F.Y. 1996, the Energy Assistance program served 87,080 households at an average primary heat grant of \$329. This compares to F.Y. 1995, where the program served 103,760 households with average primary heat grants of \$429. Grants received by households in F.Y. 1996 were lower due to federal funding reductions. As funding is reduced, administrative dollars will be reduced, creating hardships on local agencies in their efforts to operate the program.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0320 STATE ENERGY ASSISTANCE
(Continuation)

B. STRATEGIES:

- The Energy Assistance Program will work closely with energy vendors and households to develop better lines of credit and payment schedules, better target resources to those households with the highest energy burden and lowest incomes, and focus on developing local resources through fuel fund activities and conservation activities to meet community, household and vendor needs.

GOVERNOR'S RECOMMENDATION:

State EAP Reserve

The Governor does not recommend appropriating funds to this activity at this time. The Governor will reevaluate the funding required for this activity after information on federal funding is available.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0320: STATE ENERGY ASSISTANCE PROGRAM

	Estimated (a)		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	810	810	810
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	810	810	810
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	810	810	810
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	810	810	810
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			810	810
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			810	810
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	810	810	810
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	[810]	[810]	[810]

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1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0322 HEAD START

CITATION: M.S. 268.912 (P.L. 97-35)
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL:

PURPOSE:

Head Start was designed to help break the cycle of poverty by providing preschool children of low income families with a comprehensive program to meet their emotional, social, health, nutritional and psychological needs. The overall goal of the program is to bring about a greater degree of social competence in the children and to promote economic self-sufficiency for the parents.

DESCRIPTION:

Every child receives a comprehensive health care program including medical, dental, mental health and nutrition services as well as a variety of individualized learning experiences. Every parent is encouraged to become involved in parent education, program planning and operating activities. Parents have a voice in administrative and managerial decisions. The social services component represents an organized method of assisting families to assess their needs and then providing those services or linking them with appropriate community services that will build upon the individual strengths of families to meet their own needs.

State Head start funds, authorized under M.S. 268.912, are allocated to all 35 federal Head Start grantees in the State to provide services to additional low-income children and their families. Money is allocated based equally on the grantees' share of federal funds and on the proportion of eligible children in the grantee service area who are not currently being served. In the state, 23 community action agencies and 3 single purpose agencies, 1 school district and 7 Indian Reservation Governments deliver the program.

Up to 11% of the state Head Start funds appropriated annually may be used to provide grants to local Head Start agencies for innovative programming designed either to target Head Start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal Head Start regulations. Innovative grants are awarded on a competitive basis. Since F.Y. 1994, the major portion of state Head Start innovative funding has gone to fund Head Start collaboration projects.

The bonding initiative, in addition to helping programs meet the pressing need for additional space and the rehabilitation of facilities to comply with licensing standards, also makes possible the leveraging of additional dollars from public and private resources in communities.

PROGRAM STATUS:

Only about 40% of eligible children and their families are currently served by Head Start. For the program year 1995-1996, 12,112 children were funded at a cost per child of \$4,660.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grantees	34	34	34	34	34
Number of Eligible Children	29,831	29,831	29,831	29,831	29,831
Number of Children Served	12,097	12,112	12,145	12,100	12,050
Percentage of Eligible Children Served	41	41	41	41	40

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
(\$ in 000s)					
Federal Funding					
Federal HHS*	\$40,537.0	\$43,245.0	\$43,727.0	\$43,727.0	\$43,727.0
HHS Collaboration Grant	\$100.0	\$100.0	\$100.0	\$150.0***	\$150.0***
State Funding					
General Fund	\$11,500.0	\$11,506.0	\$11,506.0	\$11,506.0	\$11,506.0
Bonding**	0	3,500	0	0	0
TOTAL	\$52,137.0	\$58,351.0	\$55,333.0	\$55,383.0	\$55,383.0

* Federal Head Start funds are distributed directly to the Head Start grantees from the U.S. Department of Health and Human Services. Federal totals are provided here for information only.

** F.Y. 1992 and F.Y. 1994 bonding dollars went to purchase, construct or rehabilitate facilities for Head Start and other early childhood learning programs. F.Y. 1996 bonding dollars will finance purchase, construction or rehabilitation of facilities for Head Start or other early childhood learning programs, child protection programs, and homeless youth programs.

*** In the process of requesting an increase of \$50,000.

In the 1994-1995 Minnesota Head Start program year:

- 20% of enrolled children were funded by state funds
- 100% of enrolled children were medically screened
- 82% of enrolled children were enrolled in Child and Teen Checkups/Medicaid
- 15% of enrolled children were professionally diagnosed as disabled and requiring special services
- 96% of enrolled children received dental examinations
- 94% of enrolled children had up-to-date immunizations
- 40% of paid staff were current or former Head Start parents
- 832,580 hours were volunteered in Head Start programs
- 100% of families identified as needing social services received them

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0322 HEAD START
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Most Head Start programs currently operate on a half-day basis. As more and more Head Start parents are working full-time, there will be an increased demand for full-day, full-year services.
- Research has shown the importance of the first months and years of life for human growth and development. Head Start has typically served the preschool population.

B. STRATEGIES:

- Parent involvement in the governance of Head Start will continue to promote communication, coordination and collaboration at the state and local level to improve and integrate service delivery.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of of \$13,506 for F.Y. 1998 and \$13,506 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0322: HEAD START

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	11,506	11,506	11,506	11,506
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	11,506	11,506	11,506	11,506
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	11,506	11,506	11,506	11,506
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	11,506	11,506	11,506	11,506
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			11,506	11,506
a. Increase Funding			2,000	2,000
Recommended Aid Entitlement			13,506	13,506
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			13,506	13,506
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	11,506	11,506	13,506	13,506
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	11,506	11,506	13,506	13,506

(a) 1996 and 1997 spending shown for historical perspective only. Program does not transfer to CFL until F.Y. 1998.

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1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0323 COMPREHENSIVE SCHOOL HEALTH

CITATION: Public Health Act, Section 301(A) M.S. 121.203
MDCFL ADMIN: 1402 Prevention

PURPOSE:

The goal of the Comprehensive School Health program is to provide prevention and education programs to reduce the short and long term impacts of negative health behaviors, particularly related to sexuality/HIV/AIDS, unintended injuries, alcohol and other drug use, tobacco, diet and physical activity. There are three distinct strategies:

- To build infrastructure in state and local agencies so policies, procedures and resources are in place to support prevention and to develop comprehensive school health programs;
- To strengthen the comprehensive health education component of the curriculum; and
- To assist school districts in providing effective HIV/AIDS/STD education within comprehensive school health programs, under M.S. 121.203.

The overall purpose of the program is to promote coordinated efforts among schools, communities and families to measurably improve the health and educational status of Minnesota's children and youth.

DESCRIPTION:

During the last year, the Department received additional competitive funding of \$500,000 per year for 2 years from the federal Centers for Disease Control and Prevention (CDC). This funding is specifically to build infrastructure in both the state health and education agencies to support comprehensive school health programming and to strengthen comprehensive school health education. This funding is in addition to the current CDC HIV/AIDS Prevention Education award of \$248,988 per year.

Through an interagency agreement between the Minnesota Departments of Health and Children, Families & Learning, a plan to build infrastructure and support comprehensive school health education is in development. Currently, the program staff provide limited consultation and work primarily through written materials, conferences and telephone consultation. The staff is working to support the Graduation Standards work in Health and Physical Education.

The current HIV/AIDS program is a limited statewide delivery system for professional and technical assistance to the state's school districts, communities and professionals. The program has 2 primary sources of guidance: the state legislative mandate (M.S. 121.203) and the approved work plan from the CDC. Funding for this program in the past was state and federal funds. Since F.Y. 1992-93, there has been only federal funding.

An AIDS resource center is maintained to review, purchase, and distribute videos, curricula, and other instructional material for use in AIDS/HIV/STD education and prevention programs. Over 50%

of teachers use resources from the center. A 23-member panel representing a cross section of Minnesota, and a student panel review materials for the resource center.

Currently, there are 4.5 FTE professional staff and 2.5 clerical staff funded under the federal cooperative agreement/grant. Federal funding began in 1990 and is expected to continue through December, 1997 and possibly beyond if reauthorized during the next session of congress.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Districts Providing Comprehensive School Health	0%	0%	10%	20%	30%
Districts with Comprehensive School Health Training	0	2	6	25	100
Districts with State Board Approved HIV/AIDS Policies	96%	97%	97%	98%	99%
Schools Where Teachers Have Received HIV/AIDS Training	85%	86%	87%	88%	89%
Number of People at HIV/AIDS Workshops	1,000	1,000	2,000	3,000	4,000
Students Receiving HIV/AIDS Instruction					
Junior High	90%	95%	95%	98%	98%
Senior High	90%	95%	95%	98%	98%
Health Teachers Who Report HIV/AIDS Instruction in Classroom*	98%	99%	99%	100%	100%
Districts Reporting Community Involvement with AIDS Education	70%	80%	80%	85%	85%
Entitlement Funding	\$329.0	\$748.0	\$748.0	\$748.0	\$748.0
Grants Awarded to School Districts	30	4	4	2	2

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

* Data not collected biennially

BUDGET ISSUES:

A. CHALLENGES:

- A new challenge is to create better coordination between state and local health and education agencies.
- The recent controversies over the content of HIV/AIDS education and related issues are requiring additional staff time to process.
- The number of persons infected with HIV/AIDS continues to grow in Minnesota at a projected annual rate of 20%. As there is not a cure or vaccine, the problem will be with us for a long time. The face of HIV/AIDS is also changing as different sectors of the population become exposed to the virus. These include a disproportionate number of babies becoming infected through their mothers. AIDS is affecting the 20-29 age group at a faster rate than any other age category. Because of the increasing length of time between exposure to the virus and the onset

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0323 COMPREHENSIVE SCHOOL HEALTH
(Continuation)

of symptoms (latency period) many people are becoming infected as adolescents, and this creates the challenge of educating students to avoid high risk behaviors and protect themselves from sexually transmitted diseases.

B. STRATEGIES:

- The departments of Health and Children, Families and Learning staffs are working on coordination plans.
- Participation in the HIV/AIDS program has steadily increased each year since the legislative mandate to provide AIDS prevention and risk reduction programs was passed in 1988. Most school districts are aware of the program and have taken steps to develop some components of the program.
- Most schools indicate that students in the junior and senior high schools are receiving information about HIV/AIDS; 99% of teachers reported in a 1996 survey that they are teaching AIDS/HIV Prevention.
- Approximately 50% of schools report having some connection with community-based agencies, usually the community public health agency, while 65% of health teachers report attending in-service on HIV/AIDS in the last 2 years.
- Sexual activity rates among adolescents remain the same, between 1989 and 1995.
- Much of the education effort has been focused on the adolescent population, but decision-making skills and age appropriate information will need to be increasingly directed toward elementary school children in the coming years if there is to be maximum impact on adolescent behavior choices.
- Based on data from the Minnesota Student Survey, a particularly important area for negative health behavior reduction will be tobacco prevention.

1998-99 Biennial Budget

PROGRAM: 02 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0324 ADULT EDUCATION

CITATION:
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

Federal adult education funds are intended to:

- improve educational opportunities for adults who lack the level of literacy skills requisite to effective citizenship and productive employment;
- expand and improve the current system for delivering adult education services, including delivery of these services to adults who demonstrate basic skills equivalent to or below the 5th-grade level; and
- encourage the establishment of appropriate adult basic education programs.

DESCRIPTION:

Federal Adult Education funding managed through the Self-Sufficiency/Lifelong Learning Section of the Minnesota Department of Children, Families & Learning includes the Adult Education Act Basic Grants, Gateway Public Housing Program Grants, Staff Development Grants, Special Project Grants and Innovation Mini Grants.

Adult Education Act. Basic Grants, including Work Force Education, Family Literacy, Gateway Public Housing Adult Education Program, and Basic Adult Literacy Grants, are coordinated with the State Education Programs for Adults legislation as well as Federal JOBS (welfare reform), bilingual, vocational, Even Start, Job Training Partnership Act (JTPA), Rehabilitation, Education of the Handicapped, Indian Education, Higher Education, and Domestic Volunteer Service legislation.

Federal adult education grant funds are distributed by CFL on the basis of competitive applications submitted by public and private nonprofit agencies, including school districts, community-based organizations, Indian reservations, community and technical colleges, job training agencies, libraries, correctional facilities, and volunteer literacy tutoring groups.

Federal Adult Education Act funds must be coordinated with and supplement, not supplant or duplicate, other funds, and must be used to improve, not simply maintain, adult education programming. Allocation requirements, which are not necessarily additive, are that:

1. at least 10% of the Federal Adult Education Act grant must be used for institutionalized adults (corrections, half-way houses, etc.);
2. at least 80% must be used for adults who enter needing ESL or elementary-level adult education;
3. at least 15% must be used for staff development and special projects;
4. at least 0.5% must be used for public housing agency adult education programs;

5. no more than 5% may be used to administer the statewide program, and at least 95% of each sub-grant must be used for instructional costs; and
6. no Federal Adult Education Act funds may be used for high school diploma programming.

Other Federal requirements including providing technical assistance, monitoring and evaluating local adult education programs; developing and implementing appropriate learner assessment procedures and program effectiveness standards, and coordinating with other resource and service agencies, may be provided with Federal adult education funds. The required local match is 25%. "Maintenance of effort" requires that statewide adult education expenditures not fall below previous levels. Federal adult education allocations among states is based on census data regarding the population in need of adult basic education. Allocations based on 1990 census data, beginning in the 1993-1994 program year, resulted in a 5% decrease in federal funding in Minnesota. Several bills have been proposed at the federal level to block grant adult education funds with vocational and/or job training monies.

PROGRAM STATUS:

Between 1992 and 1996, the number of adult learners who attended for at least 12 hours held steady, but those who enroll are in need of more in-depth, intensive programming and related support service. The trend is for learners to continue in the program for longer periods of time until their academic goals are met. During this same period, 13,233 learners got off welfare; 36,198 got a job or a better job; 13,312 enrolled in higher education; 39,283 earned a diploma or GED.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
<u>Adult Education Basic Grants</u>					
Number of Programs	53	53	53	53	53
Participating Districts and Agencies	857	857	857	875	875
Number of Learners	52,263	53,024	53,024	53,024	53,024
Federal Entitlement Funding	\$2,359.8	\$2,336.2	\$2,312.8	\$3,278.0	\$2,478.0
<u>Adult Education Staff Development and Special Projects</u>					
Number of Grants	10	8	8	8	8
Number of Mini Grants	12	8	8	8	8
Staff Development					
Statewide Events	8	8	8	8	8
Participants	1,125	1,125	1,125	1,125	1,125
Regional Events	15	15	15	15	15
Participants	850	850	850	850	850
Trainer of Trainer Events	3	3	3	3	3
Participants	140	140	140	140	140
<u>Minnesota Adult Literacy Resource Center</u>					
Federal Entitlement Funding	\$101.6	\$0.0	\$0.0	\$0.0	\$0.0
TOTAL FEDERAL FUNDING					
ALL PROGRAMS	\$3,390.0	\$3,356.1	\$3,192.7	\$3,960.8	\$3,129.2

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

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PROGRAM: 02 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0324 ADULT EDUCATION
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Federal funding for Adult Basic Education is not keeping pace with federally mandated welfare reform, refugee resettlement, immigration reform and job training and retraining program demand for adult literacy services.
- As more policy analysts, welfare reformers and employers, as well as the un- and under-educated adults themselves, recognize the connections between adult literacy and child literacy, worker productivity and self-sufficiency, the demand for adult education is increasing rapidly.
- Effective adult education is centered on the interests, schedules and characteristics of the individual adult participants. It requires full-time professional adult educators who can facilitate participatory, experiential adult learning in collaboration with all community resources and services. Funding shortages, the elimination of adult refugee, legalized alien and homeless adult education funding, and the end of the interagency agreement for refugee services, increase the demands on already limited State and Federal adult education funding. Yet, refugees continue to settle in Minnesota. More than 10,000 non-English-speaking children have been born to limited or non-English speaking refugee parents in Minnesota since 1985. Most adult education programs have lists of adults waiting to enroll.
- The Federal Adult Education Act and the Federal Vocational Education Act are overdue for reauthorization. There is action pending which will combine adult education and job training in a block grant to the state. That would effectively eliminate both programs' services to marginally employed people and to others who are not new to the labor market, as well as significantly reduce adult education's Family Literacy programs.
- The 1996 Congress rescinded funding for State Literacy Resource Centers. At present, the Minnesota Resource Center continues to operate using Federal carryover funds. Alternative sources of funds will need to be identified to allow this important service to continue.

B. STRATEGIES:

- Increasing collaborative efforts among local providers, local regional and state governmental agencies and the private sector.
- Developing and coordinating with new investors in Adult Basic Education.
- Continuing to explore means and methods to produce maximum results from limited resources.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0325 SAFE AND DRUG FREE SCHOOLS AND COMMUNITIES

CITATION: Safe and Drug-Free Schools & Communities Act, Title IV
MDCFL ADMIN: 1402 Prevention

PURPOSE AND DESCRIPTION:

Violence and Drug Abuse Prevention (Title IV):

To assist districts in establishing, operating and improving programs for violence and drug abuse prevention and education; to eliminate the use of drugs and alcohol by youth; and to reduce violence. These programs are coordinated with related community efforts and resources.

This program provides funding to districts by distributing federal safe and drug-free funds in grants to school districts according to an entitlement formula based on school enrollment. Based on federal criteria, additional funds are allocated to districts which have the highest need for resources. The state program office reviews and approves program applications from school districts, regional education agencies and other consortia. Beginning in 1994, a single application was developed for Safe and Drug-Free Schools and Communities funds as well as Violence Prevention Education funds. Claims by school district grantees for reimbursement are processed and all data that is required by the federal law and regulations is collected from participating districts. This program assists districts in meeting federal requirements that mandate adoption and implementation of a program to prevent violence and the use of illicit drugs and alcohol by students and employees by any district receiving any federal funds or financial assistance.

Safe and Drug-Free Schools and Communities (Title IV, P.L. 103-382):

To encourage establishment of drug abuse education and prevention programs that are coordinated with related community efforts and resources programs through the provision of federal financial assistance and monitoring; to provide grants to local and intermediate educational agencies and consortia to establish, operate, and improve local programs of drug abuse and violence prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools (including intermediate and junior high schools); to provide grants to and contracts with community-based organizations for programs of drug abuse and violence prevention, early intervention, rehabilitation referral, and education for school dropouts and other high-risk youth; and to provide development, training, technical assistance, and coordination activities.

Targeted for funding are grants or contracts with parent groups, community action and job training agencies, community-based organizations, other public entities and private organizations. A special emphasis for programming is given to those organizations working with underserved youth and those youth who need special services or additional resources to remain violence and/or drug free. Some of the Governor's Program funds are made available to Law Enforcement-Education Partnerships for programming which can include DARE services or other youth focused programming involving law enforcement in the delivery of violence and drug abuse prevention. The Department of Children, Families and Learning provides technical assistance, fiscal administration and contract management functions for these funds.

A wide range of prevention and intervention strategies are utilized by local programs. Eligible applicants are public or private non-profit entities including schools, school districts, groups of school districts, regional entities, community health boards, community social service agencies, family service collaboratives, community correction agencies and other community-based organizations. Grants are made on an annual basis with funding for a second year contingent on both federal funding levels and project performance.

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999	Current Law
Safe & Drug-Free Schools:						
Local Education Agencies						
Program Applications Approved	252	254	257	257	257	
Number of Local School Districts Participating	380	377	381	381	381	
Districts Filing Individual Applications	225	224	257	257	257	
Districts Pooling Funds in Consortium	155	153	124	124	124	
MDE Regional Workshops Conducted in Drug Abuse Prevention	7	7	7	7	7	
Grant Funding	\$4,675.0	\$5,322.0	\$6,184.0	\$6,184.0	\$6,184.0	

Governor's Safe and Drug-Free Schools:

High Risk Families & Youth/Coordinated Services						
Grants	20	9	18	18	18	
Funding	\$771.0	\$446.0	\$813.0	\$813.0	\$813.0	
Training, Eval, Admin, Tech Assistance						
Grants	3	4	4	4	4	
Funding	\$300.0	\$317.0	\$317.0	\$317.0	\$317.0	
Family Service Coll.						
Grants	5	2	0	0	0	
Funding	\$558.0	\$490.0*	0*	0	0	
Law Enforcement - Educ. Partnerships						
Grants	63	12	14	14	14	
Funding	\$162.0	\$129.0	\$154.0	\$154.0	\$154.0	
Total Entitlement Funding	\$1,629.0	\$1,286.0	\$1,546.0	\$1,546.0	\$1,546.0	

* Beginning F.Y. 1997, included in coordinated services line item per new Federal Guidelines
 Note: Figures do not add up. Amounts awarded are inclusive of carryover from previous years.

BUDGET ISSUES:

A. CHALLENGES:

- The current authorization from the federal government allows schools to use Drug Free Schools funding for violence prevention, however the funding did not increase substantially.
- There is a new federal requirement to expel for 365 days a student who brings a gun to school.
- Federal priorities include a reduction in the level of monitoring and an increase in the level of technical assistance to local school districts.

B. STRATEGIES:

- Continue to increase the level of technical assistance available to districts.
- Continue to combine the federal and state violence prevention programs to ensure coordination, reduce duplication and paperwork for districts.

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0326 BYRNE MEMORIAL LAW ENFORCEMENT PROGRAM
 LOCAL LAW ENFORCEMENT BLOCK GRANTS (LLEBG)

CITATION: Anti-Drug Abuse Act of 1988 (P.L. 100-690); P.L. 104-134
MDCFL ADMIN: 1402 Prevention

PURPOSE:

This formula grant program is designed as a partnership among Federal, State and local governments to provide safer communities and a high quality of justice.

DESCRIPTION:

The office administers \$8,241,000 in federal funds from the Bureau of Justice Assistance Edward Byrne Memorial State and Local Law Enforcement Assistance Program. Funds may be spent on any of 26 legislatively authorized purpose areas. Each state receives a base amount of .25% of the total federal funding allocation, with the remaining funds allocated on the basis of each State's relative share of the total U.S. population. This grant must be matched with state funds and 70.29% of the Byrne Memorial Grant funds coming to Minnesota must be passed through to local units of government. Funds are made available to Minnesota each year after the Office of Drug Policy and Violence Prevention submits a statewide strategy to improve the functioning of the criminal justice system, with an emphasis on drug trafficking, violent crime and serious offenders. The strategy is developed and submitted after the office has consulted with state, local and community officials.

Funds are currently utilized in Minnesota as follows:

- Multi Jurisdictional Narcotics Task Forces - 32%
- Criminal Justice System Improvements - 5%
- Prosecution/Criminal Justice System - 10%
- Community-Based Prevention - 34%
- Community Policing - 10%
- Forensic Science Laboratory - 1%
- Training - 2%
- Administration - 6%

The Local Law Enforcement Block Grants (LLEBG) Program was authorized by the Omnibus F.Y. 1996 Appropriations Act, P.L. 104-134. The purpose of the LLEBG Program is to provide units of local government with funds to underwrite projects to reduce crime and improve public safety. All funds are to be used in a manner consistent with the statutory program purpose areas specified in section 101 (a)(2).

The Bureau of Justice Assistance (BJA) calculated a formula based on violent crime arrest rates and made direct awards to units of local government when award amounts were at least \$10,000. Each state also received an aggregate award which represented the remainder of the state's allocation.

In 1997, BJA awarded \$503 million in LLEBG funds to states and local units of government. The State of Minnesota received a total of \$3,338,259 in LLEBG funds, including \$2,713,783 awarded directly to 36 local units of government and \$624,476 awarded to the state. The Office of Drug Policy and Violence Prevention plans to distribute these funds in grants of \$10,000 to 62 local jurisdiction not eligible for direct awards.

For 1998, \$523 million will be available for the LLEBG Program, about a 4% increase over 1996. Based on 1996 allocations, the State of Minnesota can expect to receive approximately \$3,471,122, including \$2,821,791 in direct awards to local units of government and a \$649,220 awards to the state.

PROGRAM STATUS:

				Current Law	
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grants					
Administered					
State	100	150	100	100	100
Federal	160	160	262	264	200
Byrne	\$6,228.0	\$7,039.0	\$8,241.0	\$8,241.0	\$8,241.0
LLEBG	--	--	\$624.0	\$649.0	\$0.0
Total Federal Funding	\$6,228.0	\$7,039.0	\$8,865.0	\$8,890.0	\$8,241.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- Over the years, the office has had to shift its focus to an expanding definition of the problems to be addressed which now encompasses drugs, crime, violence, and their root causes. This has been accompanied by a continual evolution of preferred strategies to address the problems and changing national and state mandates.
- The office faces the continual challenge of funding the increasing needs of the law enforcement and criminal justice systems while at the same time providing resources for prevention.

B. STRATEGIES:

- The relocation of these programs to the new Department of Children, Families & Learning will allow an unprecedented level of cooperation and coordination with other programs designed to address the problems of drug abuse, crime and violence. The administration of these programs is now located with the same section as Safe and Drug Free Schools, Violence Prevention Education Grants and other programs with similar outcomes. This allows for greater collaboration and coordination among staff and between programs. The staff is actively exploring ways to better administer these programs cooperatively in an effort to enhance their effectiveness in building safe and healthy Minnesota communities. Examples of this type of coordination include streamlining grant application procedures and coordinating technical assistance and outreach efforts.
- Funding decisions are continually reviewed to ensure fair distribution of funds between the metropolitan and greater Minnesota communities.

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0327 ABUSED CHILDREN

CITATION: Victims of Crime Act of 1984 (P.L. 98-473)
MDCFL ADMIN: 1402 Prevention

PURPOSE:

The Abused Children Program administers state and federal grant funds to local agencies for the provision of services to abused children.

DESCRIPTION:

Federal funds from the Victims of Crime Act along with state funds enable the department to award grants which provide services to victims of child abuse and their families, adolescent victims of non familial physical or sexual assault and juvenile primary and secondary victims of crime. Grants shall be awarded in a manner that ensures that they are equally distributed to programs serving metropolitan and non metropolitan populations.

Through the Victim of Crime Act (VOCA) of 1984, a Crime Victims Fund was established to receive funds from federal criminal penalties, fines, forfeitures and other monies collected from federal offenders. These funds serve as a source of funding for compensation and direct services for crime victims throughout the country. In 1996, \$127,000,000 was distributed to the states to fund victim assistance programs. The Abused Children's Program administers the portion of the VOCA funds Minnesota receives that are dedicated toward serving child abuse victims. Total funds coming to Minnesota include the base amount given to each State (this amount can change based on total funds available for distribution), plus a portion of remaining funds based on our State's population in relation to the population of all States. VOCA authorizes each state to subaward VOCA federal funds to the agencies and nonprofit organizations they believe will best meet the unique needs of crime victims. VOCA funds require a 25% local match. The program provides \$33,500 to each eligible grantee. 38 programs are currently funded statewide.

PROGRAM STATUS:

Currently, the program provides grants to 38 abused children programs statewide. Additionally, one statewide coalition for abused children programs is funded.

Current Law

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Federal Funds	\$359.0	\$359.0	\$484.0	\$500.0	\$500.0
Number of Victims Served					
Primary	6,678	9,130	9,220	9,300	9,300
Secondary	2,557	4,023	3,953	4,050	4,050

BUDGET ISSUES:**A. CHALLENGES:**

- Programs must meet the diverse needs of the children and families they serve.

B. STRATEGIES:

- The program has transferred to the new Department of Children, Families and Learning, offering new opportunities for collaboration and cooperation with other programs serving abused children.
- Staff is planning ongoing technical assistance contacts with grantees to address the issues involved in serving a diverse clientele.
- Agency staff is reviewing methods of grants review to make the process more efficient.

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0328 HHS HEAD START COLLABORATION PROJECT

CITATION: 42 USC 9801 ET SEQ
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

The purpose of the federal Head Start Collaboration grant, funded by the U.S. Department of Health and Human Services, is to create significant partnerships between Head Start and the States in order to meet the increasingly complex, intertwined and difficult challenges of improving services for low income children and their families. These partnerships are intended to:

- facilitate the involvement of Head Start in the development of state policies and plans which affect the Head Start population and other low income families;
- create significant, cross-cutting initiatives on behalf of children and families throughout the state;
- help build more integrated and comprehensive service delivery systems to improve families' access to services and promote a high level of programmatic quality; and
- encourage widespread local collaboration between Head Start and other programs.

DESCRIPTION:

This federal Head Start Collaboration grant has enabled the Minnesota Department of Economic Security to augment its Head Start staff in order to increase representation in State level activities related to systems change, bringing the perspectives and concerns of Head Start and other low income children and families into the process. In addition, Minnesota uses its state Head Start innovative funding to support local Head Start collaboration projects in the federally designated priority areas:

- improving access to health care services;
- improving the availability, accessibility and quality of child care services;
- improving collaboration with the welfare system;
- expanding and improving education opportunities in early childhood programs;
- initiating interaction with AmeriCorps;
- improving access to family literacy services; and
- improving opportunities for children with disabilities.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Projects Evaluating Collaborative Process(es) and Outcomes	21	21	25	30	34
Percentage of State Head Start Innovative Funds Going to Support Local Collaboration Projects	95%	95%	95%	95%	95%
HHS Head Start Collaboration Grant	\$100.0	\$100.0	\$100.0	*	*

* In the process of requesting \$50,000 in additional funds.

BUDGET ISSUES:

A. CHALLENGES:

- Changes in the economic status of families (e.g. due to welfare reform) will increase the demand for anti-poverty services such as Head Start. At the same time that systems are working toward coordination and collaboration of prevention and early intervention services, resources must be secured to continue to address the complex and comprehensive needs of low income families.

B. STRATEGIES:

- The Head Start Collaboration grant will continue to be used to develop and support partnerships at the state and local levels as a way to improve services for low income children and their families. Efforts to bring the unique perspectives of low income families to the table at all levels will continue.

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PROGRAM: 14 Community Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0329 COMMUNITY SERVICES BLOCK GRANT

CITATION: P.L. 97-35
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

Community Services Block Grant supports the infrastructure of community action agencies. Community Action Programs provide Minnesota low-income citizens the opportunity to obtain the skills, knowledge and motivation to become self-sufficient; help remove the causes of poverty in Minnesota communities; and alleviate the effects of poverty in Minnesota.

DESCRIPTION:

Under the framework of M.S. 268.52, the Minnesota Economic Opportunity Grant and the Community Services Block Grant support the infrastructure of community action agencies (CAAs) through which approximately \$175 million in federal, local, state, and private funds provide a wide spectrum of programs serving the poor. This efficient and compassionate mechanism provides "one stop" access to service for approximately 200,000 disadvantaged households annually. Over 70,000 volunteers provide 1.8 million hours of service through the CAA network with an estimated economic value of \$9 million. This effective delivery mechanism for self-sufficiency programs fills gaps by providing services in response to locally identified needs and by preventing families from turning to entitlement programs or providing the supportive services which enable families to extract themselves from the welfare web. Federal funding of CSBG increased in F.F.Y 1997.

CSBG is funded under P.L. 97-35 as amended by P.L. 03.52. Grants are provided to 29 CAAs, 11 Indian Reservation Governments and a statewide migrant farm workers' organization to deliver economic opportunity programs throughout Minnesota. Discretionary grants are also provided to support innovative strategies at the local, regional or state level and to respond to emerging issues.

PROGRAM STATUS:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Federal Funds	\$4,700.0	\$4,700.0	\$5,900.0	\$5,900.0	\$5,900.0
Number of Grants	41	41	41	41	41
Number of Households Served	200,000	200,000	200,000	200,000	200,000
Number of Volunteers	70,000	70,000	70,000	70,000	70,000

Note: Straight line estimates used.

BUDGET ISSUES:**A. CHALLENGES:**

- The Community Services Block Grant and the Minnesota Economic Opportunity Grant have remained a stable funding source for communities throughout the decade.

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PROGRAM: 03 Community Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0330 EMERGENCY SHELTER GRANT PROGRAM
0331 RURAL HOUSING ASSISTANCE AND SUPPORT PROGRAM
0332 SUPPLEMENTAL ASSIST. FOR FACILITIES FOR HOMELESS
0333 EMERGENCY FOOD ASSISTANCE
0334 COMMUNITY FOOD AND NUTRITION

CITATION: P.L. 100-250; 101-645
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

Food and homeless programs provide services and grants to local agencies involved in aiding Minnesota's low-income and homeless citizens to obtain and maintain adequate food and shelter.

DESCRIPTION:

The Emergency Shelter Grant Program provides funds for operating expenses for shelters and transitional housing and homeless prevention activities.

The Rural Housing Assistance and Stability Program funds homeless prevention activities to address the unique conditions of rural homelessness. Services include emergency rent, utility and mortgage assistance, emergency lodging and self-sufficiency case management.

Supplemental Assistance for Facilities to Assist the Homeless provides funds that enable Transitional Housing Programs (THPs) to provide case management and supportive services for up to 12 months after a THP family relocates into permanent housing.

The Emergency Food Assistance Program makes surplus commodities available to food banks, food shelves, emergency meal sites and overnight shelters. Individuals or households are eligible to receive TEFAP commodities if their income is at or below 185% of the federal poverty level.

The Community Food and Nutrition program funds activities to meet the nutritional needs of low-income individuals and improve the coordination of existing public and private food assistance resources.

The shelter programs provide a range of comprehensive services to homeless individuals and families through emergency overnight shelters, transitional housing and community action agencies.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
TEFAP*	\$580.0	\$608.0	\$608.0	\$608.0	\$608.0
CF & N	\$63.0	\$65.0	\$34.0	\$34.0	\$34.0
ESGP	\$878.0	\$1,198.0	\$873.0	\$873.0	\$873.0
SAFAH^	--	\$629.0	--	--	--
RHASP	N/A	\$805.0	\$554.0	--	--

* Each TEFAP funding level includes \$100,000 of state matching funds.

^ F.Y. 1996 SAFAH funding is for a 2-year period. RHASP & SAFAH are time-specific programs with no additional funds expected in F.Y. 1998 and 1999.

BUDGET ISSUES:

A. CHALLENGES:

- Minnesota is experiencing a significant increase in the number of persons needing temporary shelter, and the ability of local programs to adequately meet the needs of homeless persons and low-income households is severely strained.
- According to the MDES Quarterly Shelter Survey, 45% of all homeless individuals reported sheltered in the May 1996 survey were children.
- The 943 persons reported being turned away from shelter due to lack of space is the highest number of turnaways recorded since the survey began in 1985 and represents a 111% increase from the May 1995 survey.
- The demand for food and shelter resources is on the upswing. With welfare reform, demand is expected to peak.

B. STRATEGIES:

- TEFAP, funded under P.L. 100-250, provides surplus commodities targeted to the needy, including the unemployed and low-income households at 185% poverty guidelines. Commodities are available through Minnesota's food banks to food shelves, homeless shelters and soup kitchens.
- Community Food & Nutrition funds are distributed to agencies to address statewide issues and increase participation in food and nutrition programs.
- SAFAH provides funds to 6 transitional housing programs to help families with children stabilize in permanent housing.

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0335 ENERGY ASSISTANCE PROGRAM
 (See State program 0320 State Energy Assistance for additional information)

CITATION: P.L. 97-35, Title XXVI; Omnibus Budget Reconciliation Act of 1981
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

BUDGET ISSUES:

- The Energy Assistance Program will work closely with energy vendors and households to develop better household lines of credits and payment schedules, better targeting the resources to those households with the highest energy burden and lowest incomes and focus on developing local resources through fuel fund activities and conservation activities to meet community, household and vendor needs.

PURPOSE:

The Energy Assistance Program (EAP) provides funds to local non-profit government organizations to help households with incomes at 150% of the federal poverty level or lower meet the costs of home heating by paying a portion of their heating burden and providing energy conservation and emergency furnace repair activities.

DESCRIPTION:

The Energy Assistance Program is predominately federally funded in Minnesota with supplemental state general funds. Funding levels have gradually declined from F.Y. 1986 to F.Y. 1997. Federal funding was reduced by 32% in F.Y. 1996 from the previous year, F.Y. 1995. State general funds are available to supplement the start of the program in F.Y. 1997.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997*	F.Y. 1998*	F.Y. 1999*
Federal EAP (less transfer)	\$48,509.0	\$34,788.0	\$36,773.0	\$36,773.0	\$30,000.0
Federal EAP Emergency	\$5,043.0	\$7,141.0	\$0.0	\$0.0	\$0.0
Federal Total	\$53,792.0	\$42,147.0	\$36,923.0	\$36,923.0	\$30,150.0
Federal EAP Leveraging	\$240.0	\$218.0	\$150.0	\$150.0	\$150.0
State Administration	\$915.0	\$643.0	\$598.0	\$598.0	\$489.0
Primary Heat Payments	\$43,600.0	\$30,536.0	\$30,083.0	\$30,000.0	\$26,000.0
Households Served	103,760	87,080	82,400	82,400	71,230
Households with Children <6	21,885	18,850	19,000	19,000	19,000
Elderly Households	18,218	18,856	19,000	19,000	19,000
Disabled Households	13,104	12,794	13,000	13,000	13,000
Average Assistance Payment	\$420.0	\$329.0	\$365.0	\$365.0	\$365.0
* Projected					

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PROGRAM STATUS:

PROGRAM: 03 Community and School Services
AGENCY: Education Aids

FEDERAL PROGRAMS

0336 DEPARTMENT OF ENERGY WEATHERIZATION
 0337 EAP WEATHERIZATION
 (See State program 0319 State Weatherization for additional information)

CITATION: Department of Energy, Office of Conservation and Renewable Energy, State Energy Efficiency Programs Improvement Act of 1990, P.L. 101-440; U.S. Health and Human Services Low Income Home Energy Assistance Program (EAP), Title XXVI, P.L. 97-35, Omnibus Reconciliation Act of 1981

MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

The Weatherization Assistance Program (WAP) for Low-Income Persons provides funds to local non-profit and governmental organizations (subgrantees) to weatherize individual dwelling units and improve the energy efficiency of furnaces where eligible households reside. Households weatherized must be:

- a recipient of an energy assistance grant having an income of 150% of the poverty guidelines;
- received cash assistance payments under the Social Security Act, Titles IV and XVI during the preceding 12 month period; or
- have an income of 125% of poverty guidelines or less.

Program funds are used to purchase conservation materials and labor, support costs, as well as training and administration.

DESCRIPTION:

Federal appropriations for the Weatherization Program were reduced by 49% in F.Y. 1996 from the previous year, F.Y. 1995.

(\$ in 000s)

	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997*</u>	<u>F.Y. 1998*</u>	<u>F.Y. 1999*</u>
DOE Weatherization	9,300	4,841	5,300	4,100	3,500
State Administration	221	121	132	104	89
Elderly Served	1,910	1,201	1,200	1,120	1,100
Handicapped Served	1,129	889	900	850	800
Children Served	3,069	2,185	2,200	2,100	2,000
Homes Weatherized	4,764	4,200	2,600	1,880	1,560
PVE Weatherization	0	0	0	2,000	0
State Administration	0	0	0	50	0
Homes Weatherized	0	0	0	964	0
EAP Weatherization	2,513	2,042	1,902	1,600	1,500
State Administration	41	33	31	26	24
Disabled Served	742	69	50	50	50
Children Served	812	102	105	100	100
Homes Weatherized	580	252	342	288	270
Mechanical & Repair	773	261	350	300	375
DOE Average Cost per Household	\$1,854	\$1,903	\$1,960	\$2,018	\$2,079

* projected

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PROGRAM: 04 Children and Family Services
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0338 COMMUNITY BASED FAMILY RESOURCES PROGRAM
 GRANT FOR CHILDREN'S TRUST FUND
 (See state program 0312 for additional information)

CITATION: M.S. 119A.10 - 119A.17
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

PURPOSE:

The Children's Trust Fund (CTF) was created to provide funding to community-based programs that are designed to help prevent child abuse and to provide education, leadership and resources to local prevention organizations. All of Minnesota's 1.2 million children and their families are the potential recipients of CTF programs and services. Currently, priority consideration is given to applicants serving the most vulnerable population of children, those up to the age of 5 and families experiencing poverty.

DESCRIPTION:

The Children's Trust Fund budget is derived from three sources: Two State sources: Special Revenue, a General Fund appropriation, and an annual federal grant award. Special Revenue and General Fund Sources are discussed in narrative 0316

Federal Grant Award

The federal grant that is awarded annually to the Children's Trust Fund is based on state dollars appropriated to the CTF and according to a child population formula.

The amount of funds generated by the Special Revenue and the General fund appropriation have a significant impact on the amount of funds the Children's Trust Fund leverages toward the federal grant award.

The amount of the Federal award received by the Children's Trust Fund October 1, 1995 was \$598,985. This amount may be expended over a 24 month period. The award received October 1, 1996 was \$494,923.

The CTF Advisory Council determined that the budget for the federal grant monies for 1995-97 and 1996-98 would be used accordingly:

10% Administration
 40% Grant Award
 40% Leadership Training (includes salary and expenses of Community Resource Developer)
 10% Evaluation

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999

Federal Funding	\$299.0	\$299.0	\$247.0	\$247.0	\$247.0
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* Special revenue projection for F.Y. 1998 and F.Y. 1999 is based on the average amount received over the past five years (F.Y. 1993 - F.Y. 1997).

The CTF realizes special state revenues from a \$3 surcharge on birth certificates and the interest earned on a trust account. It generates federal revenue based on state dollars appropriated to the CTF and according to a child population formula.

BUDGET ISSUES:**A. CHALLENGES:**

- To equitably disburse grant monies when demand exceeds available dollars by 12 to 1.
- To develop and maintain community involvement and commitment with minimum financial support and technical assistance.

B. STRATEGIES:

- Systematically gather consumer input and incorporate suggestions into the grant award process.
- To maximize evaluation efforts and assist grantees in using evaluation to improve program efforts.

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PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0339 COMMUNITY ACTION LOW INCOME PROGRAM
 0340 MN POWER
 (Information Only)

CITATION: M.S. 216B.241, Subd. 1a; 268.371; 268.371 Emergency Energy Assistance: Fuel Fund

MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning

FEDERAL: None

PURPOSE:

The Community Action Agency Low Income Program (CAALIP) and the Minnesota Power Program are programs designed to reduce the electric consumption of low-income households under the title Minnesota Energy Conservation Improvements Programs. These two programs are funded with public utility contracts to operate programs which provide households with an analysis of their electrical energy usage and provides them with electrical savings devices. The purpose of these programs is to increase the energy efficiency of dwellings owned or occupied by low-income persons. These programs are funded by Northern States Power Company and Minnesota Power Company.

The Emergency Energy Assistance Fuel Fund is a fund established by the department to collect and distribute money for low-income emergency energy assistance to households that meet the income eligibility criteria of the federal Low- Income Home Energy Assistance Program and are in an energy crisis situation.

DESCRIPTION:

Northern States Power Company (NSP) and Minnesota Power (MNP) contract with the department to carry out their Energy Conservation Improvement Programs as part of their required expenditures and investments as a public utility under Stat. 216B.241. These contracts are for two years and are only part of their required spending and investing in conservation improvement programs under Energy Conservation Improvements (CIP) as a public utilities furnishing electric service. Energy Conservation improvement means the purchase or installation of a device, method, or material that reduces consumption of or increases efficiency in the use of electricity in low-income households.

The NSP program is delivered by 11 weatherization program delivery agencies covering the NSP service territory. NSP refunds \$80 per household for a home visit and provides the household with energy efficient light bulbs. The home visit includes a review with the household of the analysis of their electrical consumption and education on electric conservation techniques.

The MNP program is delivered by 8 weatherization delivery agencies in the Minnesota Power service territory. The MNP program includes a dwelling unit profile, electric analysis/action plan and, if applicable, a thermal integrity analysis of the unit for each household. The agencies receive a fee for service and may provide a number of services dependent on the needs of the dwelling unit.

The state fuel fund is named "Reach Out For Warmth," and was established as statewide fuel fund account to solicit contributions, manage receipts, distribute the contributions on a statewide basis,

distribute funds to low-income households that qualify for energy assistance, use the existing energy assistance delivery network to distribute the contributions to eligible households, and report the contributions collected as leveraged funds in order to increase the federal energy assistance money received by the state. The fund has an advisory board which consists of one-third members of energy assistance eligible households and the remaining, energy assistance providers, existing fuel funds, energy providers and community groups. Funds are available for crisis, no heat situations where the household has inadequate resources to purchase energy and has not utilized the fund during the program year. An attempt is made to redistribute the funds to the communities where the contributions are made.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
MN Power Funding	\$0.0	\$85.0	\$85.0	\$85.0	\$85.0
MN Power Households Served	0	450	450	450	450
CAALIP Funding	\$450.0	\$320.0	\$320.0	\$320.0	\$320.0
CAALIP Households Served	5,600	4,000	4,000	4,000	4,000
Fuel Fund Contributions	\$2.0	\$8.0	\$5.0	\$5.0	\$5.0
Fuel Fund Households Served	6	16	16	16	16

BUDGET ISSUES:

A. CHALLENGES:

- These funds are contracted from private companies or are private donations. Future funding is determined by regulatory situation and the public utilities business plans and the benevolence of Minnesota's private citizens. CIP funding activity must be part of a plan that meets the approval of the Department of Public Service. The full fuel fund competes for donations with other private charitable activities.
- CAALIP and MNP funds are allocated by service delivery area. This does not provide for equitable funding of weatherization programs statewide.

B. STRATEGIES:

- The weatherization program coordinates activities with local housing programs, conservation improvement programs and the local energy assistance program. With reduced funding, the program will become more dependent on this coordination. Subgrantees will have to better target resources to those households with the highest energy burdens and greatest housing structural needs. The state will work with agencies to better focus their local resources and reduce program barriers which impede coordination.

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CHILDREN AND FAMILY SUPPORT

State Aid Programs

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PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

 0401 COMMUNITY EDUCATION

CITATION: M.S. 121.85 - 121.88; 124.2713
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

The purpose of community education as defined in statute is "to make maximum use of the public schools of Minnesota by the community and to expand utilization by the school of the human resources of the community" (M.S. 121.85). The Community Education program in Minnesota is "an education-based partnership between the community and the formal education system whereby the resources of both are used as available for the continuing growth and betterment of both" (State Board Rule 3530.5500).

Community education enables lifelong learning for Minnesotans of all ages through a process of citizen involvement in identifying community learning needs and learning resources, and connecting the two. "Community education, as defined for school districts, includes services rendered by a school district beyond the regular K to 12 program, as recommended by the community education advisory council and approved by the local school" (State Board Rule 3530.5600).

The following processes and activities are among those operating through community education at the local level (as specified in M.S. 124.2713, Subd. 8):

- nonvocational, recreational, and leisure time activities and programs;
- adults with disabilities programs, if the programs and budgets are approved by the Commissioner of Children, Families & Learning;
- adult basic education programs;
- summer programs for elementary and secondary pupils;
- implementation of a youth development plan;
- implementation of a youth service program;
- early childhood family education programs; and
- extended day programs.

There is separate, additional categorical funding for 5 of the 8 programs on this list: adults with disabilities, adult basic education, youth development, youth service, and early childhood family education. These categorical revenues are often supplemented by general community education revenue based on a local decision-making process involving the community education advisory council.

Youth development, an optional component of community education, provides an incentive to school districts to plan for and meet the special needs of youth in the community. Youth service, a component of youth development, provides an incentive to develop community service learning opportunities for youth. Both of these programs are funded through an extension of the general community education funding formula.

DESCRIPTION:

Revenue for general Community Education and for Youth Service (inclusive of Youth Development) is derived from an equalized aid/levy formula based on the district's population and from fees collected from participants. With the basic program revenue, school district community education advisory councils and local school boards provide the executive leadership necessary to develop and maintain local community education programs.

In addition, local community education programs provide the administrative expertise necessary to support programs for Adults with Disabilities, Adult Basic Education, Early Childhood Family Education (ECFE), Learning Readiness and School Age Child Care (SACC). Another program that receives Community Education support in a significant number of locations is the testing and certification of the General Education Development (GED) high school equivalency for adults.

A district's total community education revenue is the sum of the district's general community education revenue and youth service program revenue. In F.Y. 1997, the general community education revenue for a district equals \$5.95 times the district's population, but not less than \$7,943. Youth service revenue is available to a district with a youth development plan that includes youth service. The local plan must be approved by the local school board to qualify the district for revenue of 1 dollar times the district's population, but not less than \$1,335. Youth service monies can only be used for youth service or youth development.

To receive the maximum community education revenue, a district must levy an amount equal to the lesser of the maximum revenue or 1.1% of the district's adjusted net tax capacity. A district's maximum community education aid equals the maximum community education revenue minus the maximum community education levy. If a district levies less than the maximum amount, state aid is reduced proportionately.

PROGRAM STATUS:

All of Minnesota residents live in school districts that choose to provide community education. More than 67,000 activities were conducted by districts through community education during F.Y. 1996. Over 3.6 million participants of many ages were engaged in educational/cultural, athletic/recreational, and community events offered through general community education. Participation numbers increase annually. Minnesota is clearly recognized nationally as a leader in community education.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Participation					
1. General Community Education					
Districts	382	359	356	356	356
Participants (in millions)	3.0	3.6	3.8	4.0	4.0
2. Youth Service					
Districts	308	298	286	292	292
Participants	173,000	190,000	209,000	230,000	250,000
3. GED Testing					
People Tested	10,611	10,795	11,000	11,200	11,445
Certificates Issued	6,270	6,329	6,445	6,575	6,707

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0401 COMMUNITY EDUCATION
 (Continuation)

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Program Funding					
1. Funding Formulas					
General Community Education					
Revenue					
Allowance per Capita	5.95	5.95	5.95	5.95	5.95
Minimum per District	\$7,943.25	\$7,943.25	\$7,943.25	\$7,943.25	\$7,943.25
Youth Service Revenue					
Allowance per Capita	1.00	1.00	1.00	1.00	1.00
Minimum per District	\$1,335.00	\$1,335.00	\$1,335.00	\$1,335.00	\$1,335.00
Levy					
Property Valuation Measure	ANTC	ANTC	ANTC	ANTC	ANTC
Tax Rate	0.0113	0.0113	0.0110	0.0110	0.0110
2. Total Revenue					
General					
Amount	\$26,772.1	\$26,759.9	\$26,932.2	\$26,929.5	\$27,253.6
Number of Districts	382	359	356	356	356
Youth Service/Development					
Amount	\$4,286.4	\$4,328.6	\$4,292.3	\$4,392.9	\$4,422.9
Number of Districts	308	298	286	292	292
Total					
Amount	\$31,058.5	\$31,088.5	\$31,224.5	\$31,332.4	\$31,676.5
Number of Districts	382	359	356	356	356
Levy					
Maximum Levy Authority*	\$27,666.6	\$28,379.9	\$28,860.0	\$29,872.2	\$30,385.1
Amount of Authority Certified**	\$27,666.6	28,79.9	\$28,860.0	\$29,573.5	\$30,081.3
Number of Districts	382	359	356	356	356
Aid					
Gross	\$3,555.5	\$2,716.3	\$2,364.5	\$1,758.9	\$1,595.2
Proration Factor	1.000	1.000	1.000	1.000	1.000
Prorated Aid	\$3,355.5	\$2,716.3	\$2,364.5	\$1,758.9	\$1,595.2
Number of Districts	230	203	187	168	168

* Excludes levy adjustment

** Adjusted for districts under-levying

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	Current Law F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$2,737.0	\$2,545.0	\$2,545.0	\$2,546.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Change in Estimated Population	(21)	(180)	(72)	270
■ LEVY DECREASE (INCREASE):				
Increase in ANTC			(714)	(1,221)
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$2,716.0	\$2,365.0	\$1,759.0	\$1,595.0

BUDGET ISSUES:

A. CHALLENGES:

- Growth will come in the variety of opportunities available locally and in the numbers of districts offering well-rounded programming in community education.
- As our population ages and diversifies in the years ahead, new types of programs in community education will develop to meet changing demands. The costs per capita for programs and services are expected to increase due to inflation and the costs associated with meeting more diverse needs. Meanwhile, the ability of some participants to pay fees may diminish.
- Several exciting and emerging education initiatives operate through community education leadership in Minnesota. Extended day (school age child care), parental involvement in the schools, and family literacy programs continue to grow dramatically, placing pressure on community education to help meet these needs.

B. STRATEGIES:

- Increase use of sliding scale fees to cover program costs.
- Seek private support for local programming activities.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$1,758 for F.Y. 1998 and \$1,595 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$1,819 in F.Y. 1998 (\$236 for F.Y. 1997 and \$1,583 for F.Y. 1998), and \$1,611 in F.Y. 1999 (\$175 for F.Y. 1998 and \$1,436 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0401: COMMUNITY EDUCATION (Includes Youth Service)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	2,716	2,365	1,759	1,595
2. Statutory Excess / (Shortfall)	21	180	786	951
3. Appropriated Entitlement	2,737	2,545	2,545	2,546
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(21)	(162)		
b. Portion of Final 10% Not Requested		(18)		
5. Current Law Aid	2,716	2,365	2,545	2,546
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	28,380	28,860	29,574	30,081
8. Current Law Funding: Aid & Levy	31,096	31,225	32,119	32,627
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			2,545	2,546
a. Eliminate Excess			(787)	(951)
Recommended Aid Entitlement			1,758	1,595
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			29,574	30,081
TOTAL RECOMMENDED FUNDING: AID & LEVY			31,332	31,676

APPROPRIATIONS BASIS:(a)

Prior Year	499	410	236 (b)	175
Current Year	2,327	2,164	1,583	1,436
Current Year Adj. to 90%, per M.S. 124.904		127		
Subtotal before Transfers	2,826	2,701	1,819	1,611
Transfers per M.S. 124.14, subd. 7	(21)	(162)		
Total State General Funds	2,805	2,539	1,819	1,611

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$254 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

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PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0402 EXTENDED DAY

CITATION: M.S. 124.2716
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

To provide school districts offering extended day programs revenue to fund the additional costs of providing services to children with disabilities or children experiencing family or related problems of a temporary nature.

DESCRIPTION:

The extended day revenue for an eligible district equals the approved additional cost of providing services to children with disabilities or children experiencing family or related problems of a temporary nature. The extended day levy authority equals the extended day revenue times the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity by the actual pupil units, to \$3,700. State aid equals the difference between the extended day revenue and the extended day levy.

PROGRAM STATUS:

The number of districts participating and the amount of extended day revenue has increased each year. As more districts establish extended day programs it is expected that more services will be provided to children with disabilities and children experiencing family or related problems.

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Programs	104	112	115	125	125

	Current Law			
(\$ in 000s)	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$379.0	\$374.0	\$374.0	\$374.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Reduced District Expenditures	(\$13.0)			
■ LEVY DECREASE (INCREASE):				
Increase in ANTC			(\$48.0)	(\$108.0)
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$366.0	\$374.0	\$326.0	\$266.0

BUDGET ISSUES:

A. CHALLENGES:

- There has been a steady increase in the number of districts levying which reflects the increase in the number of children with disabilities served in Extended Day programs. It is expected that this trend will continue.
- The levy has allowed for replicable collaborative and innovative models of service delivery to be developed.
- The passage of ADA supports the continuation of the levy as a vehicle for districts to comply with the federal requirements.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$344 for F.Y. 1998 and \$300 for F.Y. 1999.

The Governor recommends the following modification in the extended day program:

1. Beginning in F.Y. 1999, increase the equalizing factor used in computing the extended day aid from \$3,700 to \$3,838, to adjust for the change in pupil unit weights (see program 0101).

Based on these entitlements, the Governor recommends an appropriation of \$347 in F.Y. 1998 (\$37 for F.Y. 1997 and \$310 for F.Y. 1998), and \$304 in F.Y. 1999 (\$34 for F.Y. 1998 and \$270 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0402: EXTENDED DAY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	366	370	326	266
2. Statutory Excess / (Shortfall)	13	4	48	108
3. Appropriated Entitlement	379	374	374	374
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(13)	(4)		
5. Current Law Aid	366	370	374	374
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	2,312	2,580	3,074	3,134
8. Current Law Funding: Aid & Levy	2,678	2,950	3,448	3,508

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)	374	374
a. Eliminate Excess	(48)	(108)
b. Eliminate General Education Funding Caps	18	34
Recommended Aid Entitlement	344	300

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)	3,074	3,134
a. Eliminate General Education Funding Caps	(18)	(34)
Recommended Levy	3,056	3,100

TOTAL RECOMMENDED FUNDING: AID & LEVY

3,400	3,400
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APPROPRIATIONS BASIS:(a)

Prior Year	58	56	37	34
Current Year	323	318	310	270
Current Year Adj. to 90%, per M.S. 124.904		19		
Subtotal before Transfers	381	393	347	304
Transfers per M.S. 124.14, subd. 7	(32)(b)	(4)		
Total State General Funds	349	389	347	304

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Includes \$19 for the prior year final and \$13 in the current year account

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1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0403 MISCELLANEOUS COMMUNITY SERVICE LEVY

CITATION: M.S. 124.2714; 124.2711
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE AND DESCRIPTION:**Additional Community Education Revenue**

To provide additional revenue for school districts whose maximum community education revenue for F.Y. 1983 exceeded the district's maximum community education revenue for F.Y. 1985.

Additional levy authority is permitted each year to school districts whose maximum community education revenue for F.Y. 1983 exceeded the district's maximum community education revenue for F.Y. 1985. The amount of additional levy authority an eligible district receives equals its actual difference in revenue between the two years. The additional levy each district receives is the same amount each year. Although each district receives the same amount each year, the state total levy authority varies with the number of eligible districts that continue to provide community education programs.

Beginning in F.Y. 1995, the Additional Community Education Revenue is reduced by the amount of any increase in the district's community education revenue over the previous year.

Home Visit Revenue

To provide additional revenue to school districts with Early Childhood Family Education programs enabling the school districts to offer educational and collaborative social services home visits to families with young children.

Beginning in F.Y. 1993, eligible school districts were permitted to obtain additional revenue in the form of state aid equaling \$1.60 times the number of children ages 0-4 residing in the district during the previous year. The revenue enabled districts to provide home visits to families with young children. The purpose of the home visits are to provide educational and collaborative social services to these families. Beginning in F.Y. 1995, the state aid was replaced with a local levy authority equaling \$1.60 times the district's prior year count of children ages 0-4.

PROGRAM STATUS:

(\$ in 000s)

Current Law

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Additional Community Education Revenue					
Levy Limitation Amount	\$668.4	\$620.5	\$610.3	\$611.4	\$611.4
Number of Districts	150	142	136	134	134
Home Visit					
Levy Limitation Amount	\$423.7	\$454.6	\$464.9	\$468.5	\$468.5
Number of Districts	211	245	243	239	239

BUDGET ISSUES:**A. CHALLENGES:**

- School districts will need to continue to access sufficient revenues to enable them to maintain community education services.

B. STRATEGIES:

- With continuation of the home visit levy authority, districts will be able to offer home visits to families with young children.

GOVERNOR'S RECOMMENDATION:

Governor recommends continuation of the levies in this activity.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0404 ADULTS WITH DISABILITIES

CITATION: M.S. 121.88, subd. 6-7; 124.2
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

The purpose of this program is the integration of adults with disabilities with others in their community. In 1996 there were 900,000 Minnesotans with disabilities.

Specifically supported by this funding are the following:

- services enabling adults to participate fully in community education classes;
- staffing and knowledgeable program coordinators/resource persons and training;
- outreach and marketing strategies to identify and encourage adults needing services;
- courses/activities that meet consumer needs and enhance the role and contribution of people with disabilities in the community;
- collaborate program efforts with families, social workers, counselors, and other stakeholders;
- activities that increase public awareness of the roles of the people with disabilities; and
- other direct and indirect services and activities benefitting adults with disabilities.

DESCRIPTION:

To be eligible for specific categorical revenue to serve adults with disabilities, a Community Education program must receive approval from the Minnesota Department of Children, Families & Learning. A request for approval must include all of the following:

- characteristics of the people to be served;
- description of the program services and activities;
- program budget and amount of aid requested;
- participation by adults with disabilities in developing the program;
- assessment of the needs of adults with disabilities; and
- cooperative efforts with community organizations.

For programs that are approved, the state aid formula provides the lesser of \$30,000 or one-half the actual expenditures. A district is required to match this aid amount from local sources. The district is permitted to levy the lesser of \$30,000 or the actual expenditures minus the amount of state aid for the program. If a program is offered by a group of districts, the levy amount is allocated among the districts in accordance with an agreement submitted to the Department. Other public or private funds may be expended for these programs at the discretion of the local districts.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Programs Funded	33	33	33	33	33
Districts Involved	77	77	77	77	77
Other Organizations Involved	350	360	370	370	370
Number of Participants	35,000	35,000	37,000	37,000	37,000
Approved Expenditures	\$1,307.0	\$1,340.0	\$1,340.0	\$1,340.0	\$1,340.0
Gross Aid at 50%	\$653.5	\$670.0	\$670.0	\$670.0	\$670.0

- * In F.Y. 1996 and F.Y. 1997, \$25 each year was used to fund the Michael Ehrlichmann memorial for the Minnesota Statewide Direct Services Initiative, to provide training for direct service providers, including staff working in vocational and residential settings, paraprofessionals in education and persons working in other settings; and individuals with developmental disabilities and their families. This funding was transferred to the governor's developmental disabilities council.

BUDGET ISSUES:**A. CHALLENGES:**

- With the recent passage of the Federal Americans with Disabilities Act guaranteeing accessibility for employment, transportation, and public accommodations for disabled individuals, interest in this program is expected to increase dramatically.
- Expansion on the western edge of Greater Minnesota is needed because of the lack of AWD sites. (According to "Spirit of Belonging Document" 1996)

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$670 for F.Y. 1998 and \$670 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0404: ADULTS WITH DISABILITIES PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	695	695	670	670
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	695	695	670	670
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	695	695	670	670
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	670	670	670	670
8. Current Law Funding: Aid & Levy	1,365	1,365	1,340	1,340
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			670	670
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			670	670
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,340	1,340
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APPROPRIATIONS BASIS:				
Direct Appropriated Funds	695	695	670	670
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	695	695	670	670

1998-99 Biennial Budget

PROGRAM: 03 Community and School Services
AGENCY: Children, Families & Learning Aids

0405 HEARING IMPAIRED ADULTS

CITATION: M.S. 121.1201
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: None

PURPOSE:

To provide for interpreters or note-taker services for adults with hearing impairments to assure equal access to continuing education opportunities. More specifically, this program:

- is targeted for part time adult students with hearing impairments;
- provides access to vocational education programs promoting educational growth and development;
- enhances and encourages life-long learning; and
- has the same objectives as stated under 0301 Special Education Regular. Special education programs and services are designed to prepare individuals with disabilities whose educational needs range from self care skills, to independent living skills, to preparation for sheltered employment or employment in the community, to the full array of postsecondary education programs available.

DESCRIPTION:

Public and private agencies providing adult education classes enrolling adults with hearing impairments may apply to the Minnesota Department of Children, Families & Learning for reimbursement of the costs of providing the support services. Typically, one interpreter is employed for up to five adults with hearing impairments. A note-taker normally provides service to a single student. To the extent funds are available, full reimbursement of the costs of providing the service is made upon approval of the application.

Aid has also been provided to include closed captioning on educational video tapes which benefit a greater number of individuals with hearing impairments. Aid is not provided to students enrolled in vocational rehabilitation supported programs where other sources of funds are available. Full time students are not eligible for this aid.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Applications	165	185	190	200	200
Number of Applications Funded	131	130	132	120	120
Percent Funded	80%	75%	70%	60%	60%
Number of School Districts Funded	63	68	70	68	68
Number of District Organizations Funded	68	62	62	62	62
Aid Provided	\$70.0	\$70.0	\$70.0	\$70.0	\$70.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$70 for F.Y. 1998 and \$70 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0405: HEARING IMPAIRED ADULTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	70	70	70	70
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	70	70	70	70
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	70	70	70	70
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	70	70	70	70
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			70	70
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			70	70
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APPROPRIATIONS BASIS:				
Direct Appropriated Funds	70	70	70	70
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	70	70	70	70

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1998-99 Biennial Budget

PROGRAM: 04 Community and Family Education
AGENCY: Children, Families & Learning Aids

0406 EARLY CHILDHOOD FAMILY EDUCATION

CITATION: M.S. 121.882; 124.2711
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

To enhance the ability of parents to provide for their children's optimal learning and development through education and support during the early childhood years, from birth to kindergarten enrollment. This community-based parent-child program is designed to maximize the use of available resources to provide cost-effective prevention/risk reduction services for all young children and their families through the cooperation and collaboration of agencies, services, and other community resources. The focus is on strengthening families, recognizing and building upon their strengths to foster self-sufficiency and the well-being of both children and parents. This universal access to family support ultimately increases the stability and social capital generated by more caring communities.

DESCRIPTION:

A school district must provide a community education program to be eligible to establish and maintain an Early Childhood Family Education (ECFE) program. All children, birth to kindergarten enrollment, and their families residing in the district are eligible to participate. Such programs require the direct presence and substantial involvement of the children's parents and may include any or all of the following:

- programs to educate parents about the physical, mental, and emotional development of children;
- programs to enhance the skills of parents in providing for their children's learning and development;
- learning experiences for children and parents;
- activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;
- activities and materials designed to encourage self-esteem, skills and behaviors that prevent sexual and other interpersonal violence;
- educational materials which may be borrowed for home use;
- home visits or center based activities;
- information on related community resources; or
- other programs or activities to improve the health, development and learning readiness of children.

Program funding is provided in the form of guaranteed equalized revenue based on the district's population under 5 years of age. Maximum revenue for F.Y. 1997 is equal to \$101.25 times the population (age birth to 4) but not less than \$15,187.50 per district. For F.Y. 1997, the statewide ECFE programs collectively are supported 58% with local levy, and 42% state aid. Levy is equal to the lesser of maximum revenue or 0.609% times Adjusted Net Tax Capacity (ANTC). The aid is equal to maximum revenue minus levy, with a proportionate reduction in aid for any under-levy.

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Program Data:					
Hours of Parent-Child Classes	201,002	203,000	204,000	204,000	204,000
Family Special Events	8,541	8,900	9,000	9,000	9,000
Home Visits	12,988	15,000	15,000	15,000	15,000
Advisory Council Meetings	1,558	1,500	1,500	1,500	1,500
Participation Data:					
Children Served	127,579	128,000	128,000	128,000	128,000
Parents Served	132,902	133,000	133,000	133,000	133,000
Participants	260,481	261,000	261,000	261,000	261,000
Percentage of Statewide Eligible Population Served	40	40	40	40	40
Participants					
Formula Revenue:					
Allowance per Capita	101.25	101.25	101.25	101.25	101.25
Minimum per District (actual \$)	\$15,187.50	\$15,187.50	\$15,187.50	\$15,187.50	\$15,187.50
Total Revenue	\$31,549.9	\$32,124.4	\$32,492.8	\$32,707.1	\$32,907.6
Number of Districts	369	353	349	350	350
Levy:					
Property Value Measure*	ANTC	ANTC	ANTC	ANTC	ANTC
Tax Rate	0.00626	0.00626	0.00609	0.00609	0.00609
Maximum Levy Amount	\$17,641.1	\$18,080.2	\$18,917.6	\$20,237.5	\$21,383.7
Amount of Authority Certified***	\$17,641.1	\$18,080.2	\$18,917.6	\$20,237.5	\$21,498.4
Number of Districts	369	353	349	350	350
State Aid:					
Gross Aid Amount	\$14,585.0	\$14,044.2	\$13,575.2	\$12,469.6	\$11,523.9
Proration Factor	0.95363	1.00000	1.00000	1.00000	1.00000
Prorated Aid	\$13,908.8**	\$14,044.2	\$13,575.2	\$12,469.6	\$11,523.9
Number of Districts	347	322	320	312	309
ECFE Evaluation	\$10.0	\$10.0	\$10.0	\$10.0	\$10.0
TOTAL FUNDING	\$13,918.8	\$14,054.2	\$13,585.2	\$12,479.6	\$11,533.9

* Adjusted Net Tax Capacity (ANTC).

** Does not include \$10.0 for evaluation

*** Adjusted for districts underlevying

(\$ in 000s)	F.Y. 1996	F.Y. 1997	Current Law F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)				
	\$14,278.0	\$13,753.0	\$13,755.0	\$13,755.0
B. ENTITLEMENT CHANGES PER LAW				
■ REVENUE INCREASE (DECREASE):				
Change in Estimated Population	(234)	(178)	44	245
■ LEVY DECREASE (INCREASE):				
Increase in ANTC			(1,319)	(2,466)
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)				
	\$14,044.0	\$13,575.0	\$12,480.0	\$11,534.0

1998-99 Biennial Budget

PROGRAM: 04 Community and Family Education
AGENCY: Children, Families & Learning Aids

0406 EARLY CHILDHOOD FAMILY EDUCATION
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Because Early Childhood Family Education is one of very few programs for young children and their families with universal eligibility, it is viewed as an appealing and major part of the foundation for the emerging comprehensive, integrated service delivery systems. Thus the expectations of the program increase continually.
- The declining social conditions impacting young children and their families have intensified and expanded their needs. The challenge for ECFE is to address these needs as effectively as possible with the resources available and help families to build a social network of support in the process. A long term goal is to create more caring communities in which children and their families can become more self-reliant and less dependent upon government services.

B. STRATEGIES:

- Maximize available resources through collaboration and cooperation.
- Continue to build collaborative relationships with families representative of entire community and with others who provide services for families.
- Serve as integral part of family resource centers, building upon ECFE's unique role as one of few programs with universal eligibility.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$14,663 for F.Y. 1998 and \$13,524 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$14,554 in F.Y. 1998 (\$1,357 for F.Y. 1997 and \$13,197 for F.Y. 1998), and \$13,638 in F.Y. 1999 (\$1,466 for F.Y. 1998 and \$12,172 for F.Y. 1999).

The Governor recommends continuation of authority to use up to \$10 per year for evaluation of the ECFE program. The evaluation amount is 100% funded in the current account.

The Governor recommends the following modifications in the early childhood family education program:

1. For F.Y. 1998, provide additional aid equal to \$6.70 times the greater of 150 or the number of people under five years of age residing in the school district on October 1 of the previous school year.
2. Beginning in F.Y. 1999, increase the early childhood family education allowance from \$101.25 to \$112.70, and increase the early childhood family education tax capacity rate from 0.609 percent to 0.653 percent.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0406: EARLY CHILDHOOD FAMILY EDUCATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	14,044	13,575	12,480	11,534
2. Statutory Excess / (Shortfall)	234	178	1,275	2,221
3. Appropriated Entitlement	14,278	13,753	13,755	13,755
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(234)	(160)		
b. Portion of Final 10% Not Requested		(18)		
5. Current Law Aid	14,044	13,575	13,755	13,755
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	18,080	18,918	20,237	21,384
8. Current Law Funding: Aid & Levy	32,124	32,493	33,992	35,139
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			13,755	13,755
a. Eliminate Excess			(1,285)	(2,241)
b. Increase Formula			2,193	2,010
Recommended Aid Entitlement			14,663	13,524
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			20,237	21,384
a. Increase Formula			0	1,949
Recommended Levy			20,237	23,333
TOTAL RECOMMENDED FUNDING: AID & LEVY			34,900	36,857

APPROPRIATIONS BASIS:(a)

Prior Year	2,086	2,140	1,357	1,466
Current Year	12,138	11,692	13,197	12,172
Current Year Adj. to 90%, per M.S. 124.904		686		
Subtotal before Transfers	14,224	14,518	14,554	13,638
Transfers per M.S. 124.14, subd. 7	(234)	(160)		
Total State General Funds	13,990	14,358	14,554	13,638
Aid	13,981	14,348	14,544	13,628
Administration	9	10	10	10

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$1375 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids
 0407 EARLY CHILDHOOD HEALTH AND DEVELOPMENT SCREENING
CITATION: M.S. 123.701-7045
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

The Objectives of Early Childhood Screening (ECS) are to:

- detect and seek solutions to conditions that may interfere with young children's growing, developing and learning by predicting and preventing problems, minimizing physical and educational barriers;
- enable parents to become more aware of the connections among physical health, development and readiness for learning;
- link children and families, through Learning Readiness initiatives, to a wide range of community services and programs to enhance their development and readiness for formal education. This includes collaboration with other early childhood programs (Early Childhood Family Education, Special Education and Head Start, for example);
- improve the access to and regular use of preventive health services by increasing awareness of the need for early and periodic health services, discussing financing of health care and linking families to public and private health care providers; and
- provide leadership in the development and implementation of effective programs.

DESCRIPTION:

Through ECS, educators and health professionals focus on a child's health and development. All families are linked to school and community programs that promote health and enhance a child's well being. Using a series of standardized screening instruments and structured interview procedures, screeners identify the normal health and development of a child while identifying conditions and situations that require further assessment. Children and families needing further assessment are referred to a variety of school and community services. ECS providers follow-up by contacting parents to ensure that referral sources are accessible and acceptable and that the identified needs have been met and/or the child and family are in an ongoing system of service and support.

Minnesota school districts are required to offer the screening for four-year-old children. Many districts include 3½ to 5 year olds in their programs. The number of children eligible for screening statewide fluctuates with the birth rate and mobility; there are approximately 67,000 eligible children per year.

Parents are required to have their children screened at the school district program or by a public or private health care provider that offers comparable services. Required components that children must receive include developmental review, sensory (vision and hearing) screening, immunization review, growth (height and weight), identification of risk factors which may influence learning, and a summary interview. Optional components include the health history, review of family factors that might affect development, nutrition review, laboratory tests and physical assessments.

Schools are to work in collaboration with other early childhood programs and public or private health care providers to offer a comprehensive and cost effective program. Outreach is an intensive effort to notify all parents of the requirement for screening, of their options for services and to encourage

participation early, at age 3-1/2 to 4. The actual screening is staffed by personnel from K-12 education, special education, community education and/or contracts with community health agencies and education cooperatives. Follow-up includes guaranteeing that problems noted have been assessed, resolved, or the family is linked with ongoing services and support. Learning Readiness initiatives play a major role in ensuring that follow-up is completed. Local and/or county Interagency Early Intervention Committees may assist in planning and evaluating ECS.

The state reimburses districts for planning, administering and evaluating the program. The present state reimbursement rate is \$25 per child screened. When the ECS state categorical aid does not meet actual costs, districts draw on Grade K-12 General Education aid, early childhood family education funds, Learning Readiness funds, special education funds, community resources and use of volunteers. A few ECS programs also use federal Medical Assistance dollars because they fund similar comprehensive services through Children and Teen Checkups (formerly named EPSDT). Some districts are providing integrated screenings with ECS, Child and Teen Checkups and Head Start.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Eligible Children	61,230	65,376	67,000	67,000	67,000
Percent Participating	95	95	95	95	95
Number Screened ⁽¹⁾	55,138	62,000	62,000	62,000	62,000
	3,215	1,000	1,000	1,000	1,000
Screened Other Sources ⁽³⁾	3,581	2,500	2,500	2,500	2,500
Statutory Formula Aid	\$1,378.5	\$1,150.0	\$1,550.0	\$1,550.0	\$1,550.0

⁽¹⁾Targeted preschool children (3-4-5 year olds)

⁽²⁾Children already enrolled in kindergarten without prior screening ("kindergarten catch-up")

⁽³⁾Head Start, Child and Teen Check-up, Private Health Providers

BUDGET ISSUES:

A. CHALLENGES:

- School district costs for Early Childhood Screening frequently exceed the reimbursement rate of \$25 per child screened, especially for smaller districts.

B. STRATEGIES:

- Work to obtain more collaboration in the provision of these services to keep cost low.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$1,550 for F.Y. 1998 and \$1,550 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$1,550 in F.Y. 1998 (\$155 for F.Y. 1997 and \$1,395 for F.Y. 1998), and \$1,550 in F.Y. 1999 (\$155 for F.Y. 1998 and \$1,395 for F.Y. 1999).

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0407: EARLY CHILDHOOD HEALTH AND DEVELOPMENTAL SCREENING

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,550	1,550	1,550	1,550
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,550	1,550	1,550	1,550
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	1,550	1,550	1,550	1,550
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,550	1,550	1,550	1,550
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,550	1,550
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,550	1,550

APPROPRIATIONS BASIS:(a)

Prior Year	232	232	155	155
Current Year	1,318	1,318	1,395	1,395
Current Year Adj. to 90%, per M.S. 124.904		77		
Subtotal before Transfers	1,550	1,627	1,550	1,550
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,550	1,627	1,550	1,550

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0408 INTERAGENCY EARLY INTERVENTION - PART H

CITATION: M.S. 120.1701
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: 0415 Infants and Toddlers (Part H, IDEA)

PURPOSE:

To provide eligible young children with disabilities, from birth through age 2 and their families with interagency services in their local communities developed through the Individualized Family Service Plan (IFSP) process. This is accomplished through the implementation of a comprehensive, coordinated, collaborative, interagency, multi-disciplinary, early intervention system throughout Minnesota. The Part H Interagency Early Childhood Intervention Project is an interagency effort between the Minnesota Departments of Education, Health, and Human Services.

Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

DESCRIPTION:

Minnesota receives an annual federal grant (Part H) based on the number of annual live births in Minnesota. The Part H Interagency Early Childhood Intervention Project program assists and provides funds to the 94 local interagency early childhood intervention committees (IEICs) established under M.S. 120.1701 for the development, coordination and implementation of a comprehensive system of interagency early childhood intervention services for young children with disabilities and their families.

Interagency early childhood intervention services for eligible young children with disabilities and their families generally are provided in conformity with an IFSP in the home, child care setting, or in a center based program including Early Childhood Family Education and Early Childhood Special Education.

The Part H Infants and Toddlers program provides the resources for the development and implementation of statewide policies to ensure the availability of appropriate early intervention services for young children with disabilities and their families. The Minnesota Department of Children, Families & Learning (CFL) has the responsibility as lead agency for the fiscal administration, supervision and monitoring of the various programs and services provided to young children with disabilities and their families. CFL, along with representatives from Health and Human Services and the ICC define, develop, and implement interagency policies regarding definition, child identification, IFSPs, service coordination, comprehensive system of personnel development (CSPD), monitoring, financial responsibility, procedural safeguards for families and dispute resolution procedures, through a state interagency agreement. The 94 local IEICs identify and coordinate resources to assure the development of individual family service plans (IFSPs) and services for eligible young children and their families.

PROGRAM STATUS:

This activity is currently supported entirely with federal funds which will be sufficient through F.Y. 1997. The projections of an increase in the number of eligible children according to the 1993 fiscal study requested by the legislature exceeded actual numbers. Therefore, the anticipated need to access the state funds has not yet occurred.

Recent legislation has put Minnesota into full implementation of Part H, clarifying school and county board responsibility and thus assuring the availability of Part H services throughout Minnesota.

Issues currently under discussion by state agencies, the ICC, and the 94 IEICs include the level and availability of early intervention services to be provided to young children and their families, the financial responsibility for providing services, procedural safeguards, quality review, data collection and strategies for accessing health care benefits including medical assistance and other third party payment sources.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Children Served					
(Birth - Age 21)	2,563	2,620	2,780	2,780	2,780
State Funding	--	--	\$400.0	\$400.0	\$400.0

Note: F.Y. 1997 was the first year for state funding for this program.

BUDGET ISSUES:

- The number of infants and toddlers eligible to receive special education services continue to increase. Projections for this program are difficult to predict, so estimates of Children Served are straight-lined for F.Y. 1998 and F.Y. 1999.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$400 for F.Y. 1998 and \$0- for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0408: PART H (INTERAGENCY EARLY CHILDHOOD INTERVENTION SERVICES)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid		400	400	400
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	400	400	400
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	400	400	400
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	400	400	400
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			400	400
a. Reallocate Funds				(400)
Recommended Aid Entitlement			400	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			400	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	400	400	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	400	400	0

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0409 WAY TO GROW

CITATION: M.S. 145.926
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

To promote the intellectual, social, emotional, and physical development, and school readiness of children pre-birth to age six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

DESCRIPTION:

Way to Grow is a method of delivering services in a coordinated, extensive, and intensive approach to meet identified community problems. The Way to Grow philosophy acts as a catalyst for local service providers to assess community needs and the efficiency of their delivery system. This philosophy enables service providers to view the community needs in a larger framework.

Depending upon community needs, Way to Grow/School Readiness programs:

- provide services to pregnant women early in their pregnancies, i.e., prenatal care, well-baby care and parenting classes;
- provide neighborhood support systems that target neighborhood concerns;
- work to establish networks and collaborations of existing community-based businesses and services to enhance programs to the targeted residents;
- develop public-private collaboration to promote the development of culturally specific systems of services available to all families; and
- provide support to prevention and intervention programs for families with young children needed to address risks of child abuse or neglect.

Community entities using Way to Grow/School Readiness funds to develop neighborhood-based programs are designed around the following service strategies:

- home visitors who link at-risk children and their families with services and advocate for their needs;
- organization of coordinated, interdisciplinary resource teams of professionals focusing on the needs of families;
- identification and promotion of local resources for families;
- facilitation of the expansion of the local service system to address unmet needs; and
- organization of neighborhood-based education and training concentrating on early childhood development for parents, primary care givers, and service providers.

Recipients of the Way to Grow funds were well-established providers. With Way to Grow funds, these providers identified several of the most pressing problems facing their communities that required more intensive strategies than could be provided with their basic funding. In most cases, greater numbers of problems were identified in low-income families and low-income neighborhoods. Some Way to Grow programs address community needs through small-scale direct services, but most programs build relationships with other service providers to address identified needs.

Each Way to Grow program has found that it is time consuming and difficult to get long-term service providers to cooperate, coordinate, and collaborate in the provision of services. Effective collaboration among agencies and their resources takes time to develop; Way to Grow facilitates this development.

PROGRAM STATUS:

Way to Grow was initially begun by the 1989 Legislature. Participation of parents and children in the five programs during F.Y. 1995 and F.Y. 1996 and projected through F.Y. 1999 at current funding levels is as follows:

	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Minneapolis	1,220	1,300	1,400	1,450	1,475
St. Paul-Frogtown	1,445	1,500	1,550	1,550	1,575
Columbia Heights	745	765	775	785	800
St. Cloud	400	425	435	450	460
Winona	315	325	330	335	340
TOTAL	4,125	4,325	4,530	4,570	4,650

The current program grants for F.Y. 1995 through 1999 are:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Minneapolis	\$175.0	\$175.0	\$175.0	\$175.0	\$175.0
St. Paul-Frogtown	125.0	125.0	125.0	125.0	125.0
Columbia Heights	58.0	58.0	58.0	58.0	58.0
St. Cloud	58.0	58.0	58.0	58.0	58.0
Winona	58.0	58.0	58.0	58.0	58.0
TOTAL	\$475.0	\$475.0	\$475.0	\$475.0	\$475.0

BUDGET ISSUES:

A. CHALLENGES:

- The number of families with young children characterized by a variety of risk factors continues to grow.

B. STRATEGIES:

- Continue to recruit and train neighborhood members to be family resource workers.
- Support collaboration among ECFE, Way to Grow and Home Visiting to enhance the flexibility and overall capacity of these programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% appropriation of \$475 for F.Y. 1998 and \$475 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0409: WAY TO GROW

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	475	475	475	475
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	475	475	475	475
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	475	475	475	475
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	475	475	475	475
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			475	475
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			475	475
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	475	475	475	475
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	475	475	475	475

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

 0410 LEARNING READINESS

CITATION: M.S. 121.831; 124.2615
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

To strengthen and build upon existing community resources to effectively address the health, nutrition, education and social service needs of four year old children with the goal of enhancing their learning and development and future success in school.

DESCRIPTION:

Learning Readiness is not a separate program but a concept for providing a continuum of services for four year old children based upon their needs as identified through a screening process. M.S. 121.831 requires that the program include the following:

- a comprehensive plan to coordinate social services to provide for the needs of participating families and for collaboration with agencies or other providers;
- a development and learning component;
- a nutrition component;
- health referral services to address the medical, dental, and mental health needs of the children;
- involvement of parents in meeting the needs of the children;
- community outreach; and
- community-based staff and program resources.

Communities are required to develop a plan that provides for a continuum of services based upon the needs of their children that would 1) provide choices through increased opportunities for all four year olds, 2) provide for heterogeneous mixing of children/families to prevent labeling and 3) build upon existing programs to improve quality and maximize the use of resources in that specific community. Learning Readiness funds become the "glue" to connect services, to provide access for children otherwise unable to participate, to fill gaps where certain services are missing or to supplement existing services to improve quality, quantity or breadth of service.

Services range from comprehensive Head Start and Family Literacy/ESL programs, to use of innovative scheduling of existing preschool and child care center programs that have added a parent education/involvement component and special needs services, to "life experience" field trips and "kindergarten connection" classes for all children and parents, to story time hours with take-home activity kits from the public library and special nutrition education sessions presented by Chef Combo through Minnesota Extension Service. The actual continuum varies from community to community and the list of ideas statewide is almost endless.

To become eligible for Learning Readiness aid, districts have been required to submit a plan to the commissioners of education; health; human services; and economic security. All agencies are involved in review and comment; CFL compiles comments and negotiates changes with the districts until the plan becomes suitable for approval.

Districts receive aid from the biennial appropriation of \$19,012,000 for F.Y. 1996 and F.Y. 1997 equal to: 1) the number of eligible four-year-old children in the district times the ratio of 50% of the

total learning readiness aid for that year to the total number of eligible four-year-old children reported to the commissioner for that year; plus 2) the number of participating eligible children times the ratio of 15% of the total learning readiness aid for that year to the total number of participating eligible children for that year; plus 3) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program times the ratio of 35% of the total learning readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Districts	340	342	345	345	345
Number of 4-year-olds	65,710	65,376	67,000	67,000	67,000
Number of Participating Children**	75,500	65,000	70,000	70,000	70,000
Number of Children Involved 30 or More Hours	21,653	19,500	19,500	19,500	19,500
Number of Participating Parents	45,498	50,000	52,000	52,000	52,000
Percent (%) of free/ reduced rates	95	85	85	85	85
Basic Revenue	\$4,746.5	\$4,749.0	\$4,748.0	\$4,748.0	\$4,748.0
Supplemental Revenue	\$4,746.5	\$4,748.0	\$4,747.0	\$4,748.0	\$4,747.0
Evaluation	\$20.0	\$10.0	\$10.0	\$10.0	\$10.0
Program	<u>\$9,493.0*</u>	<u>\$9,497.0</u>	<u>\$9,495.0</u>	<u>\$9,496.0</u>	<u>\$9,495.0</u>
Aid Entitlement	\$9,513.0	\$9,507.0	\$9,505.0	\$9,506.0	\$9,505.0

*In F.Y. 1995, \$1,500 was added to \$9,493 as part of violence prevention initiatives, Laws 1994, Chap. 576

**Includes children ages 3 ½ - 5 years old, not yet in kindergarten

BUDGET ISSUES:

A. CHALLENGES:

- To increase the percentage of children who enter kindergarten ready to learn.
- To assure that children with the greatest needs receive priority for services without inadvertently labeling them "at risk" in the process.
- To effectively engage hard-to-reach parents in their children's learning and total development.

B. STRATEGIES:

- Continue to collaboratively build upon existing resources to provide experiences for young children and their families that will enhance their readiness for school.
- Place additional emphasis on parent education/involvement component to prepare and support parents in fulfilling their responsibilities toward their children.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$10,406 for F.Y. 1998 and \$10,405 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$10,316 in F.Y. 1998 (\$949 for F.Y. 1997 and \$9,367 for F.Y. 1998), and \$10,405 in F.Y. 1999 (\$1,039 for F.Y. 1998 and \$9,366 for F.Y. 1999).

The Governor recommends continuation of authority to use up to \$10 per year for evaluation of the learning readiness program. The evaluation amount is 100% funded in the current account.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0410: LEARNING READINESS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	9,507	9,504	9,506	9,505
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	9,507	9,504	9,506	9,505
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	9,507	9,504	9,506	9,505
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	9,507	9,504	9,506	9,505
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			9,506	9,505
a. Increase Funding			900	900
Recommended Aid Entitlement			10,406	10,405
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			10,406	10,405

APPROPRIATIONS BASIS:(a)

Prior Year	1,424	1,425	949	1,039
Current Year	8,082	8,080	9,367	9,366
Current Year Adj. to 90%, per M.S. 124.904		475		
Transfers per M.S. 124.14, subd. 7				
Subtotal before Transfers	9,506	9,980	10,316	10,405
Total State General Funds	9,506	9,980	10,316	10,405
Aid	9,496	9,970	10,306	10,395
Administration	10	10	10	10

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Education Aids

0411 HEAD START
(Information Only)

CITATION: M.S. 268.912 (P.L. 97-35)
MDCFL ADMIN: 1404 Self-Sufficiency/Lifelong Learning
FEDERAL: Head Start Federal (Not a flow through program)

Note: This narrative is for information only. For financial information, refer to narrative 0322.

PURPOSE:

Head Start was designed to help break the cycle of poverty by providing preschool children of low income families with a comprehensive program to meet their emotional, social, health, nutritional and psychological needs. The overall goal of the program is to bring about a greater degree of social competence in the children and to promote economic self-sufficiency for the parents.

DESCRIPTION:

Every child receives a comprehensive health care program including medical, dental, mental health and nutrition services as well as a variety of individualized learning experiences. Every parent is encouraged to become involved in parent education, program planning and operation. Parents have a voice in administrative and managerial decisions. The social services component represents an organized method of assisting families to assess their needs and then providing those services or linking them with appropriate community services that will build upon the individual strengths of families to meet their own needs.

State Head start funds, authorized under M.S. 268.912, are allocated to all 34 federal Head Start grantees in the State to provide services to additional low-income children and their families. Money is allocated based equally on the grantees' share of federal funds and on the proportion of eligible children in the grantee service area who are not currently being served. In the state, 23 community action agencies and 3 single purpose agencies, 1 school district and 7 Indian Reservation Governments deliver the program.

Up to 11% of the state Head Start funds appropriated annually may be used to provide grants to local Head Start agencies for innovative programming designed either to target Head Start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal Head Start regulations. Innovative grants are awarded on a competitive basis. Since F.Y. 1994, the major portion of state Head Start innovative funding has gone to fund Head Start collaboration projects.

The bonding initiative, in addition to helping programs meet the pressing need for additional space and the rehabilitation of facilities to comply with licensing standards, also makes possible the leveraging of additional dollars from public and private resources in communities.

PROGRAM STATUS:

Because the cost of delivering the program increases annually, funding must grow to maintain the current level of services. Only about 40% of eligible children and their families are currently served by Head Start. For the program year 1995-1996, 12,112 children were funded at a cost per child of \$4,660.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Grantees	34	34	34	34	34
Number of Eligible Children	29,831	29,831	29,831	29,831	29,831
Number of Children Served	12,097	12,112	12,145	12,100	12,050
Percentage of Eligible Children Served	41	41	41	41	40

In the 1994-1995 Minnesota Head Start program year:

- 20% were funded by state funds
- 100% of enrolled children were medically screened
- 82% of enrolled children were enrolled in Child and Teen Checkups/Medicaid
- 15% of enrolled children were professionally diagnosed as disabled and requiring special services
- 96% of enrolled children received dental examinations
- 94% of enrolled children had up-to-date immunizations
- 40% of paid staff were current or former Head Start parents
- 832,580 hours were volunteered in Head Start programs
- 100% of families identified as needing social services received them

BUDGET ISSUES:

A. CHALLENGES:

- Most Head Start programs currently operate on a half-day basis. As more and more Head Start parents are working full-time, there will be an increased demand for full-day, full-year services.
- Research has shown the importance of the first months and years of life for human growth and development. Head Start has typically served the preschool population. Efforts to bring Head Start's comprehensive services to infants and toddlers need to be expanded in order to meet the needs of low-income families with children age 0 - 3.

B. STRATEGIES:

- Increased funding to the Head Start program will help address the changing needs of low income families in Minnesota. Parent involvement in the governance of Head Start will continue to promote communication, coordination and collaboration at the state and local level to improve and integrate service delivery.

For further information, refer to program 0322, Head Start.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids
 0412 FAMILY SERVICE COLLABORATIVES
CITATION: Laws 1995X, Ch. 3, Art. 4, Sec. 29, Subd. 10
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: None

PURPOSE:

Family Services Collaboratives are intended to foster local cooperation and collaboration and help communities work together to improve results for Minnesota's children and families. Participating partners agree to provide comprehensive family services and to commit resources toward broad systemic change in the service delivery system. By providing incentives for better coordination of services, Minnesota hopes to increase the number and percentage of children who are healthy and come to school ready to learn whose families are able to provide a stable environment for their children.

DESCRIPTION:

Communities that establish family services collaboratives must have a comprehensive plan for serving children ages 0 to 18 and their families that coordinates funding streams, commits resources to an integrated fund, and contains clear goals and outcome-based indicators to measure progress toward achieving the goals. In addition collaborative grantees must: 1) coordinate services to avoid duplication and overlapping assessment and intake procedures; 2) assure accessibility to services; and 3) identify federal, state and institutional barriers to service integration and recommend solutions.

Currently, a total of 245 school districts and 56 counties participate in family services collaborative initiatives. Family Services Collaborative grants offer services in areas consisting of both school district and county boundaries. The collaboratives enhance the services provided to 87% of the children from birth to age 18 across the state of Minnesota. Collaboratives include partners representing counties, school districts, public health entities and other local units of governments, as well as private organizations such as business and non-profit organizations. Collaboratives establish outcomes and indicators as measures of performance and report to the state on an annual basis.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Funding	--	\$6,000.0	\$7,500.0*	\$7,500.0*	\$7,500.0*
Expenditures	--	\$4,018.0	--	--	--
Balance Forward	--	(\$1,982.0)	\$1,982.0	--	--
Total	--	\$4,018.0	\$9,482.0	\$7,500.0	\$7,500.0

* Includes \$1.5 million transferred from the Department of Human Services (Laws 1995, Ch. 207, Art. 1, Sec. 4(c)).

(\$ in 000s)	Current Law			
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$6,000.0	\$6,000.0	\$6,000.0	\$6,000.0
B. ENTITLEMENT CHANGES PER LAW Number of Districts Participating	(1,982)	1,982		
C. CURRENT LAW AID (Line 5 Fiscal Page)	\$4,018.0	\$7,982.0	\$6,000.0	\$6,000.0

BUDGET ISSUES:

A. CHALLENGES:

- As funds for direct services to families become more scarce, service providers may begin to protect programs even though programs may not meet performance standards. The family services collaborative initiative offers local governments an opportunity to partner with other entities in designing more effective services for families and their children. These incentive grants allow the creation of a community-wide collaboration that promotes the sharing of resources, a reduction in the duplication of services and results in streamlined services that meet performance goals. This could result in cost savings to the state and local government involved in the collaborative initiative.
- This innovative service redesign effort presents its challenges. These include the usual obstacles to change, including the reluctance of organizations to give up funds or areas of responsibility. Each distinct professional field has developed its own body of work and principles that guide provision of services and involves usage of a particular jargon or unique methods of organization and analyzing work. Working within and among each of these organizations and encouraging collaboration, cooperation and coordination requires a significant amount of trust-building and time.

B. STRATEGIES:

- Continue to promote Family Services Collaboratives as an entity that can serve local communities by coordinating services under one governance structure.
- Continue to "go to scale" statewide and promote the development of Family Services Collaboratives in all counties across the state.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$7,500 for F.Y. 1998 and \$7,500 for F.Y. 1999.

Of these amounts, \$1,500 annually is from the family collaborative programs, transferred into the Department of Children, Families & Learning from the Department of Human Services. Of the remaining \$6,000 each year, no more than 2.5% is available for administration and for an evaluation of the program.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0412: FAMILY COLLABORATIVES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	4,018	6,000	6,000	6,000
2. Statutory Excess / (Shortfall)	1,982			
3. Appropriated Entitlement	6,000	6,000	6,000	6,000
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(1,982)	1,982		
5. Current Law Aid	4,018	7,982	6,000	6,000
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	4,018	7,982	6,000	6,000
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			6,000	6,000
a. Transfer in from DHS Family Collaboratives			1,500	1,500
Recommended Aid Entitlement			7,500	7,500
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			7,500	7,500
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	4,018	7,982	7,500	7,500
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	4,018	7,982	7,500	7,500

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1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0413 CHILD CARE ASSISTANCE

CITATION: M.S. 256H; 119B
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: 0417 Child Care Assistance

Note: Child Care Assistance is funded from state and federal funds. To provide a complete picture of the Child Care Assistance, this State Aid Program references the federal funding from Federal Program 0417 and includes a breakdown of the budget by state, federal and total funding. MDCFL's costs of supervising and administering the Child Care Assistance and the Child Care Development (Programs 0417 and 0418) are also included here.

PURPOSE:

The purpose of Child Care Assistance is to help low income families pay for child care so that parents may pursue employment or education leading to employment.

DESCRIPTION:

The Personal Responsibilities and Work Opportunity Reconciliation Act of 1996 (federal welfare reform) replaced the AFDC Cash Assistance Entitlement with the Temporary Assistance to Needy Families (TANF) Block Grant. The TANF Block Grant includes strong work requirements and incentives, which will result in a significant increase in the number of low income families needing child care assistance. Effective October 1, 1996, federal welfare reform also eliminated the AFDC Child Care Entitlement, consolidating this former funding source with the Child Care and Development Block Grant (CCDBG) and At-Risk Grant into a single capped Child Care and Development Fund (CCDF). Federal reporting requirements have increased substantially under the CCDF.

Child Care Assistance is composed of two programs: 1) Aid to Families with Dependent Children (AFDC) Child Care, and 2) Basic Sliding Fee (BSF) Child Care. The two programs transferred to MDCFL from the Department of Human Services, effective July 1996. County social services agencies administer the two programs.

AFDC Child Care Program: The AFDC Child Care Program helps AFDC Cash Assistance families and AFDC Transition Year families pay for child care. Most of the AFDC Cash Assistance families participate in Minnesota's JOBS/STRIDE Program, but a limited number (up to two thousand statewide) participate in self-initiated education or training programs and are referred to as "ACCESS" families. The program also serves employed AFDC Cash Assistance families and AFDC Transition Year families (families in the twelve month transition period after leaving AFDC Cash Assistance, e.g. due to higher earnings). The program is designed to maximize federal funding and support the AFDC Cash Assistance Program goals. State funding for the program fulfills the matching requirement necessary to draw down federal funding. AFDC Cash Assistance families participate in the program without a copayment requirement. AFDC Transition Year families are required to make a copayment based on income and family size. The copayments are compatible with the requirements of the BSF Child Care Program.

Note: Minnesota Family Investment Plan (MFIP) Child Care has replaced portions of the AFDC Child Care Program in eight counties. MFIP Child Care is included in the Department of Human Services budget.

BSF Child Care Program: The BSF Child Care Program helps pay the child care costs of low income families who are not receiving AFDC cash assistance in their AFDC transition year. Families with income below 75% of the state median income and who have children under age 13 are eligible for the program. All families are required to make a copayment based on income and family size. Funding for the program is capped; so county social service agencies maintain waiting lists. The program is a combination of federal, state and county funds. State funding for the program fulfills the matching requirement necessary to draw down the federal funding.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State Funds:					
AFDC Child Care* (1)	\$15,159.0	\$16,009.0	\$19,292.0	\$25,231.0	\$23,325.0
BSF Child Care	9,526.0	15,526.0	24,751.0	24,751.0	24,751.0
MDCFL Admin	210.0	209.0	232.0	232.0	232.0
Total	\$24,895.0	\$31,744.0	\$44,275.0	\$50,214.0	\$48,308.0
Federal Funds (From Fed Program 0415)					
AFDC Child Care	\$17,131.0	\$17,085.0	\$23,388.0	\$29,131.0	\$30,866.0
BSF Child Care	16,250.0	16,302.0	16,749.0	16,749.0	16,749.0
MDCFL Admin	584.0	759.0	914.0	914.0	914.0
Total	\$33,965.0	\$34,146.0	\$41,051.0	\$46,794.0	\$48,529.0
Total State and Federal Funds					
AFDC Child Care	\$32,290.0	\$33,094.0	\$42,680.0	\$54,362.0	\$54,191.0
BSF Child Care	25,776.0	31,828.0	41,500.0	41,500.0	41,500.0
MDCFL Admin	794.0	968.0	1,146.0	1,146.0	1,146.0
Total	\$58,860.0	\$65,890.0	\$85,326.0	\$97,008.0	\$96,837.0

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

* F.Y. 1997 includes an adjustment of \$383.0 This is carry forward from F.Y. 1996.

(1) The base for F.Y. 1998 includes a transfer from DHS of \$6,322.0 and F.Y. 1999 includes a transfer of \$4,416.0. For additional information see the Governor's recommendation.

F.Y. 1996 Quarterly Averages	Children Served	Families Served	Waiting List
AFDC Child Care	12,760	8,310	NA
BSF Child Care	14,624	8,774	5,579*

* as of 9/30/96

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0413 CHILD CARE ASSISTANCE
 (Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Prior to federal welfare reform, the AFDC Child Care Program was funded from federal entitlement funds. The challenge will be to identify sufficient funds, through both public and private resources, to meet the increasing child care assistance costs created by the increased demand from families on Cash Assistance, while continuing progress toward elimination of the child care assistance waiting lists for low income families not on Cash Assistance (BSF Child Care Program). It may be necessary to develop a statewide automated child care reporting system in order for Minnesota to comply with the new federal reporting requirements.

B. STRATEGIES:

- Maximize private pay funds through required cooperation with Child Support Enforcement, for all families receiving child care assistance.
- Initiate study of child care assistance copayments.
- Study need for automated child care assistance reporting system.
- Develop financial management processes that allow more movement of funds between child care assistance programs and allocation periods.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$67,065 for F.Y. 1998 and \$97,664 for F.Y. 1999. This includes an increase of \$10,000 in F.Y. 1998 and \$40,000 in F.Y. 1999 in the AFDC Child Care Program and an increase of \$7,000/year for the Basic Sliding Fee Program.

(\$ in 000s)	<u>F.Y. 1998</u>	<u>Current Law</u> F.Y. 1999
AFDC Child Care	\$35,082.0	\$65,681.0
Basic Sliding Fee	\$31,751.0	\$31,751.0
Administration	<u>\$232.0</u>	<u>\$232.0</u>
Total	\$67,065.0	\$97,664.0

The Governor recommends transferring the duties and authority for administering the Minnesota Family Investment Plan (MFIP) child care grant from the commissioner of Human Services to the Commissioner of Children, Families & Learning (CFL) and has proposed legislation to accomplish this transfer. As a result, the Governor recommends a corresponding increase in the Department of Children, Families and Learning budget base of \$6,322 in F.Y. 1998 and \$4,416 in F.Y. 1999.

The increased funding for child care ensures that child care is available to:

1. all low income families on welfare who are participating in related activities and working families who are transitioning off welfare; and
2. low income families so that they can continue to work and avoid dependence on welfare.

The Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0413: CHILD CARE ASSISTANCE

(Includes former AFDC Entitlement Child Care, Basic Sliding Fee Child Care)

	Estimated		Governor's Rec.	
	F.Y. 1996 (a)	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid (b)	31,744	43,892	50,214	48,308
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	31,744	43,892	50,214	48,308
4. Adjustments				
a. Excess Funds Transferred In / (Out)		383 (c)		
b. Negative Growth in AFDC		(2,353)		
5. Current Law Aid	31,744	41,922	50,214	48,308
6. Excess / (Shortfall) After Adjustments	0	(1,970)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	31,744	41,922	50,214	48,308
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			50,214	48,308
a. Forecast Adjustment per Current Law (d)			(149)	2,356
b. Increase in AFDC Child Care Funds			10,000	40,000
c. Increase in Basic Sliding Fee Child Care			7,000	7,000
Recommended Aid Entitlement			67,065	97,664
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			67,065	97,664

APPROPRIATIONS BASIS:

Direct Appropriated Funds	31,744	41,922	67,065	97,664
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	31,744	41,922	67,065	97,664
Aid	31,535	41,690	66,833	97,432
Administration	209	232	232	232

(a) 1996 spending shown for historical perspective only. Program did not transfer to CFL until F.Y. 1997.

(b) Includes F.Y. 1998 transfer of \$6,322 and F.Y. 1999 transfer of \$4,416 for MFIP

(c) F.Y. 1996 AFDC Carryforward

(d) This adjustment has been approved by the Legislature in the past, and is required by current law.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

0414 CHILD CARE DEVELOPMENT

CITATION: M.S. 256H; 119B
MDCFL ADMIN: 1401 Early Childhood and Family Support
FEDERAL: 0416 Child Care Development

Note: Child Care Development is funded from state and federal funds. To provide a complete picture of Child Care Development, this State Aid Program includes the federal funding from Federal Program 0418 and a breakdown of the budget by state, federal and total funding.

PURPOSE:

Child Care Development funds services that improve the quality, availability and affordability of child care to Minnesota families.

DESCRIPTION:

Public and private agencies receive grants to:

- help families access appropriate child care;
- improve the quality of early childhood care and education systems;
- improve child care facilities and provide interim financing;
- train child care staff and family child care providers;
- develop special child care services such as care for infants, school-age children, sick children and children with special needs; and
- provide comprehensive, culturally relevant early childhood care and education services to children.

These grants transferred to MDCFL, from the Department of Human Services, effective July 1996.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
State funds	\$1,310	\$1,633	\$1,930	\$1,865	\$1,865
Federal Funds					
(From Federal Program 0416)	3,491.0	3,471.0	4,586.0	4,586.0	4,586.0
Total Funds	\$4,801.0	\$5,104.0	\$6,516.0	\$6,451.0	\$6,451.0

Note: Funding levels shown in this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The changes in federal law significantly impact the current child care system. The increase of mothers working due to welfare reform will put pressure on the capacity of the current child care system. Enough child care is not available to accommodate this increased need,

particularly for those hours outside the traditional work hours (nonstandard hour care), for example, evenings, nights and weekends. We also predict an increased need for infant and toddler care, school age care and care for children with special needs.

- Due to low wages and lack of accessible training, the turnover rate for child care providers averages 40%. The lack of consistent care for young children directly impacts their developmental progress and ability to enter school ready to learn.
- Changing demographics in Minnesota have resulted in a more culturally diverse population and has increased the need for a more culturally responsive child care system.
- Minimum health and safety standards are needed to ensure protection for children. Current standards for early childhood care and education programs are complicated and often confusing. Varying state and federal requirements for programs, personnel and facilities have been caused by categorical funding and differing levels of public support. While it is evident that the standards vary greatly, the needs of children do not.

B. STRATEGIES:

- Requests for proposals for grant funds will be published for communities to address child care capacity focused on the needs of families at the local level. The State will continue funding of child care resource and referral agencies as the infrastructure of Minnesota's child care system to provide consumer education to assist families in finding quality child care arrangements and to give technical assistance to child care providers.
- Requests for proposals for grant funds will be published and awarded to continue development of comprehensive and coordinated career development opportunities for child care providers. The apprenticeship programs will continue statewide expansion to increase the pool of qualified providers and to stabilize the workforce, linking increased compensation with improved provider competency. Support will continue for accreditation and credential processes that improve the quality of available child care. Collaboration will continue with private foundations to fund community initiatives.
- Requests for proposals for grant funds will be published and awarded to community organizations building culturally competent programs. Programs such as Cultural Beginnings, Project Impact and Early Childhood Professionals of Color have been working in partnership with culturally diverse families in meeting their child care needs. Cultural dynamics training will be available to family child care providers and child care center staff.
- An interagency team representing health, head start, child care, learning readiness, early childhood special education and early childhood family education programs is working to establish core standards for all early childhood programs. The proposed standards will be a partnership between early childhood programs and families to ensure a quality learning environment for young children using public and private resources in an effective and efficient way to meet the needs of young children.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an appropriation of \$2,865 for F.Y. 1998 and \$1,865 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0414: CHILD CARE DEVELOPMENT

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,633	1,930	1,865	1,865
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	<u>1,633</u>	<u>1,930</u>	<u>1,865</u>	<u>1,865</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	<u>1,633</u>	<u>1,930</u>	<u>1,865</u>	<u>1,865</u>
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>1,633</u>	<u>1,930</u>	<u>1,865</u>	<u>1,865</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,865	1,865
a. Expand Child Care Service Grant			<u>1,000</u>	<u>0</u>
Recommended Aid Entitlement			2,865	1,865
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			2,865	1,865
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,633	1,930	2,865	1,865
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	<u>1,633</u>	<u>1,930</u>	<u>2,865</u>	<u>1,865</u>

1998-99 Biennial Budget

PROGRAM: 04 Community and Family Education
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0415 INFANTS AND TODDLERS

CITATION: Part H (IDEA)
MDCFL ADMIN: 1401 Early Childhood and Family and Community Support

See Program 0408 for state funding information.

PURPOSE:

To provide eligible young children with disabilities, from birth through age 2 and their families with interagency services in their local communities developed through the Individualized Family Service Plan (IFSP) process. This is accomplished through the implementation of a comprehensive, coordinated, collaborative, interagency, multi-disciplinary, early intervention system throughout Minnesota. The Part H Interagency Early Childhood Intervention Project is an interagency effort of the Minnesota Departments of Children, Families & Learning and Health and Human Services.

Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

DESCRIPTION:

Minnesota receives an annual federal grant (Part H) based on the number of annual live births in Minnesota. The Part H Interagency Early Childhood Intervention Project program assists and provides funds to the 94 local Interagency Early Childhood Intervention committees (IEICs) established under M.S. 120.1701 for the development, coordination and implementation of a comprehensive system of interagency early childhood intervention services for young children with disabilities and their families.

Interagency early childhood intervention services for eligible young children with disabilities and their families are provided in conformity with an IFSP in the home, child care setting, or in a center based program including Early Childhood Family Education and Early Childhood Special Education.

A major focus under the Federal Part H program is to enhance systems capacity and create an infrastructure through interagency collaboration and coordination. Funds for interagency cooperation/coordination provide for the following interagency state and local infrastructure components as required under Part H:

- service coordination and a family centered service document - the IFSP;
- training and technical assistance including personnel development;
- outreach activities such as child identification, a central directory, parent support and public awareness;

- data collection including state and local information capacity building;
- quality review involving procedural safeguards, mediation, complaints, dispute resolution and the quality assurance project; and the
- activities of the Governor's Interagency Coordinating Council on Early Childhood Intervention.

Minnesota is in its third year of full implementation.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Children Served (birth through age 2)	2,563	2,620	2,780	2,728	2,700
Aid to Districts, Agencies, Private Organizations	\$3,600.0	\$3,600.0	\$3,600.0	\$3,600.0	\$3,600.0
Funds for Interagency Cooperation/Coordination	<u>\$1,500.0</u>	<u>\$1,300.0</u>	<u>\$1,300.0</u>	<u>\$1,300.0</u>	<u>\$1,200.0</u>
TOTAL FUNDING	\$5,100.0	\$4,900.0	\$4,900.0	\$4,900.0	\$4,900.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The number of infants and toddlers eligible to receive special education services has increased in recent years, but at a slower pace than previously. The number is expected to begin decreasing in F.Y. 1998. Issues currently under discussion by state agencies, the Governor's Interagency Council on Early Childhood Intervention (ICC), and the IEICs include the responsibility for providing services, data collection, managed care and procedural safeguards.

B. STRATEGIES:

- The Part H Infants and Toddlers program provides the resources for the development and implementation of statewide policies to ensure the availability of appropriate early intervention services for young children with disabilities and their families. The Minnesota Department of Children, Families & Learning has the responsibility as lead agency for the fiscal administration, and supervision and monitoring of the various programs and services provided to young children with disabilities and their families. CFL, along with representatives from Health and Human Services and the ICC define, develop, and implement interagency policies regarding definition, child identification, IFSPs, service coordination, comprehensive system of personnel development (CSPD), monitoring, financial responsibility, procedural safeguards for families and dispute resolution procedures through a state interagency agreement. The 94 local IEICs identify and coordinate resources to assure the development of individual family service plans (IFSPs) and services for eligible young children and their families.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0416 HOMELESS CHILDREN AND YOUTH

CITATION: P.L. 101-645
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

The purpose of this program is to assure that each homeless child or youth will have access to the same free, appropriate public education provided to the children of Minnesota residents. The Office for the Education of Homeless Children and Youth at the Department of Children, Families & Learning is a federally funded initiative (P.L. 101-645).

DESCRIPTION:

The Department of Children, Families & Learning has developed guidelines for the distribution of P.L. 100-645 (Federal McKinney) homeless children education funds to local school districts. Eligible applicants are local school districts with strong relationships to shelters, advocates, and community agencies. Key program requirements are facilitating the enrollment, attendance and success of homeless children and youth in schools. Academic success is related to the Minnesota graduation standards. Authorized activities include:

1. **Primary Activities.** Activities which provide tutoring, remedial education services, or other education services to homeless children or youth. These activities support both the basic requirements and the profiles of learning as outlined in the state standards.
2. **Related Activities.** The funds can also be used for related/support activities (i.e. evaluation, professional development, referral, transportation, early childhood, before and after-school programming, coordination, counseling, and school supplies).

The target population must be homeless children and youth. Districts are funded one year at a time. The total available for 1996 was \$330,000, and for 1997 is \$219,000.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Students Served	5,003	8,000	6,000	6,000	6,000
Grants Provided					
Minneapolis	\$80	\$90	\$60	\$60	\$60
St. Paul	0	50	40	40	40
Brooklyn Center	39	34			
Bemidji	45	40	33	33	33
Owatonna	8	7	3	3	3
Moorhead	0	25	23	23	23
Duluth	35	25	28	28	28
Cloquet	11	9	9	9	9
Freshwater Ed. Dist.	39	25	23	23	23
Rosemount/Apple Valley/ Eagan	0	25			
TOTAL	\$257.0	\$330.0	\$219.0	\$219.0	\$219.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and state accounting period closing requirements.

The Federal Stewart B. McKinney Homeless Assistance Act has been reauthorized. Congress has reduced funding for the program by approximately 5 million dollars (F.Y. 1996 - \$28.8 million; F.Y. 1997 - \$24 million.) Minnesota's allocation of P.L. 101-645 funds will decrease from the F.Y. 1996 level of \$330,000 to \$219,000.

Because of the 1994 Reauthorization of the McKinney Act, the Education for Homeless Children and Youth funds are available for preschool education programs as well as K-12 programs.

BUDGET ISSUES:

- Many homeless children with disabilities are not being served or are underserved. (This is approximately 25% of the homeless student population.)
- Since 1985 the homeless youth population has increased 400% (DES). 52% of homeless youth are not enrolled in school. Of those enrolled, one third are not attending on a regular basis (Wilder).

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0417 CHILD CARE ASSISTANCE

CITATION: M.S. 256H/119B
MDCFL ADMIN: 1401 Early Childhood and Family Support

Note: This program represents the federal share of State Aid Program 0413. Refer to State Aid Program 0413 for a complete picture of Child Care Assistance.

PURPOSE:

The purpose of the child care assistance program is to help low income families pay for child care so parents may pursue employment for education leading to employment.

DESCRIPTION:

Child Care Assistance is composed of two programs:

- Aid to Families with Dependent Children (AFDC) Child Care, and
- Basic Sliding Fee (BSF) Child Care.

The two programs are funded from state and federal funds. Effective October 1, 1996, the Personal Responsibilities and Work Opportunities Act of 1996 (federal welfare reform) changed the federal funding for the two programs. The three former federal funding sources, the AFDC Child Care Entitlement, Child Care and Development Block Grant (CCDBG) and At-Risk Grant, have been consolidated in the capped Child Care Development Fund (CCDF). Prior to October 1, 1996, the AFDC Child Care Program was funded from the federal AFDC Child Care Entitlement, and the BSF Child Care Program was funded from the federal CCDBG and At-Risk Grant. The CCDF includes state maintenance of effort and state matching requirements.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Federal Funds					
AFDC Child Care	17,131	17,085	23,388	29,131	30,866
BSF Child Care	16,249	16,302	16,749	16,749	16,749
CFL Admin	<u>584</u>	<u>759</u>	<u>914</u>	<u>914</u>	<u>914</u>
Total Federal Funds	33,964	34,146	41,051	46,794	48,529

Note: Funding levels shown this table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

Federal Funds	Prior to 10/1/96			10/1/96
	AFDC	At-Risk	CCDBG	CCDF
AFDC Child Care	X			X
BSF Child Care		X	X	X
CFL Admin			X	X

BUDGET ISSUES:

A. CHALLENGES:

- Prior to federal welfare reform, the AFDC Child Care Program was funded from entitlement funds. The challenge will be to identify sufficient funds, through both public and private resources, to meet the increasing child Care assistance costs created by the increased demand from families on Cash Assistance, while continuing progress toward elimination of the child Care assistance waiting lists for low income families not on Cash Assistance (BSF Child Care Program). It may be necessary to develop a statewide automated child Care reporting system in order for Minnesota to comply with the new federal reporting requirements.

B. STRATEGIES:

- Maximize private pay funds through required cooperation with Child Support Enforcement, for all families receiving child Care assistance.
- Initiate study of child Care assistance copayments.
- Study need for automated child Care assistance reporting system.
- Develop financial management processes that allow more movement between child Care assistance programs and allocation periods.

1998-99 Biennial Budget

PROGRAM: 04 Children and Family Support
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0418 CHILD CARE DEVELOPMENT

CITATION: M.S. 256H/119B
MDCFL ADMIN: 1401 Early Childhood and Family and Community Support

Note: This program is the federal share of State Aid Program 0414. Refer to State Aid Program 0414 for a complete picture of the Child Care Development.

PURPOSE:

Child Care Development funds services that improve the quality, availability and affordability of child care to Minnesota families.

DESCRIPTION:

Child Care Development grants are awarded to public and private agencies to:

- help families access appropriate child care
- improve the quality of early childhood care and education systems;
- improve child care facilities and provide interim financing;
- train child care staff and family child care providers;
- develop special child care services such as care for infants, school-age children, sick children, children with special needs, and increase the availability of non-standard hour care; and
- provide comprehensive, culturally responsive early childhood care and education services for children.

The Child Care Development grants are state and federal funded. Federal funding has been from the Child Care and Development Block Grant (CCDBG) and the Title XX Block Grant. Effective October 1, 1996, the Personal Responsibilities and Work Opportunities Act of 1996 (federal welfare reform) changed the federal funding. CCDBG funding is replaced by funding from the new Child Care Development Fund (CCDF). Title XX funding is continued, but at a reduced level.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Federal Funds:					
Title XX Block Grant	\$447.0	\$447.0	\$397.0	\$397.0	\$397.0
CCDBG/CCDF	<u>3,044.0</u>	<u>3,024.0</u>	<u>4,189.0</u>	<u>4,189.0</u>	<u>4,189.0</u>
Total Federal Funds	\$3,491.0	\$3,471.0	\$4,586.0	\$4,586.0	\$4,586.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- The changes in federal law significantly impact the current child care system. The increase of mothers working due to welfare reform will put pressure on the capacity of the current child care system. Enough child care is not available to accommodate this increased need, particularly for those hours outside the traditional work hours (nonstandard hour care), for example, evenings, nights and weekends. We also predict an increased need for infant and toddler care, school age care and care for children with special needs.
- Due to low wages and lack of accessible training, the turnover rate for child care providers averages 40%. The lack of consistent care for young children directly impacts their developmental progress and ability to enter school ready to learn.
- Changing demographics in Minnesota have resulted in a more culturally diverse population and has increased the need for a more culturally responsive child care system.
- Minimum health and safety standards are needed to ensure protection for children. Current standards for early childhood care and education programs are complicated and often confusing. Varying state and federal requirements for programs, personnel and facilities have been caused by categorical funding and differing levels of public support. While it is evident that the standards vary greatly, the needs of children do not.

B. STRATEGIES:

- Requests for proposals for grant funds will be published for communities to address child care capacity focused on the needs of families at the local level. The state will continue funding of child care resource and referral agencies as the infrastructure of Minnesota's child care system to provide consumer education to assist families in finding quality child care arrangements and to give technical assistance to child care providers.
- Requests for proposals for grant funds will be published and awarded to continue development of comprehensive and coordinated career development opportunities for child care providers. The apprenticeship programs will continue statewide expansion to increase the pool of qualified providers and to stabilize the workforce, linking increased compensation with improved providers competency. Support will continue for accreditation and credential processes that improve the quality of available child care. Collaboration will continue with private foundations to fund community initiatives.
- Requests for proposals for grant funds will be published and awarded to community organizations building culturally competent programs. Programs such as Cultural Beginnings, Project Impact and Early Childhood Professionals of Color have been working in partnership with culturally diverse families in meeting their child care needs. Cultural dynamics training will be available to family child care providers and child care center staff.
- An interagency team representing health, head start, child care, learning readiness, early childhood special education and early childhood family education programs is working to establish core standards for all early childhood programs. The proposed standards will be a partnership between early childhood programs and families to ensure a quality learning environment for young children using public and private resources in an effective and efficient way to meet the needs of young children.

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LIFEWORk DEVELOPMENT (05)

State Aid Programs

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1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

 0501 SECONDARY VOCATIONAL

CITATION: M.S. 124.573
MDCFL ADMIN: 1305 Lifework Development
FEDERAL: None

PURPOSE:

To increase opportunities for all students in Grades 10-12 to:

- help students make wise career choices, while developing the skills, attitudes, and knowledge necessary to succeed in the workforce;
- acquire entry-level and work readiness skills necessary for earning while continuing to learn;
- explore potential careers in different occupational areas in order to better prepare for continuing education or employment;
- apply basic computational, comprehension, communication, scientific, and problem-solving skills in relevant, realistic environments
- gain experience in the use of technological equipment which is utilized in occupational areas;
- learn and reinforce higher order thinking skills through application; and
- utilize curriculum which is results oriented and relevant to business and industry.

The intent of these programs is to improve curriculum opportunities in a realistic manner that is relevant to the business and industrial practices in which our students either are or will be participating.

DESCRIPTION:

Independent, common, special school districts and charter schools may access state categorical funding through an excess cost formula for providing occupational vocational programs. As explained below, one of the major variables in the formula is district expenditures. LEA's other than school districts and charter schools allocate their expenditures to school districts and charter schools. LEA's other than school districts and charter schools include cooperative centers, intermediate districts and education districts.

The major areas of instruction are: business occupations, health occupations, agricultural occupations, technical occupations, consumer and homemaking occupations, marketing occupations, and service occupations. Special populations are actively solicited for all of these programs.

The state aid formula provides funding to qualifying districts as follows: (a) \$80 times the district's average daily membership in grades 10 to 12; or (b) 25% of approved expenditures for: salaries for direct instructional services, contracted services, travel between instructional sites, travel for vocational student organizations, curriculum development, travel for professional development, and specialized vocational instructional supplies. A district's aid must not equal less than the lesser of 1) 95% of the district's aid in the prior year, or 2) 40% of approved expenditures in the current year.

For F.Y. 1997 only, a district's aid will not be less than 25% of the lesser of either \$90,000 or the district's approved secondary vocational expenditures.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Grade 10 - 12 ADM	\$166.8	\$174.6	\$182.5	\$189.0	\$193.0
Vocational Expenditures	\$49,707.0	\$53,528.0	\$57,619.0	\$61,329.0	\$64,560.0
Vocational Aid Entitlement (Unprorated)					
(with F.Y. 1997 Guarantee)	\$12,826.0	\$12,917.0	\$13,134.0	\$13,374.0	\$13,551.0
(without F.Y. 1997 Guarantee)	\$12,826.0	\$12,917.0	\$13,321.0	\$13,374.0	\$13,551.0

(\$ in 000s)	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. APPROPRIATED ENTITLEMENT				
(Line 3 Fiscal Page)	\$11,596.0	\$11,802.0	\$11,596.0	\$11,596.0
B. ENTITLEMENT CHANGES PER LAW				
District Program Expend	(\$328.0)	(\$55.0)		
Appropri Shortfall (Excess)	\$1,649.0	\$1,574.0	\$1,778.0	\$1,955.0
C. STATUTORY FORMULA AID				
(Line 1 Fiscal Page)	\$12,917.0	\$13,321.0	\$13,374.0	\$13,551.0

BUDGET ISSUES:

A. CHALLENGES:

- The current funding formula is not effective in promoting program improvement, local leadership nor systemic change. Reward innovation rather than simple maintenance.

B. STRATEGIES:

- Simplify the whole funding process and focus on local leadership, program improvement and planning for systemic change with innovative school-to-work programs, including lifework development.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$11,596 for F.Y. 1998 and \$11,596 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$11,617 in F.Y. 1998 (\$1,180 for F.Y. 1997 and \$10,437 for F.Y. 1998), and \$11,596 in F.Y. 1999 (\$1,159 for F.Y. 1998 and \$10,437 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0501: SECONDARY VOCATIONAL

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	12,917	13,321	13,374	13,551
2. Statutory Excess / (Shortfall)	(1,321)	(1,519)	(1,778)	(1,955)
3. Appropriated Entitlement	11,596	11,802	11,596	11,596
4. Adjustments				
a. Excess Funds Transferred In / (Out)	1,344	383		
b. Payment of Prior Year Claims	(23)	(6)		
5. Current Law Aid	12,917	12,179	11,596	11,596
6. Excess / (Shortfall) After Adjustments	0	(1,142)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	12,917	12,179	11,596	11,596
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			11,596	11,596
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			11,596	11,596

APPROPRIATIONS BASIS:(a)

Prior Year	2,017	1,739	1,180	1,159
Current Year	9,857	10,032	10,437	10,437
Current Year Adj. to 90%, per M.S. 124.904		590		
Subtotal before Transfers	11,874	12,361	11,617	11,596
Transfers per M.S. 124.14, subd. 7	1,344	383		
Total State General Funds	13,218	12,744	11,617	11,596

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

0502 EDUCATION AND EMPLOYMENT TRANSITIONS SYSTEMS/
 SCHOOL TO WORK

CITATION: M.S.126B.01-126B.1.
MDCFL ADMIN: 1305 Lifework Development
FEDERAL: 0506 School to Work Opportunities

PURPOSE:

The vision of the Education and Employment Transitions System is that all Minnesotans will make successful education and employment transitions. The guiding principles of the system must:

- establish a lifelong education approach to workforce concepts,
- establish standards by which to assess success,
- establish and be driven by multi-sector partnerships,
- encourage learners to take primary responsibility for their own success,
- value diversity for all learners,
- prepare learners for shifting economic conditions and changing technology,
- create learning opportunities in developmental and applied contexts, and
- coordinate existing programs and resources.

DESCRIPTION:

Local/Regional Partnership Development Grants

Multi-sector partnership grants were awarded for the purpose of developing a comprehensive local system for assisting learners and workers in making the transition from school to work. The grant RFP process assured geographical distribution with grants awarded on rankings of established criteria. A total of 35 grant sites were awarded grants through a process approved by the Governor's Workforce Development Council and extensive interagency cooperation. The staff members from the Office of Lifework Development were identified as department liaisons for each of the 35 sites. Technical assistance and connecting the needs of the site to appropriate individual(s) is being provided by Minnesota Children staff. The new federal STW update will provide funding for local/regional partnerships across the state

Youth Apprenticeship Programs

Youth Apprenticeship Program grants were awarded to local education and employment transitions partnerships that previously received a youth apprenticeship demonstration program grant. The comprehensive youth apprenticeship programs integrate academic instruction and work-related learning in the classroom and in the workplace. These programs follow standards developed and approved by the Department of Labor and Industry and the Department of Children, Families and Learning. A total of 17 partnerships received continued funding. These model-funded youth apprenticeship programs have grown yearly and serve over 500 learners in several occupation clusters in different areas of the state.

Labor-Management Information Support

The primary mission of the labor market information component of the System is to develop new and improved information that is delivered with state-of-the-art tools to all Minnesotans. The focus of the work during the two years has been with content and databases, technology and delivery, marketing and training, and future maintenance to meet customer needs. A total of 30 projects have been conducted by an interagency working group. Examples of projects include the Minnesota Future Work Scans which will be an on-line information source for job growth, technology changes and skill requirements by occupations. Minnesota Career Information System is provided to over 100 new sites through another successful project. Another project involved labor market information tools team training for over 1,000 local counselors, teachers, administrators, parents, and Workforce Center representatives. The full day sessions have provided training and tools to teams on how to use our labor market information with the School-to-Work System.

Entrepreneurship Education Grants

The grants have provided startup and continuation funds for entrepreneurship education programs in local educational districts. The grant proposals are reviewed through a cooperative agreement with the six Minnesota initiative Funds and the metropolitan ECSU. A total of 24 programs were provided grants. Examples include a Radio Shack franchise, student operated radio station, greenhouse business, fitness center, bike repair, ice cream shop, and bar-b-que sauce manufacturing business.

Youth Employer Grants

Grants for demonstrative projects to study ways of improving the work-based learning experience of school-aged youth who are employed. The demonstrative projects were designed for a community of under 50,000, involving several employers from different industries which employ one or more school-age youth, a workforce area with one or more employers from a selected industry which employ several school-age youths, and one statewide employer of several youths.

State-level activities including Governor's Workforce Development Council

The Governor's Workforce Development Council held its first meeting in December, 1995. This council has developed a School-to-Work vision and goals for Minnesota. Department of Children, Families and Learning has worked with other agencies to develop the School-to-Work implementation plan. Focus group and stakeholder meetings were held to guide the development of Minnesota's plan. Technical assistance for partnership development, work-based and school-based learning have been vital components in the education and employment transitions legislation.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Local/Regional Partnership Development Grants	0	35	35	*	*
Youth Apprenticeship Partnerships	20	17	17	25	35
Youth Apprenticeship Learner Participation	75	306	592	600	600
Entrepreneurship Education Programs	20	24	24	24	24
Funding	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

0502 EDUCATION AND EMPLOYMENT TRANSITIONS SYSTEMS
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- To create a seamless system of education, career and employment information accessible to Minnesotans via the Internet and available through institutions of learning, workforce centers, libraries, community organizations and correctional institutions.
- To develop career assessment benchmarks that become an integral part of elementary and middle school curriculum activities.
- To develop assessment processes and instruments for workplace experiences.
- To find ways to expose special populations of learners to career awareness activities.
- To develop industry skill standards in high growth industries in Minnesota that will not be developed by the national Skills Board.
- To encourage small and medium sized employers to offer workplace experiences for young people and workplace internships for educators.
- To expand the establishment of Youth Apprenticeship programs in more areas of the state and in more industries.
- To establish Workplace Mentor Training Programs for Employers and Employees.
- To develop parental and community awareness of career and education to employment opportunities.

B. STRATEGIES:

- Develop a comprehensive plan for the technical development and implementation of the education, career and employment information system through a partnership of the Department of Children, Families & Learning, the University of Minnesota, Minnesota State Colleges and Universities, the Office of Technology and other state and private agencies.
- Develop guidelines for employer rebates and work with business and trade associations to assist them in working with their membership to establish internships and apprenticeships for young people and educators.
- Develop and pilot career assessment benchmarks that correlate with the Graduation Standards.
- Develop and pilot different models of career awareness and exploration activities in rural/urban settings and with different at-risk learners.
- Develop and pilot in conduction with employers and labor industry skill standards, workplace experience assessments and Career Mentoring Training programs.
- Develop and implement a parent and community awareness campaign.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$4,000 for F.Y. 1998 and \$4,000 for F.Y. 1999.

The Governor recommends an \$1,500 increase each year over current law funding for activities/grants. The Governor recommends the following allocation of funds for the local/regional education and employment transitions (School-to-Work) grants:

- \$500,000 each year in one-time funding for the developing MnCEPS, an education and employment Information System on the Internet. The Governor has also recommended \$250,000/year in both the University of Minnesota's and MnSCU's 1998-99 budgets.
- \$825,000 each year for the development of career assessment benchmarks, lifework portfolios, industry skill standards, career academies, workplace experience assessments, alignment of secondary and post-secondary technical education programs and career programs for elementary, middle school and at-risk learners.
- \$1,250,000 each year for Employer Rebates to small and medium sized businesses for workplace experiences for learners and internships for educators.
- \$400,000 each year for Youth Apprenticeship grants and technical assistance.
- \$275,000 each year for the development of occupational information.
- \$100,000 each year for Youth Entrepreneurship grants and technical assistance.
- \$100,000 each year for Youth Employer and workplace Mentor Training grants.
- \$150,000 each year for Parent and community awareness and training.
- \$400,000 each year for state level activities, including the Governor's Workforce Development Council.

The Governor also recommends that any unexpended balance remaining in the first year does not cancel and is available in the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0502: EDUCATION AND EMPLOYMENT TRANSITIONS/SCHOOL-TO-WORK

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,308	2,500	2,500	2,500
2. Statutory Excess / (Shortfall)	1,192			
3. Appropriated Entitlement	2,500	2,500	2,500	2,500
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(1,192)	1,192		
5. Current Law Aid	1,308	3,692	2,500	2,500
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,308	3,692	2,500	2,500
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			2,500	2,500
a. School-to-Work Initiative			1,500	1,500
Recommended Aid Entitlement			4,000	4,000
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			4,000	4,000
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,308	3,692	4,000	4,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,308	3,692	4,000	4,000
Aid	1,109	3,213	3,521	3,521
Administration	199	479	479	479

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1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

0503 YOUTHWORKS, GRANTS, MATCH (CHAP. 146)
0504 YOUTHWORKS PROGRAM ADMINISTRATION

CITATION: M.S. 121.70-121.710; Laws 95X, Ch. 3, Art. 4, Sec. 29, Subd. 20
MDCFL ADMIN: 1305 Lifework Development
FEDERAL: 0508 National Service Trust Act, 1993. (Youth Works is coordinated with the national AmeriCorps, Learn and Serve America programs of the Corporation for National and Community Service.)

PURPOSE:

The purposes of the YouthWorks legislation include the following:

1. renew the ethic of civic responsibility in Minnesota;
2. empower youth to improve their life opportunities through literacy, job placement, and other essential skills;
3. empower government to meet its responsibilities to prepare young people to be contributing members of society;
4. help meet human, educational, environmental, and public safety needs, particularly those related to poverty;
5. prepare a citizenry that is academically competent, ready for work, and socially responsible;
6. demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community;
7. demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth;
8. create linkages for a comprehensive youth service and learning program in Minnesota including school age programs, higher education programs, youth works programs and service corps programs; and
9. coordinate federal and state activities that advance the purposes of this section.

The purpose of the YouthWorks Program is to assist in providing staff to administer the Youth Works*AmeriCorps program and carry out other responsibilities related to the Minnesota Commission on National and Community Service.

DESCRIPTION:

YouthWorks legislation addresses the above goals through a number of programs, including the YouthWorks service corps, operated in conjunction with the federal AmeriCorps program, and funded jointly through state and federal grants to public or non-profit agencies.

An eighteen member Minnesota Commission on National Community Service that was appointed by the Governor has prepared a three year implementation plan to coordinate community service programs from K-12 through senior citizen programs. They oversee the grants process, training, and evaluation of the programs.

Through a competitive Request-for-Proposal process, the Minnesota Commission on National and Community Service (formerly, the YouthWorks Task Force) selected nine programs as sponsors of these service corps for 1996-97. Together, they have more than 100 partners of other public or non-

profit groups that will serve as sites for participants to provide community service in the areas of education, human service, public safety or the environment.

Youth Works is achieving success in helping both members and communities. Completion of GEDs and high school diplomas is close to 50%, which also contributes to a cost-benefit ratio of almost 1.5--\$1.50 for every dollar invested. It is providing members the opportunity to explore careers and develop new skills. It is helping members contribute work which leads to community improvement. Community benefits are just beginning, as the program serves as a catalyst to create collaboration between and among agencies. Accomplishments include the following, which relate particularly to the goals of the Department:

- Tutored children and youth (8,040) to increase school success.
- Provided English as a second language for (1,046) persons.
- Provided after school programs for (5,117) youth in at risk neighborhoods.
- Job and skills training for (2,663) persons.
- Rehabilitated 224 housing units for low income families.

In return for full-time service (1,700 hours per year), participants, who have graduated from high school or who are working on their high school equivalency, will receive a living allowance or stipend, health insurance, child care if needed, and a post-service AmeriCorps educational award of \$4,725 after their year of service. The educational award may be used toward higher education costs, or to pay off college loans. The educational awards are handled by the National Service Trust fund. They are paid directly to institutions and are available for up to seven years after completion of the year of service. Part-time participants receive pro rata amounts for stipends and post-service educational awards.

The YouthWorks Program funding provides a portion of the salaries of one professional staff person and one support staff person to work with Youth Works*AmeriCorps grantees, including preparing grant agreements, providing training and technical assistance to grantees and monitoring performance. This funding counts towards the match required for federal funding to operate the Minnesota Commission on National and Community Service to enable the Commission to carry out responsibilities such as preparing a comprehensive three year plan for all streams of service from elementary school through senior citizen community service, establishing criteria and running competitive processes for grants for Youth Works*AmeriCorps and community based Learn and Serve programs, and other related activities.

PROGRAM STATUS:

Nine Minnesota proposals were approved by the Corporation For National Service, Washington D.C. as part of the national AmeriCorps program that is based, in part, on population formula and, in part, on national competition.

The following five proposals were selected to receive federal formula funding, as well as state YouthWorks funding for F.Y. 97:

(Dollars in 000s)

<u>Name of Program</u>	<u># of Participants</u>	<u>Federal Funding</u>	<u>State Funding</u>
Two or More, Inc. (Mpls)	23	\$317.0	\$36.0
Pillsbury Center (Mpls)	29	\$256.0	\$151.0
Neighborhood House (St. Paul)	27	\$321.0	\$39.0
City of Lakes (Mpls)	25	\$290.0	\$46.0
Red Lake Tribal Council	44	\$68.0	\$436.0

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids
 0503 YOUTHWORKS, GRANTS, MATCH (CHAP. 146)
 (Continuation)

The following 4 proposals were selected in federal competition:

(Dollars in 000s)

<u>Name of Program</u>	<u># of Participants</u>	<u>Federal Funding</u>	<u>State Funding</u>
City of St. Paul	45	\$672.0	\$67.0
Southeast Minnesota	60	\$691.0	\$145.5
Dept. of Natural Resources	104	\$62.0	0*
Dept. of Economic Security	66.5	\$297.0	\$679.0**
TOTAL	423.5	\$2,974.0	\$1,599.5

* Bemidji, Grand Rapids and Rochester

** Duluth, Stearns & Benton Counties, Anoka, Minneapolis, Dakota County, Scott County, South Central, Southwest, Stillwater, Oklee, Marshall, Bemidji, Crookston

<u>Other Costs</u>	<u>Federal</u>	<u>State</u>
Evaluation		\$110.0
Training	\$100.0	\$63.5
Childcare/Healthcare		\$40.0
GRAND TOTAL	\$3,074.0	\$1,813.0

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
YouthWorks	\$1,813.0	\$1,813.0	\$1,813.0	\$1,813.0	\$0.0
Balance Forward	(31)	31			
TOTAL YouthWorks Funding	\$1,782.0	\$1,844.0	\$1,813.0	\$1,813.0	\$0.0
YouthWorks Program	\$63.0	\$44.0	\$56.0	\$50.0	\$0.0

BUDGET ISSUES:

A. CHALLENGES:

- To obtain AmeriCorps approval for all the YouthWorks programs approved by the Minnesota Commission on National Community Service.
- To plan for the future with uncertainty at the federal level.
- The amount of work required to obtain federal funding for AmeriCorps to match the Youth Works program and to meet the requirements for training, technical assistance, monitoring and reporting is extensive.

B. STRATEGIES:

- Continue to request the assistance of Minnesota's Congressional delegation to encourage the Corporation on National Community Service to amend the competitive grant award process. The intent would be to strengthen state and federal partnerships by rewarding states that provide direct funding for K - 12, higher education and service corps programs.
- Continue to provide grant writing technical assistance and seek to obtain a clear understanding of AmeriCorps criteria for selecting new programs.
- Prepare a sound administrative plan and budget to obtain federal funding to operate the Minnesota Commission and carry out all responsibilities for Youth Works* AmeriCorps program and other community service coordination functions.
- Be prepared to raise additional funds if the required match increases for the next federal fiscal year.

GOVERNOR'S RECOMMENDATION:

YouthWorks

The Governor recommends an aid entitlement and 100% current appropriation of \$1,813 for F.Y. 1998 and \$1,813 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

YouthWorks Program

The Governor recommends an aid entitlement and 100% current appropriation of \$50 for F.Y. 1998 and \$0- for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0503: YOUTH WORKS

0504: YOUTH WORKS PROGRAM ADMINISTRATION

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1a. Statutory Formula Aid - Youth Works	1,813	1,813	1,813	0
1b. Statutory Formula Aid - Youth Works Program Administration	50	50	50	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	1,863	1,863	1,863	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)			0	0
b. Balance Forward - Youth Works	(31)	31		
c. Balance Forward - Youth Works Administration	(6)	6		
5. Current Law Aid	1,826	1,900	1,863	0
6. Excess / (Shortfall) After Adjustments	n/a	n/a		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,826	1,900	1,863	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,863	0
a. Continue Youth Works Funding				1,813
Recommended Aid Entitlement			1,863	1,813
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,863	1,813

APPROPRIATIONS BASIS:

Direct Appropriated Funds	1,826	1,900	1,863	1,813
Transfers per M.S. 124.14, subd. 7		0		
Total State General Funds	1,826	1,900	1,863	1,813
Aid	1,765	1,754	1,723	1,723
Administration (Program 0503)	17	90	90	90
Administration (Program 0504)	44	56	50	0

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1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0505 SCHOOL - WORK OPPORTUNITIES

CITATION: School-To-Work Opportunities Act of 1994
MDCFL ADMIN: 1305 Lifework Development

PURPOSE:

The School-To-Work Opportunities Act of 1994 provided Minnesota with a \$180,000 planning grant to design a comprehensive system of education and employment transitions. That system when implemented will enhance the opportunities for all Minnesota learners to develop the skills necessary to make successful transitions among education and employment throughout their lives. The state received for a federal implementation grant for School-To-Work that will start February 1, 1997. Funding will increase to the levels shown in F.Y. 1997, 1998, and 1999.

DESCRIPTION:

Activities funded by the School-To-Work development grant included: Professional and administrative support of the Education and Employment Transitions Council (EETC); communications/marketing efforts to reach Minnesota businesses, educators, labor, learners, and parents; continued development & assessment of youth apprenticeship and other work-based learning efforts; and travel within and outside Minnesota to learn about approaches to developing statewide systems.

PROGRAM STATUS:

The development activities have assisted the state in developing a plan that has met the National School-to-Work office approval. The state is starting to implement strategies for a School-to-Work system. A request for five-year federal school-to-work implementation funding has been approved with funding for the federal implementation grant starting on February 1, 1997.

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Total Funding	\$270.0	\$180.0	\$1,583.0	\$5,384.0	\$6,808.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- To coordinate and align federal, state and private funding sources to build a STW system that is ongoing and sustainable.
- To compliment with state funds the system building activities that cannot be engaged with federal funds.

B. STRATEGIES:

- To provide assistance to local/regional partnership in system design, planning and coordination of resources.
- To undertake statewide system building activities which support local/regional efforts, such as communications/marketing efforts, assessment design and implementation, dissemination of effective/best practices and the development of work-based learning activities.

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0506 AMERICORPS

CITATION: National Service Trust Ace, 1993 (AmeriCorps)
MDCFL ADMIN: 1205 Lifework Development

PURPOSE:

The AmeriCorps program provides grants to states to expand opportunities for young Americans to serve their country, build their communities and earn educational awards in return.

AmeriCorps is the new national service movement which well engage young people in full or part time service that gets things done in communities across Minnesota. The 424 Youth Works* AmeriCorps members will perform service that will have a direct and demonstrable impact in four critical issue areas: education, public safety, human needs and the environment. Additional Youth Works* AmeriCorps members will be added during the year as federal education awards become available.

DESCRIPTION:

AmeriCorps is operated in conjunction with the Minnesota Youth Works Program so participating public and non-profit agencies are funded jointly through state and federal grants. More than 400 members will participate.

Through a competitive request for proposal (RFP) process, the Minnesota Commission on National and community Service (formerly Youth Works Task Force) selected nine programs as sponsors of these service corps for 1996-1997. In return for full-time service (1,700 hours per year), participants will receive a living allowance or stipend for \$7,945, health insurance, child care if needed, and post-service education award of \$4,725 after their year of service. The education award may be used toward higher education costs or to pay off college loans.

The national AmeriCorps funding program is based in part on a population formula and in part on a national competitive process. The following five community organizations were selected to receive federal formula funding:

	F. Y. 1996-1997	
	<u>Federal Funding</u>	<u>State Funding</u>
Two or More, Inc.	\$317.0	\$36.0
Pillsbury Center	\$256.0	\$151.0
Neighborhood House	\$321.0	\$39.0
Mpls. Public Schools	\$290.0	\$46.0
Red Lake Tribal Council	<u>\$68.0</u>	<u>\$436.0</u>
TOTAL	\$1,252.0	\$708.0

The following 4 proposals were selected in federal competition:

	<u>Federal Funding</u>	<u>State Funding</u>
City of St. Paul	\$672.0	\$67.0
Southeast Minnesota	\$691.0	\$145.5
Dept. Of Natural Resources	\$62.0	\$0.0
Dept. Of Economic Security	<u>\$297.0</u>	<u>\$679.0</u>
TOTAL	\$1,722.0	\$892.0

The Corporation for National Service also funds the Minnesota Commission on National and Community Service. The Governor-appointed 18 people to serve on the Minnesota Commission which is responsible for a three-year comprehensive plan for community service, for selecting AmeriCorps grantees, and for providing training and technical assistance for community service programs.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Program Sponsors	6	8	9	9	10
Number of Participants	216	350	424	440	470
Amount of Grants (Federal)	\$1,225.0	\$2,800.0	\$2,974.0	\$3,100.0	\$3,100.0
Training Funds	\$100.0	\$100.0	\$144.0	\$100.0	\$100.0
MN Commission on Natl. & Community Service	\$200.0	\$250.0	\$236.0	\$180.0	\$180.0
Totals	\$1,525.0	\$3,150.0	\$3,354.0	\$3,380.0	\$3,380.0
Amount of Education Awards*	\$1,020.0	\$1,314.0	\$2,003.0	\$2,078.0	\$2,220.0

*Direct federal disbursement of post-service education awards

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- Federal funding is only known through 1997. However, we will be included in the reauthorization process.

B. STRATEGIES:

- Continue to discuss issue with Congressional delegation.

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0507 LEARN AND SERVE AMERICA (YOUTH SERVICE)

CITATION: P.L. 100-610
MDCFL ADMIN: 1205 Lifework Development

PURPOSE:

School/Community Subgrants:

The Corporation on National and Community Service, Learn and Serve America Program provides grants to states to promote service learning. The grants for youth from kindergarten through the 12th grade are under the National Service Trust Act of 1993. The purpose is:

- to provide opportunities for youth, especially youth at risk, to demonstrate good citizenship;
- to contribute needed services in the community such as assistance to the elderly, tutoring for children, projects to improve the environment, and assistance for food shelves and shelters; and
- to engage youth in community activities that show them how academic skills can be used in real life settings.

Demonstration Initiative:

The Corporation on National and Community Service, Learn and Serve America Program provides grants to states to promote service learning. This grant is for the development and dissemination of training programs to help students effectively demonstrate learning through service. The initiative will directly impact thousands of students in the 160 Minnesota school districts that offer credit for service-learning experiences. This initiative will significantly strengthen implementation of the Minnesota's new Graduation Standards and the new School-to-Work system.

DESCRIPTION:

School/Community Subgrants:

The Learn and Serve America Program consists of grants to local public schools, educational cooperatives and non-profit agencies to engage young people in service to their community. In Minnesota, the grants are awarded through a competitive request for proposal process which resulted in funding 28 school districts and 14 community-based organizations in rural, urban, suburban and Indian reservations areas.

Grantees are measuring the changes which occur in the youth who are engaged in community service activities as well as changes in the community. Since the programs differ widely, each has its own set of measurements; for example, one program is a peer program to prevent teen pregnancy; another is a program run jointly by the courts and school system to provide academic credit for juveniles engaged in community service; another is to establish a peer tutoring program in science in which students are engaged in measuring water quality and determining what action to take in the

community; another is establishing an inter-generational program which engages both youth and senior citizens in community art projects.

Demonstration Initiative:

The Initiative will begin by developing an advisory committee consisting of a diverse group of individuals who are experts in service learning. Four pilot sites, representing experienced service-learning practitioners, will help develop training packages on the methods for student demonstration of learning through service. These assessment packages will integrate the Goals 200, the new Minnesota Graduation Standards and enhance the School-to-Work system. The first year of the Initiative will be used for development of the packages, piloting and revisions. Year two will support training of teachers throughout the state in schools which offer service-learning for credit. Mini-grants will be given out during year two for working with the developed packages. Year three training will include teachers from any district interested in service-learning as a teaching tool. Mini-grants will also be given out during year three. Dissemination, training and publication of assessment packages will be ongoing.

PROGRAM STATUS:

School/Community Subgrants:

Districts/agencies receiving grants in F.Y. 1994:

SCHOOL-BASED GRANTS:

In Greater Minnesota:

Annandale Public Schools
Bemidji Public Schools
Crookston Public Schools
Lac Qui Parle Valley Schools
Pine City Schools
Rothsay Schools
Willmar Public Schools

Isanti Middle School
Blue Earth Area Schools
Faribault/Nerstrand Schools
LeSueur/Henderson Schools
Remer/Longville Schools
Walker Public Schools
Lakes Country Cooperative

In Metro Area:

Blaine High Schools
North St. Paul/Maplewood Schools
Minneapolis/Alternative Schools
Service Learning Project
St. Paul/Expo for Excellence
Elementary School
St. Paul/Hayden Heights Peer
Leadership Program

Eden Prairie Schools
Minneapolis/Anwatin Middle School
Minneapolis/Webster Open School
Forest Lake
St. Paul/Freshforce
Carver Scott Cooperative
Minneapolis/Harrison

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0507 LEARN AND SERVE AMERICA (YOUTH SERVICE)
 (Continuation)

COMMUNITY-BASED GRANTS:

In Greater Minnesota:

Red Wing YMCA

In Metro Area:

Minneapolis/Big Brothers & Big Sisters High School Mentoring Program	Minneapolis/Southside Family School
Minneapolis/Resource Inc.	Chaska/Carver County Court Services
Blaine/City of Rosemount	Minneapolis/YMCA Leadership Empowerment Program
Phillips Community Television Project Success	Youth Service Team
Teens in Action/Comp Time	Kids, Inc.
Teens Networking Together	West Side Youth Pride

	Current Law				
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Number of Youth Participants	7,000	7,500	8,000	8,000	8,000
Total Number of Grants	48	48	48	48	48
Total Grant Amount (School Base)	\$345.0	\$316.0	\$324.3	\$320.0	\$320.0
Total Grant Amount (Community Base)	\$153.0	\$185.0	\$150.0	\$150.0	\$150.0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and state wide accounting period closing requirements.

Demonstration Initiative:

This initiative is new to begin in January 1997 and directly linked with Minnesota's participation on the National Study Group. These funds from the Corporation for National Service (CNS) are as follows:

	Current Law		
(\$ in 000s)	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
CNS	\$99.75	\$77.70	\$137.55
Local Match	12.00	40.00	
State and Local Match			100.00

BUDGET ISSUES:

A. CHALLENGES:

School/Community Subgrants:

- Congress will be determining the amount of funding for this program for F.Y. 1998 and beyond during the reauthorization hearings in 1997. Until then, there is uncertainty about the levels and amounts of funding. Therefore, it is difficult to plan ahead.

Demonstration Initiative:

- Coordination of this initiative and the National Study Group (lead by Council of Chief State School Officers and the Corporation for National Service Learning) will be the major challenge since the 2 programs run simultaneously. With careful planning, the two programs can enhance one another and, in Minnesota, culminate in a much product which will be aligned with the Minnesota Graduation Standards, Goals 2000 and the School-to-Work system.

B. STRATEGIES:

School/Community Subgrants:

- Minnesota has been successful in the past in securing funding for this program. In 1994, Minnesota was one of 18 states to receive funding for community based programs. Therefore, the Department of Children, Families & Learning will continue to make assumptions of funding based on past experience.
- CFL will inform the Minnesota Congressional delegation on the outcomes of the Learn and Serve programs currently funded and prepare other information needed during the reauthorization hearings.

Demonstration Initiative:

- The goal is to adhere to the timelines within the grant and work closely with the Graduation Standards Pilot Sites, MEEP II Regional personnel and those districts utilizing service-learning as a teaching strategy. Development, refinement, validation and dissemination of packages will provide the K-12 teachers with service-learning packages and assessments.
- The Initiative calls for dissemination at national conventions and workshops of the final product to states across the country. Teachers, students and administrative personnel will be asked to provide assistance and training to other districts and states to distribute the service-learning assessment packages.

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0508 SECONDARY VOCATIONAL

CITATION: Carl D. Perkins Vocational and Applied Technology Act of 1990
(P.L. 101-392)

MDCFL ADMIN: 1202 Office of Lifework Development, School Based

PURPOSE:

1. Basic Grant #84.048:

Provide funds to improve secondary vocational education programs for all students and to ensure the full participation of individual members of special populations (academically and/or economically disadvantaged, disabled, limited English proficient, in correctional institutions, or participating in programs designed to eliminate sex bias).

2. Consumer and Homemaking Education CFDA #84.049:

The purpose is to

- improve, expand, and update consumer and homemaking education programs with emphasis on students in economically depressed areas and traditionally under-served populations; and
- address priorities and emerging concerns at the local, state, and national level.

3. Single Parent, Displaced Homemakers and Single Pregnant Women Program CFDA #84.048:

To provide teenage single parents and pregnant teens with an opportunity to complete a secondary education through which they must acquire marketable, vocational skills. The specific objectives of this program are to:

The intent of the single parent and pregnant women program is to ensure opportunities for high school single parents and pregnant women to complete high school programming through which they can obtain marketable vocational skills.

4. Sex Equity CFDA #84.048:

To provide funding for specialized secondary vocational projects designed to reduce gender bias and sex equity stereotyping through grants to school districts working in cooperation with other agencies. In addition, this program provides services, comprehensive career guidance, and counseling and activities to eliminate stereotyping in secondary vocational education.

5. State Program Grant:

To provide for professional development activities directed at vocational teachers working with

academic teachers and counselors to include preservice and in-service training of teachers in techniques of integration of curriculum with particular emphasis on minorities.

DESCRIPTION:

The Federal Carl D. Perkins funding amount is based on the allocation to the State of Minnesota by the federal government. The funding is then allocated to Minnesota Department of Children, Families and Learning and the technical colleges by an agreement between the Minnesota State Board of Education and the State Board of Technical Colleges. CFL awards grant proposals or allocates federal entitlements to eligible recipients per federal regulations.

1. Basic:

Basic grant funds are distributed to school districts based on a formula determined by numbers from the previous year that related to 70% of the amount allocated to Title I, 20% of the students with disabilities who have IEPs, and 10% of the students enrolled in schools.

Districts must apply through an application process and qualify for a minimum of \$15,000. If they do not qualify as a single district for the \$15,000 entitlement, they may apply to enter into a consortium with one or more districts for the purpose of providing services. Consortia must serve as a structure for operating joint projects that provide services to all participating districts.

- Grant recipients must provide improved vocational programs and services to all learners. Based on data collected through needs assessments, each recipient must identify goals and objectives that will lead to the improvement of vocational programs, equal access, and full participation for special population students in these programs.
- Consortia must provide joint projects that meet the needs of all consortium members.

2. Consumer and Homemaking Education:

This program was discontinued on June 30, 1995. Carry-over funds are available until September 30, 1996. Consumer and Homemaking Education federal funds are distributed to school districts and higher education institutions by a competitive grant process for the development of exemplary curriculum, in-service and dissemination of materials developed and evaluation of the projects. Funds are used for state leadership for teachers through workshops, newsletters and technical assistance. In addition, the state level leadership activities for the Minnesota Association of Future Leader/Future Homemakers of America (FLA/FHA) is funded with these federal dollars.

3. Single Parent, Displaced Homemakers and Pregnant Women Program:

Special programs/projects are designed to serve single parents and pregnant teens enrolled in secondary vocational education programs. The federal funds available for these services at the secondary level are determined by a cooperative agreement between the Minnesota Department of Children, Families and Learning and the Board of Trustees Minnesota State Colleges and Universities. The funds are distributed under a grant program in which local education agencies (LEAs), in cooperation with other organizations serving single parents and pregnant teens, agree to provide supplemental services to increase their employment opportunities.

The single parent and pregnant teen program is based on a Request for Proposal (RFP) process that provides each school district with flexibility, yet ensures accountability of delivery of the services. The districts must show evidence that the students are enrolled or are targeted to enroll in a vocational education program that will lead to economical self-sufficiency. The district may provide for child care for the student while the student is involved in the vocational program and provide transportation to ensure that the parent and child are transported to and from the educational sites.

1998-99 Biennial Budget

PROGRAM: 05 Lifework Development
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0508 SECONDARY VOCATIONAL
 (Continuation)

4. Sex Equity:

Funds are available to assist secondary schools to eliminate sex bias and stereotyping in secondary vocational education programs. The federal funds available for the programs and services are determined by a cooperative agreement between the Department of Children, Families and Learning and the Board of Trustees of the Minnesota State Colleges and Universities.

The sex equity program is based on a Request for Proposal (RFP) process that provides the school district the flexibility to address local priorities, yet ensures accountability of delivery of the programs/services within the federal requirements for the program.

5. State Program Grant:

The State Program Grant program is part of the Carl Perkins State Program and State Leadership 8½ set aside. This money is used to issue performance based grants which are specific to the purpose of the Act.

PROGRAM STATUS:

- F.Y. 1995 allocated \$3,868,700 to the Basic Grant for secondary vocational education.
- F.Y. 1995 allocated \$479,730 to Consumer and Homemaking Education.
- F.Y. 1995 allocated \$213,111 to Single Parents.
- F.Y. 1995 allocated \$151,363 to Sex Equity.

(\$ in 000s)	Current Law				
	F.	F.	F.	F.	F.
1. Basic:					
Programs Funded	48	49	52	52	52
Entitlement Funding	\$3,868.	\$3,803.	\$4,158.	\$4,158.	\$4,158.
	7	4	3	3	3
2. Consumer & Homemaking Education					
Curriculum Development/Program Improvement	\$190.	\$62.	\$41.	\$0.	\$0.
	0	0	5	0	0
Youth Development/Leadership	20.	7.	16.	0.	0.
	0	0	0	0	0
State Leadership & Administration	98.	36.	5.	0.	0.
	0	0	5	0	0
Total Allocations	\$408.	\$105.	\$63.	\$0.	\$0.
	0	0	0	0	0
3. Single Parent					
LEAs Funded	17	25	14	16	16

Students Served	1,015	370	450	500	500
Grant Funding	\$265.	\$249.	\$22.	\$22.	\$0.
	0*	0*	1*	1*	0*

4. Sex Equity

Projects Funded	15	15	15	12	12
Students Served	1,534	861	1,000	900	900
Grant Funding	\$187.	\$192.	\$17.	\$17.	\$0.
	0*	0*	8*	8*	0*

5. State Program Grant

Projects Funded	4	5	4	5	5
Grant Funding	\$160.	\$262.	\$309.	\$324.	\$330.
	0	8	0	0	0

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements.

* Carry-over has been added to amount.

BUDGET ISSUES:

A. CHALLENGES:

1. Basic:

- Program standards developed by August, 1996 for approving local vocational education programs and for assisting locals in evaluating their programs for future improvement will be implemented.

2. Consumer and Homemaking Education:

- Program development, improvement of instruction and curricula for consumer and homemaking education as related to the implementation of the Graduation Standards need to be continued. Curriculum integration and redesign are both high priorities for implementation of the Graduation Standards. Staff development needs to include School-to-Work with the Graduation Standards. Work must continue to involve more teachers in a commitment to long-term staff development. This needs to continue without special categorized funding.

3. Single Parent, Displaced Homemakers and Pregnant Women

- The need for this program continues to increase, local districts will be encouraged to look for local resources to prepare for the time when funding may be cut.

4. Sex Equity:

- The participation and quality of this program continues to increase as schools identify the need for the program. In F.Y. 1996, 15 projects were funded. For the next biennium, this number will remain approximately the same because the federal allocation will remain the same.

B. STRATEGIES:

- Implementation of the Carl D. Perkins Vocational and Applied Technology Education Act of 1990 will ensure integration, articulation, modernization, equity, and the direction of curriculum priorities of special populations.

EDUCATION ORGANIZATION/COOPERATION (06)

State Aid Programs

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1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids
 0601 COOPERATION AND COMBINATION
CITATION: M.S. 124.2725
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide incentives for groups of school districts to provide improved conditions for learning and instruction that will better ensure the success of all learners. Through expanded curriculum programs and support services for students, enlarged teaching staffs with fewer teaching preparations, and more cost efficient combined operations, educational opportunities for learners will be increased and curriculum and learner outcomes will be more systematically developed.

DESCRIPTION:

Interested school districts must meet qualifying criteria outlined below and prepare a Cooperation and Combination Plan. The plan is submitted to the State Board of Education for review and comment, and the State Board must approve the proposed plan for cooperation and combination revenues to be received. Criteria and requirements for approval of the Cooperation and Combination Plan include the following:

- Two or more school districts with a combined enrollment of 400 or more students in Grades 7-12, or two school districts who qualify for sparsity revenue before or after the proposed combination, or two districts any of which is located on a state border, or three or more school districts;
- School boards must pass a resolution to provide at least secondary instruction cooperatively for one or two years, and to combine into one district after cooperating;
- School boards develop a Cooperation and Combination Plan that includes the following:
 - a. description of academic program improvements such as secondary course offerings and the development of learner outcomes;
 - b. a plan to involve school staff and community in the development and implementation of plan, with time lines;
 - c. a plan for a new combined district school board, including election districts and elementary advisory board, if desired;
 - d. procedures to combine teacher and other collective bargaining units, and to select one superintendent;
 - e. early retirement, severance pay, and health insurance benefits to be offered to licensed and non-licensed staff, if desired;
 - f. procedures for a referendum on combining the districts prior to or in year one or two of cooperation;
 - g. estimated Cooperation and Combination revenue budgets for five years; and
 - h. if less than 400 students in Grades 7-12, provide rationale that the proposed combination is educationally sound and will enable them to meet requirements of rule and law.
- If the required public referendum(s) on the question of combination fail or the plan is not implemented, there is a provision for the recapture of cooperation and combination revenues received in excess of \$60 per pupil unit a year;
- School districts with an approved Cooperation and Combination Plan may receive revenue equal

to \$100 per pupil unit served up to a maximum of \$200,000 for each of the first four years of the program. The revenue is equalized at \$9,415 for the first year of combination and cooperation, \$7,061.25 for the second, \$4,707.50 for the third, and at \$2,353.75 for the fourth year. In addition to the equalized revenue, school districts also receive \$100 per pupil unit served in additional aid in the first year of cooperation and in the first year of combination; and

- In addition to cooperation and combination revenue, school districts levy for transition expenses, operating debt, and severance or early retirement incentives as desired. (For further information, see Program 0811.)

PROGRAM STATUS:

The 1995 legislative session limited participation in the program to districts that had a Pay 1995 levy. No new districts have participated since this change. The program will phase out after F.Y. 1999.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
New C & C Plans	9	5	0	0	0
Total Active C & C Plans	30	27	21	14	5
Member School Districts*	69	66	45	27	12
Pupil Units Served (WADM)	40,995.0	37,676.0	27,026.0	18,239.0	7,893.3
Total Revenue	\$6,072.0	\$5,412.2	\$3,476.1	\$1,823.9	\$789.3
Levy	\$1,847.8	\$2,000.3	\$1,696.1	\$1,419.6	\$789.3
State Aid Entitlement	\$4,224.2	\$3,411.9	\$1,780.0	\$404.3	\$0.0
Proration Factor	.9620	.9827	1	1	1
Prorated Entitlement	\$4,064.1	\$3,354.0	\$1,780.0	\$404.3	\$0.0

BUDGET ISSUES:

A. CHALLENGES:

- The state needs to keep its commitment to the districts which recognized the need to begin the cooperation and combination process.

B. STRATEGIES:

- Districts which in the future determine that they are unable to provide quality programs for their students will need to initiate collaborative efforts using other revenue sources. Districts seeking financial assistance in consolidating are able to use the Consolidation Transition Aid Program (0603).

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$ 426 for F.Y. 1998 and \$ 0 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$562 in F.Y. 1998 (\$ 178 for F.Y. 1997 and \$ 384 for F.Y. 1998), and \$42 in F.Y. 1999 (\$42 for F.Y. 1998 and \$0 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0601: COOPERATION AND COMBINATION REVENUE

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	3,412	1,780	404	0
2. Statutory Excess / (Shortfall)	(58)	32	70	27
3. Appropriated Entitlement	3,354	1,812	474	27
4. Adjustments				
a. Excess Funds Transferred In / (Out)	58	(29)		
b. Portion of Final 15 % Not Requested		(3)		
5. Current Law Aid	3,412	1,780	474	27
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	2,000	1,696	1,420	789
8. Current Law Funding: Aid & Levy	5,412	3,476	1,894	816
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			474	27
a. Eliminate Excess			(70)	(27)
b. Eliminate Funding Caps			22	0
Recommended Aid Entitlement			426	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			1,420	789
a. Eliminate Funding Caps			9	27
Recommended Levy			1,429	816
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,855	816

APPROPRIATIONS BASIS:(a)

Prior Year	542	503	178 (b)	42
Current Year	2,851	1,541	384	0
Current Year Adj. to 90%, per M.S. 124.904		90		
Subtotal before Transfers	3,393	2,134	562	42
Transfers per M.S. 124.14, subd. 7	58	(29)		
Total State General Funds	3,451	2,105	562	42

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$181 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids

0602 DISTRICT COOPERATION REVENUE

CITATION: M.S. 124.2727
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide revenue to schools to purchase goods and services from entities formed for cooperative purposes or to provide educational services in a cooperative manner for students enrolled in special education and secondary vocational education classes. The intent of this program is to move school districts toward a market-driven system of purchasing goods and services, and to increase cooperative ventures between school districts so that operating efficiency increases and quality services are available to students participating in special education and secondary vocational courses and services.

DESCRIPTION:

District Cooperation revenue is equal to the greater of \$67 times the district's actual pupil units or \$25,000.

To receive district cooperation revenue, a district may levy an amount equal to the district's cooperation revenue multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable to \$3,500.

District Cooperation Aid is the difference between its district cooperation revenue and its district cooperation levy. If a district does not levy the entire amount permitted, aid must be reduced in proportion to the actual amount levied. If the appropriation is insufficient to pay all districts the full amount of aid earned, the Department must proportionately reduce the \$67 allowance and the \$25,000 minimum to the level that spends the amount available. The reduction is made first from the district's aid and then from levy.

Districts must place the district cooperation revenue in a reserved account and may only use the revenue for purposes set forth in this statute. The districts that were members of an intermediate district on July 1, 1994 are required to place in a reserve account an amount equal to the product of the intermediate district's Pay 94 special education/secondary vocational levy per pupil unit times the district's F.Y. 1995 pupil units. 5/11th of the reserved revenue must be used for special education and 6/11th must be used for secondary vocational programs. The district must demonstrate that revenue is being used to provide the full range of special education and secondary vocational services available to each child served by the intermediate district. Districts that were not members of an intermediate district on July 1, 1994 are required to spend at least \$9 per pupil unit of their district cooperation revenue on secondary vocational education.

BUDGET ISSUES:

A. CHALLENGES:

- Minnesota districts face differing challenges. Priorities in districts vary based on their needs.
- Districts face challenges in terms of how to provide efficient, high quality services for students and their families.
- Districts have utilized this program in providing cooperative services for special education students. No changes regarding district responsibility are being proposed.
- With the implementation of Graduation Standards, the continuing need for cost-effective means of developing, implementing, and maintaining programs and services will increase, not lessen.

B. STRATEGIES:

- Districts need enhanced flexibility to be able to address the needs of learners.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this program in F.Y. 1999 and including this program in the General Education program. See program 0101 for additional information.

The Governor recommends an aid entitlement of \$9,548 for F.Y. 1998 and \$0 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$9,766 in F.Y. 1998 (\$1,172 for F.Y. 1997 and \$8,594 for 1998), and \$954 in F.Y. 1999 (\$ 954 for F.Y. 1998 and \$0 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0602: DISTRICT COOPERATION REVENUE

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	12,720	11,724	8,810	6,881
2. Statutory Excess / (Shortfall)	656	201	3,116	5,045
3. Appropriated Entitlement	13,376	11,925	11,926	11,926
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(656)	(181)		
b. Portion of Final 10% Not Requested		(20)		
5. Current Law Aid	12,720	11,724	11,926	11,926
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	49,727	52,102	54,560	55,663
8. Current Law Funding: Aid & Levy	62,447	63,826	66,486	67,589

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)

- a. Eliminate Excess
 - b. Eliminate General Education Funding Caps
 - c. Fold into General Education in F.Y. 1999
- Recommended Aid Entitlement**

11,926	11,926
(3,116)	(5,045)
738	1,313
0	(8,194)
9,548	0

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)

- a. Eliminate General Education Funding Caps
 - b. Fold into General Education in F.Y. 1999
- Recommended Levy**

54,560	55,663
555	1317
0	(56,980)
55,115	0

TOTAL RECOMMENDED FUNDING: AID & LEVY

64,663	0
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APPROPRIATIONS BASIS:(a)

Prior Year	2,115	2,006	1,172 (b)	954
Current Year	11,370	10,137	8,594	0
Current Year Adj. to 90%, per M.S. 124.904		596		
Subtotal before Transfers	13,485	12,739	9,766	954
Transfers per M.S. 124.14, subd. 7	(656)	(181)		
Total State General Funds	12,829	12,558	9,766	954

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$1,192 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

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1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids
 0603 CONSOLIDATION TRANSITION AID
CITATION: M.S. 124.2726
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide incentives for school districts that have been reorganized to improve conditions for learning and instruction that will better ensure the success of all learners. The Consolidation Transition Aid program also ensures that reorganized school districts have sufficient resources for other costs incurred in the reorganization. This program provides alternative means of dealing with fiscal issues that often prevent permanent school district reorganization such as staff reduction due to increased staff utilization and operational debt.

DESCRIPTION:

A school district that has been reorganized under the consolidation statute (M.S. 122.23) after June 30, 1994, and has not received revenue under the Cooperation and Combination Program (M.S. 124.2725) for at least six years, is eligible to participate in this program.

Revenue is equal to the sum of state aid plus authorized levy authority. State aid is equal to \$200 times the number of actual pupil units in the newly created district in the year of consolidation and \$100 times the number of actual pupil units in the second year. The number of pupil units used in the calculation of state in either year can neither exceed 1,000 for districts which consolidated July 1, 1994 nor 1,500 for districts which consolidated July 1, 1995 and thereafter. If the state aid provided is insufficient to cover the early retirement incentive costs of the district under M.S. 122.23, Subd. 20, the district may levy the difference over a period of time not to exceed three years.

Revenue may be used to cover district costs for the early retirement incentives granted by the district under M.S. 122.23, Subdivision 20, to reduce operating debt as defined in M.S. 121.915, to enhance learning opportunities for students in the reorganized district and to cover any other costs incurred in the reorganization. This revenue is not included in the determination of the general fund operating fund balance reduction in M.S. 124A.26.

Retirement incentives allowable for funding under this program are for both licensed and unlicensed staff and may include:

- payment of employer pension plan contributions for a specific period of time for individuals with at least ten years of allowable service;
- extended leaves of absences under M.S. 125.60;
- severance payment incentives; and
- employer payment of premiums for continued health insurance coverage up to age 65 or until the employee is eligible for health insurance coverage from a new employer.

Eligible school districts may offer these incentives beginning on the day the consolidation is approved under M.S. 122.23 subdivision, or, if an election is called under section M.S.122.23, Subdivision 9 or

10, on the day the plat is approved by the commissioner of education. A school board may offer these incentives until June 30 following the effective date of the consolidation.

If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously reorganized are counted for aid purposes. If two districts consolidate and both districts had previously received transition aid within six years of the effective date of the consolidation, only one quarter of the pupil units in the newly created district are used to determine consolidation transition aid.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. Groups of Districts	3	8	7	8	9
B. Unprorated Aid Entitlement	\$532.0	\$1,082.1	\$669.4	\$1,301.4	\$1,166.0
C. Estimated Proration*	1	.995	1	.8851	1
D. Reduced Entitlement	\$505.0	\$1,078.0	\$669.4	\$1,166.0	\$1,166.0
E. Levy(a)	\$37.6	\$156.0	\$156.0	\$450.0	\$450.0
F. Districts using levy authority(b)	1	2	2	2	5
G. Total Revenue D+E	\$542.6	\$1,234.0	\$825.4	\$1,616.0	\$1,616.0

* F.Y. 1996 and F.Y. 1997 prorated per Laws '93, Chap. 224, Art. 15, Sec. 3

(a) 94 Pay 95 Levy - first levy year for this program.

(b) ISD #2171 - \$37.6 levy each year for three years

F.Y. 1995 was the first year for this program.

1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids
 0603 CONSOLIDATION TRANSITION AID
 (Continuation)

Group	F.Y. 1995	F. Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1	2170 Motley-Staples 2171 Hallock-Kennedy 2176 Oslo-Warren	2170 Motley-Staples 2171 Hallock-Kennedy 2176 Oslo-Warren			
2		2215 Norman Cty E 2683 Greenbush-Middle River 2758 Redwood Falls-Marton 2759 Clarissa-Eagle Bend 2754 Cedar Mountain	2215 Norman Cty E 2683 Greenbush-Middle River 2758 Redwood Falls-Marton 2759 Clarissa Eagle Bend 2754 Cedar Mountain		
3			2854 Ada-Borup 2856 Angle Stephen	2854 Ada-Borup 2856 Angle-Stephen	
4				4 new groups	4 new groups
5					4 new groups
Total	3	8	7	6	8

BUDGET ISSUES:

A. CHALLENGES:

- The Consolidation Transition Aid program provides needed incentives for school districts to create improved conditions for the success of learners and for more effective instruction. The more equitable and improved programs and services for students that result from such cooperative efforts are well documented by participating districts. Small districts have great difficulty in maintaining or expanding educational programs and services without excess levy referendums which are frequently difficult to pass.
- The local cost of expanding programs and services to provide equal educational opportunities for all students in Greater Minnesota school districts as presently organized would be prohibitive. A realistic option is to encourage voluntary school district reorganization to help achieve the same.

B. STRATEGIES:

- With the recommended funding of cooperation and combination in F.Y. 1996 and F.Y. 1997 and the Consolidation Transition Aid program, school districts in Greater Minnesota will continue to expand, maintain and enhance educational programs and services for students as outlined in their approved consolidation plan and budget.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$1,318 for F.Y. 1998 and \$1,133 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$1,254 in F.Y. 1998 (\$67 for F.Y. 1997 and \$1,187 for F.Y. 1998), and \$1,151 in F.Y. 1999 (\$131 for F.Y. 1998 and \$1,020 for F.Y. 1999).

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

The Governor recommends the following modification in the consolidation transition program, beginning in F.Y. 1999:

1. To adjust for the change in pupil unit weights, increase the allowance for the first year of consolidation to \$208, and the allowance for the second year of consolidation to \$104.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0603: CONSOLIDATION TRANSITION REVENUE

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,082	670	1,301	1,166
2. Statutory Excess / (Shortfall)	(4)	495	(135)	0
3. Appropriated Entitlement	1,078	1,165	1,166	1,166
4. Adjustments				
a. Excess Funds Transferred In / (Out)	4	(446)		
b. Portion of Final 10% Not Requested		(49)		
5. Current Law Aid	1,082	670	1,166	1,166
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	156	156	450	450
8. Current Law Funding: Aid & Levy	1,238	826	1,616	1,616

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)			1,166	1,166
a. Eliminate Aid Proration			135	0
b. Eliminate General Education Funding Caps			17	0
c. Adjust Formula for New Pupil Weights in F.Y. 1999			0	(33)
Recommended Aid Entitlement			<u>1,318</u>	<u>1,133</u>

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)			<u>450</u>	<u>450</u>
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TOTAL RECOMMENDED FUNDING: AID & LEVY

	<u>1,768</u>	<u>1,583</u>
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APPROPRIATIONS BASIS:(a)

Prior Year	75	162	67 (b)	131
Current Year	916	991	1,187	1,020
Current Year Adj. to 90%, per M.S. 124.904		58		
Subtotal before Transfers	<u>991</u>	<u>1,211</u>	<u>1,254</u>	<u>1,151</u>
Transfers per M.S. 124.14, subd. 7	4	(446)		
Total State General Funds	<u>995</u>	<u>765</u>	<u>1,254</u>	<u>1,151</u>

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) The \$116 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1996-97 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids

0604 COOPERATION/CONSOLIDATION LEVIES

CITATION: M.S. 121.915; 122.531, Subd. 4a; 120.08, Subd. 3; 122.531, Subd. 9; 122.535, Subd. 6; 124.4945; 124.2725, Subd. 15; 122.247, Subd. 3; 122.533; Laws 1992, Ch. 499, Art. 6, Sec. 35

MDE ADMIN: 1501 Education and Management Assistance
FEDERAL: None

PURPOSE:

To provide additional property tax levy revenue to school districts to fund obligations of the district general fund, including unemployment insurance, past operating debt, the cost of judgments, state audits, and retirement, health insurance and severance for certain districts.

DESCRIPTION:

- 1. Reorganization Operating Debt Levy** (M.S. 121.915 and 122.531, Subd. 4a). A school district that reorganizes under consolidation, dissolution and attachment, or cooperation and combination may levy to retire the net negative undesignated fund balance in the operating funds. The levy must be spread over five years.
- 2. Severance Levies** (M.S. 120.08, Subd. 3, 122.531, Subd. 9, 122.535, Subd. 6, 124.4945, and 124.2725, Subd. 15). A school district that reorganizes under dissolution and attachment, or cooperation and combination may levy for the costs of severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses.
- 3. Consolidation/Transition Levies** (M.S. 122.247, Subd. 3, 122.533, and Laws of 1992, Chap. 499, Art. 6, Sec. 35). A school district that reorganizes under dissolution and attachment, or cooperation and combination may levy for transition expenses associated with the reorganization.

PROGRAM STATUS:

Current Law					
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
	<u>93 PAY 94</u>	<u>94 PAY 95</u>	<u>95 PAY 96</u>	<u>96 PAY 97</u>	<u>97 PAY 98</u>
1. Reorganization Operating Debt Levy					
Certified Levy	\$414.6	\$621.9	\$776.6	\$813.9	\$820.0
Number of Districts	8	12	15	14	14
2. Severance Levies					
Certified Levy	\$852.1	\$1,083.6	\$847.9	\$720.5	\$720.5
Number of Districts	13	13	13	8	8

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
	<u>93 PAY 94</u>	<u>94 PAY 95</u>	<u>95 PAY 96</u>	<u>96 PAY 97</u>	<u>97 PAY 98</u>
3. Consolidation/Transition Levies					
Certified Levy	\$0.0	\$37.5	\$156.1	\$156.1	\$450.0
Number of Districts	0	1	2	4	4
TOTAL					

BUDGET ISSUES:

A. CHALLENGES:

- The miscellaneous general levies continue to serve varied needs for Minnesota school districts. All funds generated through these levies are anticipated to be fully utilized.

B. STRATEGIES:

- Minnesota school districts will generate revenue to the extent needed for various general fund obligations in F.Y. 1998 and F.Y. 1999, thereby contributing to their overall financial health. School districts will not need to allocate general education formula funding to these identified costs. The amount received from levy will be substantially equal to the expenditure as shown on annual financial reports.

GOVERNOR'S RECOMMENDATION:

The Governor recommends continuation of these levies.

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1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids

 0605 SPECIAL CONSOLIDATION AID

CITATION: M.S. 124.2728
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To allow recently reorganized districts that experience a sudden drop in Early Childhood Family Education and Community Education revenue as a result of a district reorganization, the ability to continue quality educational opportunities at the same level as before the reorganization through the Early Childhood Family Education (ECFE) and Community Education programs by phasing down the decrease in revenue over three years.

DESCRIPTION:

This program is limited to school districts that reorganized under M.S. 12.23 or M.S. 122.241 to 122.248 effective on or after July 1, 1994. The intent of this program is to provide a phase-down of ECFE and Community Education revenue to districts that have reorganized so that programs have sufficient time to adjust to the new funding levels in the reorganized districts and to avoid severe reductions in ECFE and Community Education programs as a result of the reorganization. Participation in this program is limited to three years.

Special Consolidation Aid is calculated by computing the sum of:

1. the difference between the total amount of ECFE revenue under M.S. 124.2711 to the district involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of ECFE revenue available to the reorganized district in the current year; and
2. the difference between the total amount of Community Education revenue under M.S. 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of Community Education revenue available to the reorganized district in the current year.

The additional revenue that this program provides to reorganized districts is phased-out over three years. In the first year of reorganization, Special Consolidation Aid is equal to the aid calculated times 100%. In the second fiscal year, Special Consolidation Aid is equal to the aid calculated times 67%. In the third year, Special Consolidation Aid is equal to the aid calculated times 33%.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Districts	11	11	11	0	0
State Aid	\$127.1	\$72.0	\$36.0	\$0.0	\$0.0
Average State Aid Entitlement Per District	\$11.6	\$6.5	\$3.3	\$0.0	\$0.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this program..

The Governor recommends an aid entitlement of \$0 for F.Y. 1998 and \$0 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$3 in F.Y. 1998 (\$3 for F.Y. 1997 and \$0 for F.Y. 1998), and \$0 in F.Y. 1999 (\$0 for F.Y. 1998 and \$0 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0605: SPECIAL CONSOLIDATION AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	95	48	0	0
2. Statutory Excess / (Shortfall)	(23)	(12)		
3. Appropriated Entitlement	72	36	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)	23	3		
5. Current Law Aid	95	39	0	0
6. Excess / (Shortfall) After Adjustments	0	(9)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	95	39	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
<hr/>				
APPROPRIATIONS BASIS:(a)				
Prior Year	12	9	3	0
Current Year	63	31	0	0
Current Year Adj. to 90%, per M.S. 124.904		2		
Subtotal before Transfers	75	42	3	0
Transfers per M.S. 124.14, subd. 7	23	3		
Total State General Funds	98	45	3	0

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 06 Education Organization/Cooperation
AGENCY: Children, Families & Learning Aids

0606 INTERAGENCY COLLABORATION GRANT

CITATION:
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide funding for planning activities to merge governance and administrative services of local agencies to change structures and systems at the local level between school districts, cities and counties.

DESCRIPTION:

Local units of government often provide redundant services in administrative areas and in governance. The administrative areas include, but are not limited to, business offices, food and nutrition services, transportation services, facility maintenance and library services. Governance includes elected officials as well as top management positions.

As example of the merging of administrative and governance services and structures could be where school districts and a county or counties could agree how the governance structure could be changes to assure service delivery in a more efficient manner. Some specific projects could be to plan and operate bus services. School busses equipped to transport disabled students could be used by the county during times the districts(s) did not need the busses for transporting disabled persons. Bus garages and maintenance staff could be shared. A hospital or other care facilities could collaborate in the employment of highly trained professionals to provide leadership in managing the food service programs. Equipment and expertise required to maintain facilities could be shared by school districts, cities, and counties. A county or city administrator could also serve as the school superintendent, business manager or director of special education for the school district. A group could ask for legislation to allow the county and school boards to be merged into a single board. Bringing these services together may well improve opportunities to collaborate on direct services.

In recent years, with the legislation to provide additional funding to cover some of the costs of reorganization and to provide for additional education improvement, the number of school districts have declined. Between F.Y. 1989 and F.Y. 1997, the number of school districts in the state has declined by 78, from 433 school districts to 355.

BUDGET ISSUES:

A. CHALLENGES:

- Opponents may include individuals with a vested interest in the status quo.
- Because of the manner in which school districts were required to consolidate in the 1950's and 1960's, landowners were allowed to choose their school district. As a result, school districts boundaries often do not make any sense.
- Many school districts are located in more than one county.

B. STRATEGIES:

- Experiences show, that as school districts begin sharing superintendents and holding joint school board meetings, the likelihood of formal reorganization increases. Until top administration and their boards work together successfully, there is reluctance to collaborate on service or to reorganize permanently.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial appropriation of \$500 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0606: INTERAGENCY COLLABORATION GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			500	0
Recommended Aid Entitlement			500	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			500	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	500	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	500	0

EDUCATION EXCELLENCE (07)

State Aid Programs

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1998-99 Biennial Budget

PROGRAM: 07 Access to Excellence
AGENCY: Children, Families & Learning Aids

0701 ADVANCED PLACEMENT (AP) AND INTERNATIONAL BACCALAUREATE (IB)

CITATION: M.S. 126.239
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

To provide financial incentives for schools to begin or expand their Advanced Placement and International Baccalaureate offerings and to promote rigorous, challenging courses of study as part of the regular offerings for students in secondary schools. This program increases the ability of some schools to provide Advanced Placement or International Baccalaureate courses by providing funding for teacher training, new courses, all exam fees for economically disadvantaged students, and some exam fee assistance for all other students.

The Advanced Placement and International Baccalaureate Programs support the Graduation Standards and Goals 2000, which promote demonstrated competency in challenging subject matter and academic excellence to enable the state to take its place as a leader in the global economy in the following ways:

DESCRIPTION:

The Advanced Placement and international Baccalaureate Program funding was increased to \$875,000 in F.Y. 1996. Of this amount, \$675,000 is used for examination fee subsidies. The remaining \$200,000 is used for teacher training and the support of new and existing Advanced Placement and International Baccalaureate Programs throughout the state. The program has three major components:

1. Teacher Training

This component provides for information dissemination and preparation of teachers to offer Advanced Placement and International Baccalaureate courses to secondary students interested in challenging, in-depth learning opportunities. The funding will pay tuition, room, and board for Advanced Placement and International Baccalaureate training offered by the College Board, and International Baccalaureate of North America, at qualified higher education institutions.

2. Teacher Support

The intent of this activity is to provide support during the school year for teachers who are working with advanced learners and teaching Advanced Placement or International Baccalaureate courses. Funding will provide for costs related to the support activities, e.g., new course offerings, follow-up training/seminars, site visits.

3. Subsidies for Student Exam Fees

The intent of this activity is to assist public and nonpublic students pay the costs for exam fees related to AP/IB courses. This involves development of a fee schedule for payment of a major portion of exam fees for the first exam for all students and the entire fee for students of low-income families. Regardless of the statute, the F.Y. 1995 appropriations indicates, "the Commissioner shall pay for the fee for one AP/IB examination for the first exam each student takes," and to the extent possible a percent of the fee for each additional exam. However, with the considerable rate of increase in students testing in F.Y. 1995 (AP 49% , IB 27%) it was not possible to project whether \$675,000

would be sufficient to pay the entire exam fee.

PROGRAM STATUS:

All areas of growth in both the AP and IB programs are a result of the change in the funding policy for exam fee subsidies. Program growth is indicated in the following ways for:

Advanced Placement:

- In Minnesota, 8,465 students took 11,169 exams. Of the 8,465 students, 1,252 were in grades 9 and 10, 2,541 were in grade 11, and 4,523 were in grade 12. The number of AP students testing increased by 16.3% and exams taken increased by 19%.
- Ethnic students represent 9% of all Minnesota students testing in Advanced Placement. The following chart illustrates the distribution by ethnic group:

Ethnic Group	F.Y. 1994	F. Y.1995	F.Y. 1996	% Change
American Indian/ Alaskan	12	29	28	(4)
Black/Afro-American	40	50	73	46
Mexican American	15	28	47	4
Asian American	274	355	392	10
Puerto Rican	4	6	8	33
Other Hispanic	15	26	45	73
White	4,132	6,222	7,227	16
Other	45	75	94	25
Not Stated	353	487	551	13
Total	4,890	7,278	8,465	

- The number of teachers receiving scholarships increased by 34% for AP. All teachers who applied were able to receive scholarships.
- Carlton College provided 23 AP course offerings for teacher training.
- General statewide conferences with follow-up training or networking opportunities in all content areas were attended by 501 AP teachers an increase of 16%.
- Of the 460 high schools in MN, 201 schools participated in AP representing an increase of 44% of secondary schools, up 4% from last year.
- Nonpublic schools participating in AP increased by 33%.

International Baccalaureate:

- In Minnesota, 693 students took 1,329 exams. The number of IB students testing increased by 22% and exams taken increased by 30%.
- The greatest gains in exams taken were made by economically disadvantaged students with an increase of 46%.
- The number of diplomas received increased by 57%.
- Although the number of teachers participating in training decreased, the numbers for F.Y. 1997 reflect one year rather than 1.5 years. All teachers who applied where able to receive scholarships.

1998-99 Biennial Budget

PROGRAM: 07 Access to Excellence
AGENCY: Children, Families & Learning Aids

(Continuation)

0701 ADVANCED PLACEMENT (AP) AND INTERNATIONAL

The following chart illustrates growth or changes in program participation.

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>% Change</u>
Advanced Placement				
Public Schools Funded	86	169	169	0
Nonpublic Schools Funded	4	24	32	33
Total AP Schools	167	193	201	4.1
Students Taking Exams	4,890	7,278	8,465	16.3
Exams Taken	6,491	9,401	11,169	19
Low Income Exams	220	354	307	(15)
Exams Per Student	1.3	1.3	1.3	0.0
% of Grades 3 or above		58.2	60.6	4.1
Teachers Scholarships	129	107	143	34
Teacher Follow-up Training	325	432	501	16
New Courses Offered	81	66	67	2
International Baccalaureate				
Schools Funded	10	9	9	
Students Taking Exams	449	568	693	22
Exams Taken	813	1,024	1,329	30
Diplomas Earned	26	30	47	57
Low Income Exams	26	57	83	46
Student	1.6	1.8	1.9	5
Teacher Scholarships	47	135	78	(42)
Teacher Follow-up Training	112	100	65	(35)
New Courses Offered	28	11	15	36
(\$ in 000s)				
Teacher Training and Admin	\$286.9	\$257.4	\$245.0	\$245.0
Student Exam Subsidies	\$437.0	\$556.3	\$691.3	\$630.0
TOTAL	\$723.9	\$813.7	\$936.3	\$875.0

BUDGET ISSUES:

A. CHALLENGES:

As the AP and IB programs continue to grow, there is an ongoing need to provide services for advanced learners who are underserved and for support of teachers working with this level of student and for support of schools initiating or expanding these programs. Challenging, rigorous learning opportunities are essential to an effective system that is setting standards for learning and for graduation. Specific challenges include:

Fiscal Planning

- *AP/IB Program Timelines.* The major program activities, student testing in May and teacher training in June, occur the last two months of the fiscal year. This impacts budgeting for other activities throughout the year in order to allow ample monies for these two major activities, resulting in a conservative approach to program implementation.
- *Specific Allocations for Exam Fee Subsidies.* Limited flexibility in use of funds between major program components makes it difficult to maximize use of funds particularly if monies remain after the year-end accounting when it is too late to adjust the exam fee schedule.

Setting the Exam Fee Subsidy Schedule

- *Making Projections for Payment Schedule.* It is difficult to set an exam fee subsidy schedule for amounts to be paid when it is not possible to project the number of students testing. Inadequate projections impact payment options and amounts for school students.
- Consequently, the first exam is prorated to assure sufficient funding for all students qualifying for fee subsidies.

B. STRATEGIES:

- Provide for flexibility in use of the funds between the three program components to reduce possibility of monies not being used due to specific allocation of monies for exam fee subsidies or teacher training.
- Encourage more students to take the exams. (Some student fear advanced placement in college courses, not realizing that the rigor of their high school AP/IB course has well prepared them for higher level courses.)
- Assure that teachers are well trained to teach the challenging AP/IB courses and to prepare students for the rigorous exams so they don't back out in May.
- Provide support for curriculum resources needed for new courses and to update curriculum materials for existing courses.
- Continue promotion of the AP/IB Program to increase the number of schools participating in the program, the number and variety of courses being offered, and the number of students participating in the courses.
- Continue working with Minnesota's post-secondary institutions to develop placement and credit policies to assist students in making more informed choices about the college they wish to attend and in receiving credit for exams taken.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$875 for F.Y. 1998 and \$875 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0701: ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	875	875	875	875
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	875	875	875	875
4. Adjustments				
a. Balance Forward	(61)	61		
5. Current Law Aid	814	936	875	875
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	814	936	875	875
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			875	875
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			875	875
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	814	936	875	875
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	814	936	875	875

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids
 0702 SCHOOL RESTRUCTURING GRANT
CITATION: M.S. 126.019
MDCFL ADMIN: 1301 Learner Improvement
FEDERAL: None

PURPOSE:

To develop and implement systemic site decision-making in school districts by providing funding to Shared Decisions Minnesota (SDMN).

DESCRIPTION:

Shared Decisions Minnesota (SDMN) is a nonprofit organization whose goal is to implement state-wide, systemic reform in Minnesota's schools through site shared decision-making. SDMN is funded through a combination of funds allocated by the Legislature and enrollment fees from the participating districts and in-kind contributions from the founding organizations.

SDMN's founders represent seven educational organizations (Minnesota Association of School Administrators; Minnesota Association of Secondary School Principals; Minnesota Congress of Parents, Teachers, and Students; Minnesota Education Association; Minnesota Elementary School Principals' Association; Minnesota Federation of Teachers; Minnesota School Boards Association) who are committed to improved education for the learner. The Department of Children, Families & Learning is also represented on the governing board. Significant reform is made possible when the education system moves from a short-term, top-down, quantitative system to one that is long-term, bottom-up and qualitative. This change requires a shift in attitudes and relationships. SDMN provides the leadership and acts as a catalyst for this change. Networks of school districts are assisted in creating, practicing and implementing strategies to restructure education through the training, facilitation and coaching provided by SDMN.

District Design Teams are established representing three anchor groups (policy, administration, staff) and parents, community and students. This team participates in a three stage training model. Each participating district identifies the pace at which they will implement the concepts extending the training over a two or three year period.

PROGRAM STATUS:

The 23 SDMN School Districts have been configured into two networks: Network A, which works at a normal pace, and network B, which works at an accelerated pace. Participation includes:

	Districts	Sites	Teachers	Students
A	11	101	4,583	64,484
B	12	163	8,963	93,533

Support is provided by a Shared Decisions Minnesota office with a state coordinator and administrative assistant and 6 facilitators and purchased consultative services. External facilitators provide phone consultation, facilitation within the district, workshops and training tailored to meet the needs of the district. In addition, 60 facilitators from member districts were trained to provide services within the district.

Shared Decisions Minnesota contracted with an independent evaluator to survey participating districts

regarding program implementation. Three main themes emerged from the interview data:

1. There was substantial support for the SDMN model as a process for change in schools. Respondents identified the capacity of the process to bring all stakeholders to the table as a major contribution.
2. All respondents identified "time" as a major issue in the SDMN process. Those who were familiar with system school change tended to be more understanding about the deliberate pace of share decision-making processes; however, there was a general belief on the part of those interview that the process itself was moving slowly.
3. There was a specific observation that the SDMN organization needs to make policy makers aware of its successes, especially about results related to students achievement and parental involvement.

BUDGET ISSUES:

A. CHALLENGES:

- This model encourages systemic reform within the organization which research indicates will require 5 to 7 years for significant change. Long term commitment from the districts is needed at a time when they must function within a state-wide culture which demands short term, simple solutions to complex, inter-related issues and problems.

B. STRATEGIES:

- The Executive Board of Shared Decisions Minnesota in the process of seeking funding from both private and other governmental sources. Success will allow the model to expand without an increase in state funds.
- SDMN is moving from a model which requires a constant level of participation to one which recognizes the need for districts to complete a two year curriculum and then allows a district to select, select the services needed to support the desired pace of change. Change usually takes a predictable cycle in which the high demand for outside facilitation and training is reduced for a period of time while the change is being institutionalized and before the next big initiative is introduced.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$300 for F.Y. 1998 and \$300 for F.Y. 1999. This appropriation is for a grant to a non-state organization to develop systemic site decision-making models and implement systemic decision-making in school districts.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0702: SCHOOL RESTRUCTURING GRANT

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	300	300	300	300
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	300	300	300	300
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	300	300	300	300
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	300	300	300	300
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			300	300
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			300	300
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	300	300	300	300
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	300	300	300	300
District Funding	90	110	120	130

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1998-99 Biennial Budget

PROGRAM:	07	Education Excellence
AGENCY:		Children, Families & Learning Aids
	0703	SCIENCE - MATHEMATICS GRANT (SciMathMN)
CITATION:		M.S. Laws 1995, First Special Session Chap. 3, Art. 12, Sec. 12, Subd. 4
MDCFL ADMIN:	1301	Learner Improvement
FEDERAL:	0725	Math/Science Ed - Teacher Development - Technology

PURPOSE:

SciMathMN was formed in 1993 as a partnership of education, business and state government to improve mathematics and science education in Minnesota schools. Its strategy for statewide change is to create alignment among voluntary national standards for math and science education, Minnesota's graduation standards, and local policy and classroom practice.

SciMath develops curricular materials, distributes resources for teachers and administrators, delivers a range of professional development workshops and conferences, provides leadership on policy issues, and fosters statewide networks to support standards-based change for school math and science. In concert with its local, state and national partners, SciMathMN conducts public awareness activity to make the case for standards and to mobilize parents, employers and the community.

SciMathMN is both an independent non-profit entity (with IRS certification as a 501c3 not-for-profit corporation and an active private sector fundraising program) and a state-supported partnership which works closely with the MDCFL and is housed at the department. In addition to the state legislative appropriations, SciMathMN raises significant corporate matching funds and brings federal grants and other outside resources into the state. SciMathMN is governed by an independent board of directors which include individuals from education, government and business. The staff also shows this mix, reflecting the important role of employers and post-secondary education as consumers of the schools as well as partners of standards-based change.

SciMathMN works actively to support the development and implementation of the Minnesota graduation standards, in collaboration with the MDCFL. Contributions by SciMathMn to the grad standards initiative include:

- technical expertise for the development of the math and science standards;
- creation of state curricular frameworks in math and science;
- assistance with development of the assessment packages;
- development of model "Standards of Distinction" for math and science.

DESCRIPTION:

SciMathMn began as a voluntary coalition with modest financial support from Minnesota's business community. It first received a legislative appropriation in F.Y. 1994-1995. Since that time, SciMathMn has accomplished the following in support of its educational mission:

- developed a strong statewide partnership of major organizations and programs working in the area of standards-based change for science and math education;
- raised over \$300,000 in corporate support;

- won over \$700,000 in competitive federal grants;
- developed a network of over 5,000 individuals and organizations interested in collaborating on high standards for science and math;
- trained more than 500 teachers in the use of the Internet in their classrooms;
- mobilized the faculty on the top 20 science and math teacher producing campuses;
- involved Minnesota in the Third International Mathematics and Science Study, which is a 50 nation study comparing student achievement and educational systems; and
- developed statewide communications activities aimed at mobilizing public support for standards.

In F.Y. 1998-99, SciMath will provide leadership, generate resources, implement initiatives, and develop public/private partnerships to meet the following objectives:

F.Y. 1998-99 Objectives

- Leadership Development - To be a catalyst and statewide resource for implementing high standards in mathematics and science for all students.
- Public Awareness - To mobilize and nurture a supportive public climate and aligned public/private partnership activities for standards-based math and science.
- Professional Development - To increase the effectiveness of teachers' preparation and continuing professional development and thereby to improve instructional effectiveness and student achievement in science and math.

F.Y. 1998-99 Work Plan and Deliverables

Objective #1. Leadership Development

Science and Mathematics Frameworks:

- Implement math and science curriculum frameworks that provide teachers and administrators with guidance and tools for aligning local practice with state and national standards.
- Conduct staff development statewide via partnerships with MSTA and MCTM, the Best Practice and MEEP networks, and other constituencies.

Effective Teacher Preparation:

- Involve teams of deans/faculty/K-12 teachers and MIN Board of Teaching representatives in pilot implementation of new models of teacher preparation based on the vision in the standards.
- Connect on-campus pre-service activity with related professional development programs conducted as part of the implementation of the Minnesota graduation standards.

Graduation Standards Collaboration:

- Assist the MDCFL and local districts in implementation of the graduation standards, curriculum frameworks, assessment packages, standards of distinction, and teacher training, particularly for implementation Phase II (math and science standards) beginning in F.Y. 1998.

Access to Equity:

- Complete Phase I of SciMathMN equity initiative planning and data acquisition,
- Begin start-up of longer-range equity activities in concert with other SciMathMN work plan initiatives and in collaboration with partner organizations.

Objective #2. Building Public Awareness

Third International Mathematics and Science Study (TIMSS)

- Conduct an intensive public awareness campaign following release of Phase I TIMSS reports and the Minnesota TIMSS report in F.Y. 1997, to put these studies in perspective and to capture the lessons learned for incorporation in local programs of instruction.

Mobilizing Public Support for Standards in Math and Science

- Raise level of public awareness and support for standards by delivering targeted communications to educators and administrators, parents and policy makers and business and community members.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0703 SCIENCE - MATHEMATICS GRANT (SciMathMN)

(Continuation)

- Convene diverse stakeholder groups to secure a common action agenda, equip attendees to exert leadership in their local communities, and sustain the statewide move to a performance-oriented high school graduation system.

Objective #3. Effective Professional Development

The SciMathMN Teacher Academy

- Expand the reach of the academy by establishing regional sites throughout the state.
- Establish partnerships with local agencies for the delivery of the summer training sessions and school-year follow-on sessions.
- Tie the regional academy training sessions to other SciMathMN professional development activities and to a statewide staff development blueprint (see next item).

Statewide Professional Development Plan

- With the support of federal grants and private sector donations, establish a statewide, coordinated professional development plan for teachers of science and mathematics, with emphasis on the standards.
- Gain broad acceptance of the plan among the major stakeholder, especially the math and science teacher professional associations as well as the professional development providers.

Information Technology in the Science and Mathematics Classroom

- Leverage SciMathMn's previous experience in providing Internet training to teachers and in developing a model professional development program for use of technology in math and science instruction.
- Create additional model sites and to foster teacher-to-teacher networking and virtual communities.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
A. Involved in SciMath Reform Initiatives:					
1. Teachers	800	1,100	1,400	1,800	1,800
2. Teacher Academy Graduates	100	200	275	350	350
3. Teachers Trained and Using Internet	510	500	500	500	500
4. School Administrators/ Curriculum Specialists	129	150	150	200	200
5. Schools	200	250	250	250	250
6. Colleges and Universities	23	24	24	25	25
7. College and University Faculty	140	165	190	200	200
8. Vocational and Two-Year Institutions	4	8	8	10	10
9. Business Partners	50	50	50	75	75
10. Educational Technology Organizations	10	10	10	12	12

(\$ in 000s)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
11. Minnesota-based Math/Science Organizations	20	20	20	20	20
12. National Math/ Science Organizations	4	4	4	5	5
B. Leverage State Resources					
1. Secure IRS 501(c)(3) Nonprofit Status	\$-0-	\$-0-	\$-0-	\$-0-	\$-0-
2. Generate Corporate/ Foundation Support	-0-	-0-	-0-	-0-	-0-
Dollars Raised	\$103.0	\$151.0	\$150.0	\$200.0	\$200.0
3. Secure Competitive Federal Grants					
(firm)	\$265.0	\$265.0	\$165.0	0	0
(estimated)	-0-	-0-	-0-	\$150.0	\$1,000.0
State Funding	\$2,419.0	\$1,322.0	\$1,322.0	\$1,322.0	\$1,322.0

BUDGET ISSUES:

A. CHALLENGES:

- To gain system-wide changes that lead to higher standards and improved student performance;
- To gain alignment of all participants and providers in a statewide, coordinated staff development plan for science and math teachers;
- To mobilize parents, businesses and the community in support of standards;
- To evaluate and understand the impact of the various SciMathMN programs.

B. STRATEGIES:

- Execute the work plan objectives for leadership development, public awareness and professional development;
- Build strong statewide networks of individuals and organizations interested in high standards and improved teaching and learning;
- Align business' education outreach with education's commitment to standards;
- Create a benchmarking and impact measurement program for SciMathMn and its constituents/customers.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,322 for F.Y. 1998 and \$1,322 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0703: SCIENCE - MATHEMATICS GRANT (SciMath MN)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	1,322	1,322	1,322	1,322
2. Statutory Excess / (Shortfall)	0			
3. Appropriated Entitlement	1,322	1,322	1,322	1,322
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(236)	236		
5. Current Law Aid	1,086	1,558	1,322	1,322
6. Excess / (Shortfall) After Adjustments	(236)	236		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	1,086	1,558	1,322	1,322
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			1,322	1,322
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,322	1,322
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	1,086	1,558	1,322	1,322
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	1,086	1,558	1,322	1,322

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids
 0704 FAMILY CONNECTIONS AID
CITATION: M.S. 124.276; 125.70 - 125.705
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)
FEDERAL: None

PURPOSE:

Family Connections Programs are staffed by school district employees who choose to take responsibility beyond the regular teaching role in order to maximize the individual growth potential of students by providing overall guidance to the education of individual students from preschool through high school.

More specifically, the objectives of the Family Connections Programs are to:

- offer programs which emphasize learning and development based on learner outcomes;
- recognize and utilize unique skills that teachers, students, family and the community have in the teaching process and the learning and development process; and
- provide opportunities for maximum use of teachers, principals, and counselors.

DESCRIPTION:

All common, independent and special public school districts are eligible to apply for Family Connections funding. Currently, seven Family Connections programs are receiving funding. All programs are funded for two years. All programs were prorated to 74% of their requests due to limited funds.

PROGRAM STATUS:

				Current Law	
(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Applications Received	4 new	16 awards were		16 awards will be	
		for the		for the	
		biennium		biennium	
Programs Funded	11	7*	7	7	7
Students Served	6,257	6,487	6,487	6,500	6,500
Total Funding**	\$134.0	\$125.0	\$125.0	\$125.0	\$125.0

* Four programs were cooperatively combined into two.

** \$250,000 for the 1994-95 Biennium

BUDGET ISSUES:**A. CHALLENGES:**

- Funds may be used for compensating Family Connections teachers for extended time worked during the school year and during the summer vacation. The extended teaching contract of a

Family Connections teacher is compensated by the district from funds received as Family Connections Teacher Aid (which pays 2/3 of the cost of salary, excluding fringe benefits, beyond the standard teacher contract) and local funds (which pay 1/3 of the cost.) There are no funds available for promotion, administration or demonstration of Family Connections Teacher programs.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0704: FAMILY CONNECTIONS AID (Formerly Career Teacher Aid)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	125	125	125	125
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	125	125	125	125
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	125	125	125	125
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	125	125	125	125
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			125	125
a. Reallocate Funds			(125)	(125)
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	125	125	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	125	125	0	0

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0705 EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM

CITATION: M.S. Laws of 1994, Chap. 647, Art. 7, Sec. 18
MDCFL ADMIN: 1307 Minnesota Academic Excellence Foundation
FEDERAL: None

PURPOSE:

To provide incentives to school districts to improve student achievement and increase accountability for results.

DESCRIPTION:

All school districts are eligible to apply for an educational performance improvement contract. Priority is given to school districts: 1) in which at least one school has received a school improvement incentive grant under Minnesota Statutes 1993 Supplement, section 121.602, subdivision 5; and 2) that demonstrate a commitment to increasing accountability by using a results-oriented system for measuring student achievement.

Minnesota Statutes require that grants will be awarded to *at least* four selected school districts, including a metropolitan area urban school district (at least one grant up to \$400,000); a metropolitan area suburban school district (at least one grant, up to \$200,000); and a greater Minnesota school district (at least two grants up to \$100,000).

Continuous Improvement

Applicant sites are required to demonstrate their commitment to increasing accountability by using a results-oriented system for instruction, staff development and measurement to achieve increased student performance.

Measurement Criteria, Assessments and Indicators of Improvement

Applicant districts will be required to describe and validate the types of measurements, indicators and assessment processes and instruments to be used to monitor student improvement. Additionally, applicants will be required to describe a baseline and target level of student achievement, and plans and time line for reaching the target.

Selected districts are required to report results in the following ways:

- at least three points in time relative to intervals which coincide with the administration and interpretation of the assessment processes and instruments used;
- against the district's baseline performance and toward the target goal;
- against state, national and international averages of student performance in comparable grade levels and subject areas, where available;
- compared to the best performing building or district in Minnesota and nationally with similar demographics (best in class) where available.

Best Practices

Selected districts will be required to describe quarterly how data and assessments are used to improve student learning and instructional practice on weekly, monthly and/or annual intervals. Additionally, selected districts will be required to analyze and describe what practices contributed to increasing student achievement. One outcome of the pilot project is to improve all Minnesota schools, and communication and replicability of best practices will contribute to achieving this goal.

Public Disclosure

Selected districts will be expected to coordinate and work with a local Steering Committee comprised of stakeholder groups external to the K-12 system. These members should include representatives from higher education, employers, business and industry, parent groups, family and social service organizations, the media, health care industry, pre-kindergarten institutions, and others. These persons may be already established in local teams or committees working with Graduation Standards, Partners for Quality, PTA, site-based management teams, PER Committees, or others.

District Commitment of Resources

It is expected that each selected district will expend some local resources to achieve targeted improvements and to meet periodically with other participating districts.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Districts Applying for Grants	15	7	7	7	7
Contracts Written	7	7	15	15	15
Collaborating Sites Added	0	16	16	16	16
Funding*	\$800.0	\$505.0	\$295.0	\$800.0	--

* Biennial appropriation of \$800.0

BUDGET ISSUES:

A. CHALLENGES:

- Assistance is needed for schools working to determine what improvements and measurement instruments may effectively be implemented.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0705: EDUCATION PERFORMANCE IMPROVEMENT GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	800	0	800	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	800	0	800	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(295)	295		
5. Current Law Aid	505	295	800	0
6. Excess / (Shortfall) After Adjustments	n/a	n/a		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	505	295	800	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			800	0
a. Reallocate Funds			(800)	0
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	505	295	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	505	295	0	0

1998-99 Biennial Budget

PROGRAM STATUS:

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Applicants in Metro Area	0	8	0	--	--
Number of Applicants in Greater Minn	0	23	0	--	--
Number of Grants Made in Metro Area	0	6	0	--	--
Number of Grants made in Greater Minn	0	11	0	--	--
Program Funding*	--	\$500.0	--	\$500.0	--

* Biennial funding of \$500.0

BUDGET ISSUES:

A. CHALLENGES:

This program was designed to increase revenue to schools to support student learning, by creating new partnerships with the private sector and by increasing the gifts from existing private sector partners and donors. It is not known at this time how well this program achieved those objectives. (An evaluation is presently underway.)

Recent changes in the world environment have driven schools to look for new and more result-oriented ways of partnering with schools. These changes focus on:

- A dramatic need, evidenced by schools today, is for support and assistance to increase capacity via technology. Educators need help with planning for and acquiring technology; using technology to manage, teach and communicate and to improve their own instructional skills.
- Schools consistently want more revenue. Paths to revenue such as this one will greatly improve classroom instruction, including services to new groups of students who are difficult to teach.
- As communities and business demand greater results and accountability from schools, partnerships which contribute to these ends will fill a need.

B. STRATEGIES:

In the administration of this program, it will be important for the Minnesota Academic Excellence Foundation to:

- Gain administrative support to implement the program;
- Assist schools and districts in using revenue matches to meet the needs cited in the previous section, including technology, curriculum for students with learning challenges and ways to effectively partner with the private sector; and
- Use information from the evaluation of this project to ensure that the objectives are being met. This may mean a different type of competitive review process.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$500 for F.Y. 1998 and \$-0- for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids
 0706 SCHOOL ENRICHMENT PARTNERSHIP GRANTS PROGRAM
CITATION: M.S. 124.255
MDCFL ADMIN: 1307 MN Academic Excellence Foundation
FEDERAL: None

PURPOSE:

To encourage school districts to expand the involvement of the private sector in the delivery of academic programs. The funds can be used to:

- leverage new cash donations to school districts from existing donors.
- add new donors and partners.
- improve or extend the value of existing partnerships.

DESCRIPTION:

The program provides matching state funds to qualifying school districts who establish partnerships with the private sector. Under this program, a school district or group of districts is eligible to receive \$1 in state aid for every \$2 raised from the private sector. Districts may enter into joint agreements to provide programs or make expenditures as part of this program. The private match must be in the form of cash, and may be from foundations, service organizations, booster clubs, private citizens and/or businesses. It cannot be from product sales or fees for events. Specific kinds of in-kind goods and services may be considered, such as donations of materials for academic instruction or of a capital nature.

State aid is limited to the lesser of \$75,000 or \$10 per pupil. A district must raise at least \$10,000 in F.Y. 1996 from private sources before state aid is available.

The use of the state and private funds provided under this program is under the control of the local school board. The board may establish, without using state funds or public employees, a separate foundation to directly manage the private funds. The private funds must be used to acquire instructional or noninstructional academic materials of a capital nature. These materials may include, but are not limited to, the following: textbooks, globes, maps or other academic materials. The funds may not be used for salaries or other employee benefits.

Grants Distribution

Grants are made to qualifying districts on a first-come, first-served basis. Grant monies will be distributed in the following ways:

- \$300,000 (60%) to be awarded within the seven county metropolitan area.
- \$200,000 (40%) to be awards in greater Minnesota.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0706: SCHOOL ENRICHMENT PARTNERSHIP PROGRAM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	500	0	500	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	500	0	500	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	500	0	500	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	500	0	500	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			500	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			500	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	500	0	500	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	500	0	500	0

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

 0707 TEACHER EDUCATION IMPROVEMENT

CITATION: M.S. 125.230; 125.231, Laws 1995, First Special Session, Chap. 3, Art. 8, Sec. 25, Subd. 10
MDCFL ADMIN: 1306 Board of Teaching
FEDERAL: None

PURPOSE:

This program provides funding for the Board of Teaching to continue the development and implementation of a restructured teacher licensure system that supports more effective practice. It provides for further development of results-oriented licensure standards, for pilot site grants and other methods of implementing the teacher residency program for beginning teachers.

DESCRIPTION:

The teacher mentorship program provides grant funding, resources, and services for mentoring programs and statewide and regional training and networking opportunities to support teacher mentoring needs in relationship to improved teaching skills and instructional performance. Planning grants are provided for sites to plan activities in preparation for establishing an effective teacher mentorship program. Implementation grants provide funding for implementing portions of effective mentoring plans. Mentorship program training and performance assessment training is provided to all funded sites.

Seven school district research and development sites, in collaboration with teacher education colleges and universities, are funded to plan and implement a year-long, supervised residency for beginning teachers. These clinical sites, with differing models, are participating in an evaluation to determine the effectiveness of a variety of residency models and provide information for full implementation for all beginning teachers. The residency provides the time and setting necessary to ensure that those teachers who are granted a continuing license to practice independently can teach effectively. During this supervised clinical phase, beginning teachers receive extensive assistance and support through mentoring, participate in professional development activities that are structured around the Interstate Teacher Assessment and Support Consortium (INTASC) model standards for beginning teachers and developed in conjunction with mentoring teams and participate in ongoing performance assessment. Performance assessment training is provided for experienced teachers and teacher educators.

New performance-based standards and assessments for teacher licensing will replace the current system of licensing. When fully implemented, this restructured licensure system will provide assurance to the public and the teaching profession that beginning teachers have acquired and demonstrated the knowledge and skills needed to teach before they are licensed to practice independently.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
District/Consortia Mentoring Sites	34	40	30	40	40
Mentors and Beginning Teachers					
Participating Mentoring Program	1,200	1,700	1,750	1,800	1,800
Participants in State Mentor Training	92	90	90	90	90
Teachers Participating in Programs to					
Apply Performance-Based Standards to Practice	75	225	900	900	900
First-Year Teachers Participating in Performance Assessment Field Testing	50	150	185	200	250
Experienced Teachers/Teacher Educators Trained as Assessors	25	50	90	90	90
Participants in State Meetings Re:					
Restructured Licensure System	1,200	300	300	300	300
% of Licensure Rules Redesigned	0	25	75	0	0
% of Licensure Assessments Developed/Adopted	0	0	0	25	25

BUDGET ISSUES:

A. CHALLENGES:

- Beginning teachers must have opportunities to meet performance-based standards and assessments. The supervised teaching residency, a critical component of a restructured licensure system, will provide these opportunities. The capacity for school districts that are engaged in sustained school reform to provide the clinical settings needed must be enhanced in order to implement a restructured licensure system that includes mentoring, ongoing professional development and performance assessment.
- Performance-based standards and state-of-the-art performance-based assessments of teaching ability consistent with these standards must be developed for each licensure field. There are research and development challenges in developing a licensure system based on performance.

B. STRATEGIES:

- Continue to develop a licensure structure and adopt new results-oriented standards and assessments.
- Promote a common core of teaching knowledge and skills as the standards to be used as the basis for proving guidance and support directly related to effective practice.
- Provide incentives for school districts to develop clinical sites for teaching residencies.
- Prepare experienced teachers at clinical sites to work effectively in providing mentoring, supervision, and assessment of beginning teachers.
- Participate in national development of performance-based assessments for teacher licensure.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$450 for F.Y. 1998 and \$450 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0707: TEACHER EDUCATION IMPROVEMENT

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	450	450	450	450
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	450	450	450	450
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
b. Balance Forward	(141)	141		
5. Current Law Aid	309	591	450	450
6. Excess / (Shortfall) After Adjustments	n/a	n/a		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	309	591	450	450
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			450	450
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			450	450

APPROPRIATIONS BASIS:

Direct Appropriated Funds	309	591	450	450
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	309	591	450	450
Aid	124	327	390	390
Administration	185	264	60	60

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0708 COMMUNITY BASED CHARTER SCHOOL GRANT (WILDER GRANT)

CITATION: Laws 1996, Ch. 412 Art. 4, Sec. 34, Subd. 4
MDCFL ADMIN: 1504 Leadership and Administration
FEDERAL: None

PURPOSE:

This partnership consisting of the Amherst H. Wilder Foundation, the St. Paul Public Schools, the City of St. Paul, Ramsey County, the State of Minnesota and St. Paul neighborhood communities presents an opportunity to improve educational outcomes by blending public and private resources, strengthening parent choice and increasing community and parent involvement in schools.

Program goals include:

- Increased student achievement;
- Improved student attendance; and decreased truancy, suspension and disciplinary action;
- Increased parental and community involvement;
- Increased educational options for parents and community members;
- A means for the school district, city and county to efficiently integrate their resources with those of private and community organizations; and

DESCRIPTION:

This grant program will allow the development of a community school demonstration project with 3 major components:

1. Community schools will apply the best research-based knowledge of how to increase student achievement.
 - Achievement is embedded into students daily work through competency expectations, exhibitions, demonstrations and standardized testing.
 - Before and after school and summer programs extend the actual hours of the educational experience and minimize the educational losses that can occur during absences. They help meet community needs to provide structured and supervised activities for children.
2. The schools will respond to community needs and involve families in all aspects of operations.
 - Parents participate vigorously in the education of their children. Students, parents and teachers have explicit and shared educational objectives that form the basis of their relationship.
 - As school stakeholders, parents play a vital role in school governance by electing and/or serving on site-based governing councils that have a strong advisory role in the decisions about schools budgets, staffing, curriculum, instruction, organization, policies, evaluation and use of space.
 - Active community life and engaged citizens are core philosophies to the schools. The facility houses an array of community services and resources and the curriculum supports and facilitates the involvement of children and adults in community life.
3. The schools will serve as centers for community life.
 - The schools are opened extended hours: seven days per week, 16 hours per day, 12 months per year, to provide learning and recreation opportunities for the entire community. Early childhood and family education programs and adult and community education classes are held in the schools. Schools equipment is available for community use. Teachers, students,

parents and community members teach and are taught. The schools' resources are available to the community and the community plays a vital and visible role in the schools.

- Education, recreation and social services are integrated to produce a single system of family support that meets the locally identified interests and needs of families and children. This is accomplished by close cooperation between the school and service providers and by locating other important resources in the schools, such as family resource centers. At best, recreation and human service providers, parents and educators all participate in the delivery of an integrated and enriched curriculum.
- New facilities are designed and constructed to be flexible and support an array of community interests and activities. Several local, state and federal funding streams are tapped to make construction of these facilities possible as a model for urban education. Because they are designed to support multiple and flexible uses, they easily adapt to the changing needs of the community.

EVALUATION OF SUCCESS: An evaluation will be premised on the assumption that the primary goal of community schools is to improve the long term educational success of children. The evaluation will take a "before-during-after" approach, gathering data which can respond to questions regarding process, short-term impacts and long-term impacts

PROGRAM STATUS:

This project ultimately seeks to establish five community schools that will serve approximately 2,000 pre-kindergarten through 8th grade students. Three of the schools will be in new buildings and two will be located in existing elementary schools which are modified to provide additional services. This phase of the project seeks funding for start-up and operating costs of bringing extended day, recreational, social service and medical service programming into the two conversion sites. Participation is voluntary on the part of students and families. Therefore, it is difficult to estimate the number which will be served. It is believed that 500 to 600 students will initially request serving out of a student population of 1,318. All partners have committed financial and/or in-kind services to this endeavor from 1997 through 2001.

■ Private Fundraising	\$10,000,000
■ Wilder Foundation	\$1,600,000 & in-kind service
■ City of St. Paul	\$2,000,000
■ St. Paul Schools	Per pupil aid plus LEP etc.
■ State of Minnesota	\$300,000

BUDGET ISSUES:

A. CHALLENGES:

- Partners will allocate to each school site the current resources that are used to fund services now delivered separately. For example, the St. Paul schools will contribute the full per pupil revenue amount in which all dollars will follow the child. The City of St. Paul will reallocate \$625,000 per year representing the operational funding for five community recreation centers. Community based organizations and Ramsey County will deploy in-kind services that match the needs of the neighborhood.

B. STRATEGIES:

- Efficiencies in delivery of services in a more integrated fashion are anticipated to cover some of the additional program delivery costs.
- Some fee for service may be considered if deficiencies remain.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,000 for F.Y. 1998 and \$1,000 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0708: COMMUNITY-BASED CHARTER SCHOOL (WILDER GRANT)

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	300	500	500
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	300	500	500
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	300	500	500
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	300	500	500
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			500	500
a. Increase Funding			500	500
Recommended Aid Entitlement			1,000	1,000
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,000	1,000
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	300	1,000	1,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	300	1,000	1,000

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0709 CHARTER SCHOOL BUILDING LEASE AID

CITATION:
MDCFL ADMIN: 1501 Finance and Mangement Assistance
FEDERAL: None

PURPOSE:

To provide funding for a charter school building lease aid program. The charter school can use the proceeds from this aid to rent or lease space for instructional purposes.

DESCRIPTION:

Currently charter schools must pay for building lease or rent using their general instruction foundation aid which decreases the amount of revenue that can be used for instructional purposes. Charter schools do not have the same abilities as school districts in raising funds for facility purchase, lease or rent. This limits charter schools in their ability to provide adequate and comparable (to public schools) instructional space.

When a charter school finds it is economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under M.S. 124A.22, Subd. 10 is insufficient for this purpose, it may apply to the commissioner of children, families & learning for building lease aid for this purpose.

Criteria for aid approval and revenue uses shall be defined for the building lease levy in section 124.91, subd. 1. The amount for building lease aid per pupil unit for a charter school for any year shall not exceed the lesser of (a) 80 percent of the approved cost or the product of the actual pupil units for the current school year times the sum of the state average debt redemption fund revenue plus capital revenue, according to section M.S. 124.91, per actual pupil unit for the second preceding fiscal year.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$1,198 for F.Y. 1998 and \$1,619 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$1,078 in F.Y. 1998 (\$-0- for F.Y. 1997 and \$1,078 for F.Y. 1998), and \$1,577 in F.Y. 1999 (\$120 for F.Y. 1998 and \$1,457 for F.Y. 1999).

The Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0709: CHARTER SCHOOL BUILDING LEASE AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			1,198	1,619
Recommended Aid Entitlement			1,198	1,619
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,198	1,619

APPROPRIATIONS BASIS:(a)

Prior Year	0	0	0	120
Current Year	0	0	1,078	1,457
Current Year Adj. to 90%, per M.S. 124.904		0		
Subtotal before Transfers	0	0	1,078	1,577
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	1,078	1,577

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0710 CHARTER SCHOOL START-UP

CITATION: .
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide funding for grants to charter schools which have been granted a charter under M.S. 120.064 but has not yet begun operations for start-up planning. A charter school start-up fund is created in the general funds in the state treasury to provide funding for loans to charter schools for curriculum planning, budget planning, development of information for students and parents, to purchase equipment and other used approved by the commissioner of children families & learning.

DESCRIPTION:

Charter School Grants

The commissioner of Children, Families & Learning may award planning grants to charter school that have been granted a charter but have not yet begun operations for the following:

- Curriculum Planning;
- Budget Planning;
- Development of information for students or parents;
- Staff recruitment; and
- other uses approved by the commissioner of children, families & learning.

The funds may not be used for expenses related to the acquisition, improvement, renting or leasing of facilities.

The commissioner of children, families & learning shall determine grant criteria and the amount of the grants.

Charter School Start-Up Fund

A charter school start-up fund is created in the general fund in the state treasury. \$2,600 is to deposited in the fund on July 1, 1997 for initial capitalization. On July 1, 1998, and additional \$1,500 is to deposited to the fund. Any interest earned on the principal of the fund shall be retained by the fund and available for distribution.

The interest earnings by the fund will be available to the commissioner of children, families & learning for the following purposes:

A charter school operating under M.S. 120.064 or a program that has been granted a charter under M.S. 120.064 may apply to the commissioner for a loan from the charter school start-up fund.

Loans may be used for curriculum planning, budget planning, development of information for students and parents, purchasing equipment and other uses approved by the commissioner of children, families & learning.

All loan agreements between a charter school and the department of children, families & learning must include a plan for repayment of the funds over a maximum period of five years. Additional repayment terms shall be determined by the department of children, families & learning in consultation with the department of finance.

In the event that the repayment terms are violated, the department of children, families & learning has the authority to modify the terms of repayment and to require a plan for repayment under the procedures specified in section 124.755, subd. 8 or to recover the funds through the procedures specified in section 124.755, subd. 5. In the event that the charter school ceases to operate any assets of the charter school may be claimed and auctioned by the commissioner as payment against the loan.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$3,922 for F.Y. 1998 and \$3,423 for F.Y. 1999.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0710: CHARTER SCHOOL START-UP FUNDS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. Grant Funding			1,322	1,923
b. Start-Up Fund			2,600	1,500
Recommended Aid Entitlement			3,922	3,423
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			3,922	3,423
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	3,922	3,423
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	3,922	3,423

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0711 LABORATORY SCHOOLS

CITATION:

MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

To provide additional start-up revenue for the establishment of laboratory schools at postsecondary institutions in Minnesota. This initiative will encourage the creation of schools that will encourage innovative teaching techniques to enhance student's learning experiences. Specifically, the purposes of the laboratory schools are:

- to encourage postsecondary institutions to collaborate with secondary education in developing new curriculum and assessments, specially as they relate to graduation requirements;
- to provide an arena for professional development that can be shared, with teachers throughout the state, through mentoring, peer coaching and evaluation, and internships;
- to expose students and teachers to new learning environments especially for students who may need special attention or new challenges; and
- to promote community involvement by encouraging active participation at the learning site through the development of curriculum, assessments and evaluations of students and teachers.

DESCRIPTION:

All postsecondary institutions will be eligible to be a laboratory school site. In order to receive a grant, a postsecondary institution must have:

1. a location determined with collaboration from the school district, or the post-secondary institution must be sponsoring a charter school; and
2. a five year fiscal plan that demonstrates that the school will be able to operate with no additional revenue other than revenue provide by the state under chapter 124, Education Finance, and chapter 124A, General Education Revenue, after receiving the grant award.

The Commissioner of Children Families & Learning will establish guidelines and an application process for the grants. The grant funds are one-time funds to be used for the following purposes:

- transportation of students,
- technology;
- equipment;
- teacher mentorships;
- building remodeling, renovation, and repair;
- the dissemination of innovative and effective teaching techniques;
- education research for the development of teaching methods, and curriculum design;
- the development of creative opportunities for parental involvement; and
- other inventive teaching and learning practices designed to implement the graduation standards.

The grant award is intended to improve teacher student improvement through

- the dissemination of innovative and effective teaching techniques;
- education research and development of teaching methods, assessments and curriculum designs; and
- creative teaching and learning practices design to improve the implementation of the graduation standards.

PROGRAM STATUS:

The commissioner will award at least three grants to postsecondary institutions. At least one must be awarded to a seven-county metropolitan area institution and one to a greater Minnesota institution.

BUDGET ISSUES:

A. CHALLENGES:

- Although postsecondary institutions are allowed to sponsored charter school, none have done so thus far.
- Perceptions of laboratory schools are that they are for the "elite" students of professors of postsecondary institutions.
- There seems to be an unwritten distinction between postsecondary institutions and secondary education. Although pockets of cooperation exist, it is sometimes difficult to bridge the gap between the 2 levels of education.

B. STRATEGIES:

- This program will bridge the gap between postsecondary and secondary education. The information that teachers gain from their work at laboratory schools will be transferred to other districts through teacher mentoring and continuing education for teachers.
- This program allows for a direct connections between the school districts and the postsecondary institution. If the lab school is a joint effort between the school district and the postsecondary institution (instead of a charter school) there will be opportunities to share personnel, capital resources and information.
- By allowing postsecondary institutions to sponsor a laboratory school as they would a charter school they may become an example for other postsecondary institutions to follow in their effort to charter schools.
- Demographic trends show that the population of students who have traditionally not accessed postsecondary education is growing at a faster pace than students who traditionally have attended a postsecondary institution. This program provides the opportunity for both public and private postsecondary institutions to begin working with these students earlier and create pathways of opportunities into postsecondary education.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$10,000 for F.Y. 1998 and \$-0- for F.Y. 1999.

The Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0711: LABORATORY SCHOOLS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			10,000	0
Recommended Aid Entitlement			10,000	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			10,000	0
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	10,000	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	10,000	0

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1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0712 SITE PERFORMANCE PAY

CITATION:
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

The purpose of this program is to provide funding for school districts and individual school sites within school districts to do the following to improve student learning opportunities and student performance:

- Develop a written Learning Site Performance Expectation Agreement for the purpose of setting site learning performance expectations for individual school sites.
- Provide funding to allow local school boards the authority to award additional revenue to school sites if the site achieves or exceeds expected levels of improvement.
- Provide authority to local school boards to enter into agreements with an education site decision-making team to delegate governance, management and program responsibilities. This agreement may include specific allocation of financial resources.

DESCRIPTION:

Learning Site Performance Expectation Agreement

The school board in every district shall develop a written "Learning Site Performance Expectations Agreement" with each education site for the purpose of setting learning performance expectations for that site. The Agreement shall include the following:

- The previous year baseline information at the site regarding student achievement based on the graduation standards, remediation needs, student attendance and behavior patterns, retention rates, dropout rates where applicable and other student performance indicators at the site;
- The expected levels of improvement in each area of student performance during the next year;
- How the student performance will be measured including the assessment procedures required by statute and state board rule;
- Other performance expectations and measures determined by the boards such as increased parental involvement in learning activities with students, community involvement or other areas;
- Frequency of site reporting to the board; and
- How the performance results will be made available to parents and to the public.

The board and site will determine the method of developing the Learning Site Performance Expectations. The Learning Site Performance Expectation Agreement must be completed not later than July prior to the beginning of the school year.

Site Merit Pay

The school board in any district may add a provision to the Learning Site Performance Expectation Agreement defined earlier which includes the awarding of additional revenue to the site if the site achieves or exceeds the expected levels of improvement. The decision as to whether to implement a Site Merit Pay system the operation of the system and the determination as to which education sites shall qualify for Site Merit Pay shall be made solely at the discretion of the board. A determination by the board as to whether to make an award to an education site and the amount of the award shall be final.

If Site Merit Pay is to be awarded, the Learning Site Performance Expectation Agreement shall include the following provisions in addition to the provisions listed above:

- The maximum amount of revenue for Site Merit Pay to be awarded. This shall not be less than the revenue generated by this section;.
- The criteria to be used in awarding the Site Merit pay based on the Learning Site Performance Expectation Agreement;
- The information necessary to determine the amount of progress made;
- The timeline for making such awards to the site; and
- Other provisions determined by the board or site.

The education site which receives the Site Merit Pay has sole discretion over the use of this revenue so long as it is used for an education purpose for that site. This may include staff development, technology, materials or equipment or other such educational purposes. It may also be used for additional employee compensation to which the employee would not be entitled to under contract or board policy and shall not be a mandatory subject of bargaining under Ch. 179A or any other law, and shall not be a term or condition of employment. A determination by the education site as to whether to make an award to any individual or group of individuals and the amount of any award shall be final and shall not be subject to review by an arbitrator through any grievance or other process or by a court through any appeal process.

Districts entering into Site Merit Pay agreements shall inform the commissioner of this decision no later than June 1 of the year preceding the effective school year except that for the 1997-98 school year, notice must be submitted by November 1, 1997.

Each school district that has established a Site Merit Pay program under this provision shall receive Site Merit Pay aid in the amount of \$8.70 times the actual pupil units enrolled at the sites in F.Y. 1998 and \$8.95 times the actual pupil units enrolled at the sites in F.Y. 1999 with a Site Merit Pay program. The aid may only be used to establish and operate a Site Merit Pay award program. A district is not required to expend any specific amount of aid in any year. The district shall deposit the aid in a separate account in the general fund.

Site Based Financing

Either the school board or the education site decision making team may determine if a site is to operate under the provisions of this subdivision. If a site is to operate under this subdivision, the school board shall enter into an agreement with an education site decision-making team which shall include:

- The specific governance, management and program responsibilities which will be under the control of the site and those which will be retained by the district;
- The membership of education site-decision-making team which shall include the principal or other person having control and supervision of the education site;

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0712 SITE PERFORMANCE PAY
(Continuation)

- The amount of revenue which will be allocated to the site;
- The reporting from the site which is expected by the board;
- The consequences which may be taken by the school board if over a three year period of time, the provisions of the performance expectations agreement (cross reference) are not satisfactorily met, and;
- Other provisions determined by the board.

The agreement, at the options of the education site, may include:

- A mechanism to implement flexible support systems for improvement in student achievement of education outcomes and for implementation of the graduation rule;
- A decision-making structure that allows teachers to identify instructional problems and control and apply the resources needed to solve them;
- A mechanism to allow principals or other persons having general control and supervision of the school, to make decisions regarding how financial and personal resources are best allocated at the site and from whom goods or services are purchased;
- A mechanism to implement parental involvement programs under section 126.69 and to provide for parental communication and feedback on this involvement at the site level;
- A provision that would allow the team to determine who is hired into licensed and nonlicensed positions;
- A provision that would allow direct contact with other agency service providers;
- Inservice training for site decision-making team members for financial management of school sites; and
- Any other powers and duties determined appropriate by an education site.

The school board of the district remains the legal employer. Any powers or duties not delegated to the education site management team in the site management agreement shall remain with the school board. Approved agreements shall be filed with the commissioner. Districts entering into Site Based Financing Agreements whether at the district's or site's request, under this section shall inform the commissioner of this decision no later than June of the year preceding the effective school year except for 1997-98. Notice must be submitted by November 1, 1997.

A districts's site based financing aid is equal to \$17.40 times the actual pupils enrolled at the sites in F.Y. 1998 and \$17.90 times the actual pupil units enrolled at the sites in F.Y. 1999 operating under this provision. If the school board determines that a site shall operate under this provisions, then at least 80% of this revenue shall be allocated to the school site and the board may use the remaining 20% at its discretion for learning improvement. If a site petitions the board to be site based financed, 100% of the revenue under this subdivision shall be allocated to the site.

Revenue and Cost Allocation

Revenue for a fiscal year received or receivable by the district shall be allocated to education sites defined in section 123.951 with at site-based financial agreement. Revenue shall remain allocation to each site until used by the site. The district remains responsible for legally entering into contracts and expending funds.

Except provided in the agreement, no less that 80% of the general education and referendum revenue, excluding total operating capital revenue under section 124A and no less that 25% of the total operating capital under sections 124A.22, subd. 10 shall be allocated to participating sites in the district. The allocation shall be based on the number of pupil units served at the site as a portion of total pupil units served in the district.

100% of basic skills education revenue shall be allocated to the education sites at which qualifying students were enrolled as determined under sections 124.273, 124.175 and 124.3111 received under sections 124.3201, 124.321 and 124.323, allocated to the sites where the costs are incurred.

The district must charge each participating site the actual cost of teachers at the site by category, and actual costs of goods and services attributable to the general fund and a proportionate share of costs attributable to the total operating capital account incurred at the site.

For the purpose of this provision, "allocation" means that the determination of the use of the revenue shall be under the control of the site.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$8,333 for F.Y. 1998 and \$8,333 for F.Y. 1999 for Site Merit Pay Aid. Based on these entitlements, the Governor recommends an appropriation of \$7,500 in F.Y. 1998 (\$-0- for F.Y. 1997 and \$7,500 for F.Y. 1998), and \$8,333 in F.Y. 1999 (\$833 for F.Y. 1998 and \$7,500 for F.Y. 1999).

The Governor recommends an aid entitlement of \$16,667 for F.Y. 1998 and \$16,667 for F.Y. 1999 for Site Based Financing. Based on these entitlements, the Governor recommends an appropriation of \$15,000 in F.Y. 1998 (\$-0- for F.Y. 1997 and \$15,000 for F.Y. 1998), and \$16,667 in F.Y. 1999 (\$1,667 for F.Y. 1998 and \$15,000 for F.Y. 1999).

For both programs, the Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0712: SITE PERFORMANCE AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)	0	0
a. New Merit Pay Initiative	8,333	8,333
b. New Site-Based Financing Initiative	16,667	16,667
Recommended Aid Entitlement	25,000	25,000

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)	0	0
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TOTAL RECOMMENDED FUNDING: AID & LEVY

25,000 25,000

APPROPRIATIONS BASIS:(a)

Prior Year	0	0	0	2,500
Current Year	0	0	22,500	22,500
Current Year Adj. to 90%, per M.S. 124.904		0		
Subtotal before Transfers	0	0	22,500	25,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	22,500	25,000

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

0713 STATE ACCOUNTABILITY SYSTEM

CITATION:
MDCFL ADMIN: 1503 Information Technologies
FEDERAL: None

PURPOSE:

To provide funding to develop and collect information regarding the performance of Minnesota's Learners and other student and system performance indicators.

DESCRIPTION:

The commissioner of Children, Families & Learning shall annually collect information regarding the performance of Minnesota's learners and other student and system performance indicators at the discretion of the commissioner. To the extent feasible, the commissioner shall collect such data electronically through the UFARS, MARSS and STARS reporting systems.

The governor and legislature shall appoint an independent entity to report annually to the public on the performance of Minnesota learners and other student and system performance indicators identified in the previous paragraph and on the effectiveness of various enrollment options and learning methods.

The commissioner shall provide information to the public regarding the various education enrollment options, including but not limited to post secondary enrollment options, open enrollment, charter schools, use of tax credits to enhance learning, ways for parents to effectively be involved with their child's learning to improve performance and other information to assist parents.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$2,500 for F.Y. 1998 and \$2,500 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0713: STATE ACCOUNTABILITY SYSTEM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			2,500	2,500
Recommended Aid Entitlement			2,500	2,500
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			2,500	2,500
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	2,500	2,500
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	2,500	2,500

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0714 FOREIGN LANGUAGES ASSISTANCE ACT PROGRAM

CITATION: Foreign Languages Assistance Program, Title II, Part B (Public Law 100-297), of the Elementary and Secondary Education Act of 1965, enacted as part of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988. CFDA 84.249A
MDCFL ADMIN: 1301 Learner Improvement

PURPOSE:

To fund innovative, model programs in five languages: Arabic, Chinese, Japanese, Korean, and Russian with preference for programs that begin in the elementary grades and show articulation through secondary school.

DESCRIPTION:

CFL established a 15-member advisory committee of educators and representatives of the five primary critical languages. The advisory committee members met to plan for a competitive grant process and to establish criteria and procedures for LEA participation.

Proposals were read by a panel of readers including representatives of the five primary critical language communities, teacher education, non-public schools, the business community, and MDE specialists in the areas of language education, elementary education, curriculum and instruction, assessment and program evaluation, teacher education, and grants administration. Six projects were selected for funding in 1992-1993.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Available	\$218.1	\$222.5	\$190.0	*	*
Number of Grants	8	8	10	*	*
Average Grant Amount	\$25.9	\$27.2	\$190.0	*	*

* This program may be discontinued in F.Y. 1998. Federal funding is uncertain.

In F.Y. 1997, if we receive just capitation as in the past, it would be about \$190,000. If we have new grants (elementary focus) they will be selected through a new competition.

The sites selected through the competitive grant process for F.Y. 1997 funding were:

District Name	District #	Project Name	Language
Head of the Lakes	Educ. Dist. 6045	Head of the Lakes World Language Project	Russian

District Name	District #	Project Name	Language
Minneapolis	Special Dist. 001	Sheridan Global Arts and Communications Russian Program	Russian
		Anthony Japanese Inclusion Program	Japanese
		Southwest Global Arts and Communications Russian Program	Russian

Minnetonka	276	Focus: Chinese Language for Middle Schools	Chinese
Morris Area	769	Morris Area Schools Language Project	Russian
South Koochiching	363	Russian Studies Center	Russian
Rainy River			
St. Paul	625	Webster Magnet World Languages and Cultures - Chinese Project	Chinese

Grant funding is contingent on a dollar-for-dollar match at the local level. All sites meet or exceed this requirement.

BUDGET ISSUES:

A. CHALLENGES:

- CFL worked with LEAs to design and implement a proficiency measurement project to assess the development of proficiency in as many of the four language modalities (listening, speaking, reading, and writing, all in a cultural context) as possible. Sites will use the ACTFL Proficiency Guidelines as the basis for project design. Different approaches will be needed for elementary and secondary school learners and the procedures will need to match the goals and outcomes established by the grant sites as well as Minnesota's Graduation Standards.
- Minnesota guidelines for the Foreign Languages Assistance Act Program called for proficiency assessment at least twice during the three years of each model program. The CFL's advisory committee for Title II, Part B, felt that this schedule responded to the Act's requirement for assessment "at appropriate intervals" as many programs are for beginners at the elementary level. Measurable proficiency gains are difficult to obtain on an annual or more frequent basis, especially for beginning and/or young learners. Several of the projects were unable to collect assessment data during the first two years but are working on this during Year 3. The Department still hopes to provide assistance with development of instruments and strategies.
- Interest in programs for Chinese, Japanese and Russian remains high. It has been difficult to generate interest in Arabic and Korean programs within LEAs.

B. STRATEGIES:

- Over time, funded projects will provide innovative program models, materials, and strategies for curriculum development, instruction, and assessment that can be used throughout Minnesota and the nation. At the local level, these programs are the impetus for expanded opportunities in three critical languages for students who will live and work in the global marketplace of the 21st century.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0715 FIPSE COMPREHENSIVE PROGRAM GRANT - NEH GRANT

CITATION: Higher Education Act as Amended (P.L. 99-498) CFDA 116b; CFDA 45.155

MDCFL ADMIN: 1301 Learner Improvement

PURPOSE:

To develop a system of curriculum, instruction, and assessment that will provide common goals, performance outcomes, and assessment instruments for language instruction in all educational systems (P-16) in Minnesota. The assessment program will measure whether students have met selected standards at high school graduation/college entrance and college exit. This 3-year project attempts to establish a seamless system for student success leading to increased language proficiency levels by students and cost efficiency for students and systems.

DESCRIPTION:

This program, completed on September 30, 1996, has:

- supported for a Pilot Cluster (Years 1-3) and additional Clusters (Years 2-3) whose members will represent the five systems now engaged in language instruction (K-12, UMN, MSUS, Community Colleges, Private Colleges) and met in academic year and summer workshops to set standards, design and pilot assessment instruments, and explore curricular and instructional strategies leading to success for learners;
- required collaboration between CFL and the Center for Advanced Research on Language Acquisition (CARLA/UMN-Twin Cities) and the Minnesota Coalition on the Articulation of Language Instruction;
- trained for Cluster members in performance assessment of listening, speaking, reading, and writing and curriculum principles and instructional strategies for proficiency-oriented instruction;
- collaborated with articulation projects in other states and regions.

FIPSE Comprehensive Program Grant

The Articulation Project was scheduled to receive \$296,344 over three years (1993-1996) from FIPSE to provide a forum for representatives of the five educational systems to deliberate and reach consensus on a common set of expectations for student performance in language and culture (French, German, and Spanish) at high school graduation/college entrance and college exit. System representatives will designed and piloted assessment instruments that will lead to student success in meeting or exceeding the standards. The project expands a Pilot Cluster to include New Clusters with the goal of statewide consensus and system institutionalization.

NEH Grant

The Articulation Project received \$150,000 over three years (1993-1996) from NEH, with the potential of a maximum additional \$25,000 if non-federal matching funds could be raised by the Center for Applied Research in Language Acquisition. The matching funds were not acquired. The project provided a forum for representatives of the five educational systems to deliberate and reach

consensus on a common set of expectations for student performance in language and culture (French, German, and Spanish) at high school graduation/college entrance and college exit. System representatives designed and piloted assessment instruments calibrated to those standards and explore best practice in curriculum and instruction that will lead to student success in meeting or exceeding the standards. The project expanded a Pilot Cluster to include New Clusters with the goal of statewide consensus and system institutionalization.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
FIPSE Funding	\$77.7	\$121.8	\$34.2	*	*
NEH Funding	46	62	29	*	*

* This program may be discontinued in F.Y. 1998. Federal funding is uncertain.

BUDGET ISSUES:

A. CHALLENGES:

- Full funding of the project required obtaining \$25,000 in non-federal funds to match the final \$25,000 from the NEH. However, matching funds were not acquired.
- This project was interfaced with the proposed Graduation Standards. System buy-in is strengthened through initiatives such as the Graduation Standards, the MSUS preparation standards, the post-secondary transfer curriculum, and UMN-TC's entrance standards and CLA graduation requirement. The project is also in sync with the National K-12 Standards Project and Goals 2000.

B. STRATEGIES:

- CFL will continue to work with the University of Minnesota's Center for Advanced Research on Language Acquisition (CARLA) throughout the three years of grant funding to achieve the goals of the project, to secure the additional funding, and to articulate the work of the project with related initiatives at the state and national level.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0716 BYRD HONORS SCHOLARSHIP

CITATION: 34CFR654 Higher Education Act (1965), Title IV, Part A, Subpart 6 (CFDA 84.185A)

MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

To provide scholarships for study at institutions of higher education to outstanding high school graduates who show promise of continued excellence, in an effort to recognize and promote student excellence and achievement.

By promoting student excellence and achievement, the program supports National Education Goal 4, that U.S. students be first in the world in math and science, and Goal 5, that every adult American be literate and possess the knowledge and skills necessary to compete in a global economy.

DESCRIPTION:

The Robert C. Byrd Honors Scholarship program is a federal program which allows each state that participates to award scholarships to high school seniors for outstanding academic achievement. The entire federal grant amount is allocated for individual scholarships of \$1,121 (renewable for 3 additional years.)

High School seniors are nominated by their school principal for competition at the congressional district level. A screening committee composed of representatives of teachers, administrative staff, post-secondary counselors and parents then ranks the nominees within each congressional district and the top candidates are awarded (estimated 12-14 in each congressional district).

The criteria used in making the awards include academic performance, leadership ability, education/career goals statement, and references. The scholarship is to be used for education expenses at any post-secondary institution where the student has been accepted for enrollment. The dollar award is sent directly to the institution of enrollment.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Funding Allotment	\$351.0	\$529.5	\$529.1	\$529.1	\$529.1
Total Scholarship Awards	234	353	472	475	475
New Awards	118	119	119	119	119
Renewal Awards	116	232	351	356	357
Alternate Awards	0	0	6	0	0

(\$ in 000s)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Recipients by Institution Type:					
In-state Public	56	89	91	123	123
In-state Private nonprofit	72	107	136	142	142
Out-of-state public	33	53	61	65	65
Out-of-state private nonprofit	73	103	166	145	146
TOTAL	234	352	454*	475	476

* 23 scholars undecided or unknown.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page due to fund carryover provisions and statewide accounting period closing requirements. Funding for this program is shown in the agency budget.

Given the renewable feature introduced in F.Y. 1994, the cumulative number of grants awarded will quadruple by F.Y. 1997, and continue at that level provided the federal government continues to fund this activity. Minnesota students and Minnesota institutions will experience increasing benefit from the continued implementation of the Robert C. Byrd Honors Scholarship program.

BUDGET ISSUES:

A. CHALLENGES:

- No federal funds are provided for administrative costs. Federal funds are exclusively for scholarships. Because of increased federal requirements requiring state tracking of scholars for multiple years, the state administration costs will continue to increase.
- As the number of scholars increases each year, the cost to administer this program increases proportionately. Besides monitoring continuing eligibility of the scholars and collecting improperly disbursed funds, the renewable feature introduced in 93-94 required the state to develop and administer (eligibility) waiver rules for interruption in a scholar's educational career. The monitoring and administration of these rules for nearly 500 students on an annual basis has, and will continue to require ever increasing administration time and resources.
- Interest in applying has increased as the program has become better known. Over 300 schools presently nominate students to receive the scholarship. Students who live outside of Minnesota but maintain legal residence in the state, and students who receive General Education Development certificates must now be notified about the Robert C. Byrd Scholarship program.

B. STRATEGIES:

- Assuming that the federal government will continue to provide funds for this activity, Minnesota students and Minnesota institutions will continue to benefit from the implementation of the Robert C. Byrd Honors Scholarship program.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0717 TEACHER INSERVICE TRAINING
 Title II - Dwight D. Eisenhower Professional Development Program
 P.L. 103-761; Dwight D. Eisenhower Math & Science Education Act (1994)

CITATION:

MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

Through the Title II program, federal funds are made available to improve the skills of teachers and quality of instruction in mathematics and science in public and private elementary and secondary schools. Funds may be used for:

- The expansion and improvement of preservice and inservice training and retraining for teachers and other appropriate school personnel in the fields of mathematics and science including vocational education teachers who use mathematics and science in teaching vocational education courses.
- Recruitment or retraining of minority teachers to become mathematics and science teachers.
- Training in and instructional use of computers, video, and other telecommunication technologies as part of a mathematics and science program (which may include the purchase of computers or other telecommunications equipment in schools with an enrollment of 50% or more of students from low-income families after all training needs are met - see waiver section.)
- Integrating higher-order analytical and problem-solving skills into the mathematics and science curriculum; or
- Providing funds for grant projects for individual teachers within the LEA to undertake projects to improve either their teaching ability or the instructional materials they used in their mathematics and science classrooms.

The new Dwight D. Eisenhower Professional Development program will support federal, state and local efforts to stimulate and provide the sustained and intensive, high quality professional development primarily in math and science that is needed to help students meet challenging state content and student performance standards in the core academic subjects which are aligned with Goals 2000.

DESCRIPTION:

Each school district is eligible to receive federal funds based on a formula allocation. At least 90% of available funds must be distributed to school districts according to a prescribed formula, 5% supports technical assistance activities for districts on the implementation of math and science standards, and 5% is available for program administration. Up to 14% of the funds distributed to school districts can be used on professional development in the core academic subjects.

Criteria for formula flow-through fund distribution are 50% based on enrollment of the school district; and 50% based on the same proportion as funds are distributed under Part A, Title I, Improving America's Schools.

The former Eisenhower Mathematics and Science Education program supported a great deal of professional development that was neither sustained nor intensive. The new Eisenhower Professional

development program will support high-quality professional development to prepare teachers, school staff, and administrators to help all students meet challenging academic standards.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Applications Approved:					
Formula flow-through Demonstration projects	168	363	360	360	360
2. District participants:					
Formula flow-through Demonstration projects	406	363	360	360	360
3. Workshops conducted	26	34	26	25	25
4. Monitoring visits	30	90	90	90	90
5. Evaluation reports	168	377	377	377	377
6. Teachers in staff development:					
Formula flow-through Demonstration projects	28,843	29,000	29,000	29,000	29,000
7. Funding Entitlement	\$2,762.0	\$2,762.0	\$3,414.0	\$3,414.0	\$3,414.0

NOTE: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements. Amounts shown include only those dollars administered by the state education agency.

BUDGET ISSUES:

A. CHALLENGES:

- *Expands federal assistance for professional development*, at the option of state and local educational agencies, to include all core academic subjects. However, the program ensures continued professional development in mathematics and science by requiring that state and local shares of the first \$250 million in appropriated funds be devoted to professional development in those subjects.
- *Requires that state activities be guided by plans for professional development that outline a long-term strategy for providing the sustained and intensive, high-quality professional development needed to improve teaching and learning.* Reserves 94% of Title II funds for grants to the states, including a total of 1% of that amount for grants to the outlying areas and the Bureau of Indian Affairs. Of the total state allotment, 84% must go to the state education agency for grants to local educational agencies. The state educational agency may use up to 5% of that amount for state-level activities and state administration. The remaining portion of the state allotment (16%) must be to the state agency for higher education for professional development to be provided by institutions of higher education. The state agency for higher education may also use up to 5% of its total for administration.
- *Requires districts to prepare plans for professional development that reflect the priorities of local schools.* Up to 20% of the funds received by districts may be spent on district-level activities, with the remainder of funds to be used for professional development of teachers and other staff at individual schools. Local educational agencies must match half of the Eisenhower funds they receive; the entire match may come from a variety of other federal funds.

B. STRATEGIES:

- The Department of Education will continue to provide technical assistance to school districts participating in this program.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0718 INNOVATIVE EDUCATION PROGRAM STRATEGIES

CITATION: Improving America's Schools Act 1994, Title VI, P.L. 103-761
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

The Federal Elementary and Secondary Education Act of 1965 was amended in 1994 (Title VI of the Improving America's Schools Act) to support educational program improvement in targeted areas. The eight targeted areas for assistance are:

- education reform projects including effective and magnet schools;
- programs to meet the needs of students at risk of failure;
- programs for the acquisition and use of instructional and educational materials;
- innovative programs designed to support school improvement;
- technology related to school-based reform including professional development;
- school reform activities consistent with Goals 2000;
- programs to combat illiteracy in student and adult population; and
- programs for the educational needs of the gifted and talented.

School district applications may request funding in any single area or any combination of these program areas.

DESCRIPTION:

For F.Y. 1997 the U.S. Department of Education allocated \$4,956,984 to the state to be disbursed as follows for Title III programs:

- 85%, or approximately \$4,213,437 flow-through to school districts according to a formula developed by the Minnesota Department of Children, Families & Learning. This formula takes into consideration total enrollment—both public and private schools—and certain student and demographic characteristics which contribute to high educational cost.
- 15% supports the administration of the program and reform programs initiated by the state.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Applications Reviewed*	377	363	360	360	360
School District Participants	377	363	360	360	360
Workshops Conducted	26	34	25	25	25
Monitoring Visits	0	0	0	0	0
Evaluation Reports	377	363	360	360	360
Teachers in Staff Development*	21,700	20,000	20,000	20,000	20,000

(\$ in 000s)

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Student Participants*	320,000	320,000	320,000	320,000	320,000
Flow-through Funding:					
Formula and Competitive Grants	\$5,246.0	\$5,320.0	\$4,213.0	\$4,723.0	\$4,723.0

* Formula Flow-through

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and state accounting period closing requirements.

BUDGET ISSUES:

A. CHALLENGES:

- An allocation based on the state formula has been determined for each public school district. The public school district is obliged to offer services available under Title VI to children in nonpublic schools on an equitable basis. The allocation to each district reflects the school population in both public and nonpublic schools. Individual school districts and nonpublic schools have total discretion in selecting programs from the list of 8 innovative assistance areas.
- For F.Y. 1997, Congress is considering merging Title II, Title VI and several other programs into a new block grant program.

B. STRATEGIES:

- For F.Y. 1997, approximately \$4,213 of federal funds will be available upon submission of an annual application which is consistent with federal program requirements. Local school districts may elect to expend funds in any one or any combination of the 8 targeted areas. No change is proposed at this time relative to delivery of service.
- Federal funding has been declining in recent years. Chapter 2 was reauthorized by Congress as Title VI of the new IASA. The program continued in its previous mode with a modification in target areas.
- In accordance with IASA, which promotes coordination between federal programs, Title VI is included in the consolidated application for Title I, II and VI.

1998-99 Biennial Budget

PROGRAM: 07 Education Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0719 CHARTER SCHOOL PROJECT

CITATION: Elementary and Secondary Education Act of 1965, as amended
MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

The Public Charter School Program provides federal grants for innovative programs in charter schools which may provide models for educational reform. Specifically, the program will:

- provide grants to charter schools which serve disadvantaged and minority students in rural as well as urban areas;
- increase the success of disadvantaged, minority, and other students in satisfying Graduation Rule basic requirements and high content standards;
- reduce disadvantaged and minority students school dropout rates;
- increase disadvantaged and minority student admissions into post-secondary or job training programs;
- promote charter schools as an alternative personalized learning environment for students;
- promote teacher professional development and the continuous improvement of instruction and the assessment of student performance;
- increase parent and student understanding of the charter school attendance option;
- increase parent involvement in student and school affairs;
- improve the design and planning of charter school programs; and
- increase the funds available to cover start-up costs, purchase of curriculum materials, supplies and equipment, and other operating costs.

DESCRIPTION:

Beginning in F.Y. 1996, the Minnesota Department of Children, Families & Learning received a three-year federal grant for the development of charter schools. In F.Y. 1996, \$500,000 was received and distributed on a competitive basis according to scoring criteria contained in the original proposal approved by the U.S. Department of Education.

Proposals were read and scored by individuals nominated from professional organizations in Minnesota, including the School boards Association, Elementary Principals Association, Secondary Principals Association and the Minnesota Congress for Parents, Teachers and Students. In F.Y. 1997 and F.Y. 1998, a similar competitive process for distributing grant monies will be implemented.

For F.Y. 1997, an increase of funds was authorized by Congress for the Charter School Program. As a result, the Department of Children, Families & Learning requested additional monies for the grant. A total of \$749,730 was granted for F.Y. 1997, up from the \$500,000 granted in F.Y. 1996. F.Y. 1997 federal grant applications from charter schools are due to the department in January, 1997. Awarding of the grants is expected by the end of January.

The funding picture for F.Y. 1998 is unclear at this time. However, it is anticipated that a similar competitive process will be used to allocate the federal funds.

PROGRAM STATUS:

For F.Y. 1996, the following Minnesota Charter Schools received grant awards:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
ACORN Dual Language Community					
Academy	\$-0-	\$50.0	\$-0-	\$-0-	\$-0-
St. Paul Family Learning Center	-0-	50.0	-0-	-0-	-0-
Skills for Tomorrow	-0-	50.0	-0-	-0-	-0-
Minnesota Transitions	-0-	50.0	-0-	-0-	-0-
New Visions	-0-	50.0	-0-	-0-	-0-
Metro Deaf	-0-	50.0	-0-	-0-	-0-
Community of Peace Academy	-0-	42.0	-0-	-0-	-0-
Toivola-Meadowlands	-0-	35.0	-0-	-0-	-0-
Minnesota New Country	-0-	25.0	-0-	-0-	-0-
Dakota Open	-0-	25.0	-0-	-0-	-0-
Right Step Academy	-0-	24.0	-0-	-0-	-0-
Cedar Riverside	-0-	23.0	-0-	-0-	-0-
Emily	-0-	10.0	-0-	-0-	-0-
New Heights	-0-	9.0	-0-	-0-	-0-
Total Grant Awards	-0-	\$475.0	\$725.0	\$725.0	-0-
Administration	-0-	\$25.0	\$25.0	\$25.0	-0-
TOTAL	\$-0-	\$500.0	\$750.0	\$750.0	\$-0-

Note: Funding for this program is shown in the agency budget.

BUDGET ISSUES:

A. CHALLENGES:

- This program has enabled charter schools to fund planning, curriculum development, staff training and other start-up activities. However, the grant is scheduled to exist only for three years.
- The grant is intended to focus resources toward inner-city, low income minority students. In a competitive grant process, this gives an advantage to charter schools serving these populations.

B. STRATEGIES:

- Change language in charter school law that restricts how charters can use outside funds.
- Develop a process of awarding grants that creates a level playing field as possible within federal guidelines.
- Work toward ensuring that start-up funds are available for the growth and development of charter schools.

1998-99 Biennial Budget

PROGRAM: 07 Access to Excellence
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0720 NATIONAL MATH/SCIENCE ED-TEACHER DEV
 TECHNOLOGY

CITATION: Dwight D. Eisenhower Mathematics and Science Education Act
 (1988), P.L. 100-297, Title II

MDCFL ADMIN: 1302 Learner Options (Targeted Populations)

PURPOSE:

From Access to Application: Bringing the Internet into the Science and Mathematics Classroom is a model teacher professional development program that is funded by the U.S. Department of Education's National Eisenhower Program through a competitive grant application prepared and submitted by SCI/MATH^{MN} in MDCFL. Minnesota was awarded \$264,514 in year one (federal F.Y. 1995) and \$272,691 in year two. In federal F.Y. 1997, the third and final year of the grant to SciMathMN, the state was awarded \$165,481.

DESCRIPTION:

The mission of *From Access to Application* is to develop a model professional development program for upper elementary grades (4-6) that promotes teachers' competence and confidence in using the Internet in teaching science and mathematics. The program is designed to fill the gap between merely providing access to the Internet and truly integrating the use of the Internet in science and mathematics curricula. Participating schools are selected through a statewide application process. Diversity is emphasized, including Chapter One-eligible, rural, urban and suburban schools.

The model program is being developed by the teachers from the participating schools in conjunction with a team of partners (see below). Using action research methods, teachers plan, implement, observe and reflect on their own professional development. The participants are electronically linked to the National Education Supercomputer Program (NESP) at Lawrence Livermore National Laboratory in California. Teachers are learning to use NESP tools and resources, and apply them to standards-based classroom activities. The Internet will also be used to connect teachers with their peers and experts across the country, and to disseminate the program's results as early as possible.

The outcome of the program is to enable teachers to use the Internet and its resources for inquiry-based education. This approach is advocated by the National Council of Teachers of Mathematics (NCTM) and the National Research Council (NRC) in their voluntary, nationally accepted standards for mathematics and science education.

This program receives a small amount of funding and staff services from SCI/MATH^{MN}: approximately \$27,400 from its F.Y. 1995 appropriation, and services from existing staff estimated at \$26,845. A similar level of support from SCI/MATH^{MN} was given in F.Y. 1996. In F.Y. 1997, 1998 and 1999, SCI/MATH^{MN} will provide staff support for this project, but no direct funding. However, dissemination activities will increase the user base without additional direct federal or state support.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Federal Grant (firm)	\$264.0	\$273.0	\$165.0	\$0.0	\$0.0
Schools Involved in Developing Model	2	8	8	16	16
Teachers/Administrators Involved	0	0	0	0	0
Involved Teachers	18	78	78	108	108
Involved Principals	2	8	8	16	16

Note: Federal grant was for a three-year period only. SCI/Math^{MN} is extending the impact of this program by disseminating the model and by providing staff support to pilot-site participants.

Educational Partners Involved (F.Y. 1995 - F.Y. 1999) are as follows:

1. Center for Applied Research and Education Improvement (CAREI), University of Minnesota
2. North Central Educational Regional Laboratory (NCREL)
3. National Education Supercomputer Program
4. Technology & Information Education Services (TIES)
5. Minnesota Science Teachers Association
6. Minnesota Council of Teachers of Mathematics (MCTM)

Outcomes to be Measured:

1. Development/use of a replicable and scalable staff development model that efficiently and effectively develops elementary teachers' competence and confidence in using the Internet for science/math teaching and learning.
2. About 100 highly skilled elementary teachers using the Internet for science/math instruction, and prepared to train/support peers throughout the state.
3. Development/use of new National Education Supercomputer Program (NESP) teaching tools.
4. Development/use of new instructional units that validate the use of the Internet for teaching and learning.
5. National leadership and recognition for Minnesota, and its schools and teachers.

BUDGET ISSUES:

A. CHALLENGES:

- The need to validate the use of Internet resources and facilities for teaching and learning.
- The desire of teachers and school administrators (and expectations of parents) for teachers to receive effective professional development while minimizing the need to leave the classroom.
- To overcome classroom isolation, and foster teachers to take collegial, shared responsibility for their professional growth.

B. STRATEGIES:

- Use the action research model -- which encourages teacher teams to study the results of their own practice through a cycle of planning, acting, observing and reflecting -- to develop new skills, tools and applications.
- Train teachers in peer coaching strategies so they can coach and help each other with on site implementation of new knowledge and skills.
- Use access to electronic networks to provide technical and professional development support on an as needed basis.

OTHER EDUCATION PROGRAMS (08)

State Aid Programs

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PROGRAM STATUS:

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0801 ABATEMENT AID AND LEVY

CITATION: M.S. 124.214, Subd. 2; 124.912, Subd. 9; Laws 95 First Special Session, Ch. 3, Art. 8; Sec. 2
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To replace the net revenue loss incurred by school districts as a result of court-ordered abatements or net reductions in the tax capacity of the district after taxes have been spread by the county auditor. Part of the net revenue loss is replaced with state aid, and part is replaced with levy authority. The intent is to pay approximately the same amount in abatement aid as would have been paid to the district in general education, transportation, community education, and capital expenditure aid, if the adjusted net tax capacity could have been adjusted to the lower level.

DESCRIPTION:

The entitlement for abatement aid is determined from data on net revenue losses as certified by the county auditors. A district's aid entitlement is equal to its net revenue loss multiplied by the ratio of: a) the amount certified by the district in equalized general education, transportation, community education and capital expenditure levies for which it received corresponding state aid in the second preceding year to, b) its total certified levy in the preceding fall, pursuant to M.S. 124, 124A and 124A.03, plus or minus auditor's adjustments.

Abatement levy authority is the total of three components:

1. the net revenue loss minus abatement aid after any proration is deducted;
2. the net revenue loss for the first six months of the following calendar year, less any amount certified for the first six months of the prior calendar year; and
3. an amount for any interest paid by the district on abatement refunds.

The abatement levy may be spread over a three year period beginning with the taxes payable in 1995.

The railroad aid payments as a result of Soo Line Railroad Company vs. Commissioner of Revenue and related litigation have been deducted from the abatement aid and levy authority of school districts. Due to the size and timing of the railroad aid payments, a portion of the railroad aid has not yet been deducted. The railroad aid balance to be recovered has been carried forward each year, and deducted from current year abatement aid and levy authority. Laws 1995 gave authority to recover any residual railroad aid balances from state aid payments due to districts in F.Y. 1997.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Total Abatement Funding					
a. Calendar Year	1993	1994	1995	1996	1997
b. Net Reduction in School Taxes	\$61,248.5	\$44,983.0	\$26,953.5	\$33,351.8	\$30,965.2
c. Railroad Aid Balance To Be Recovered	\$29.6	\$20.3	\$18.4	0.0 ^c	\$0.0
d. Railroad Aid Subtraction - Current Year	\$9.3	\$1.9	\$15.1	\$0.0	\$0.0
e. Railroad Aid Balance Carried Forward (1c less 1d)	\$20.3	\$18.4	\$3.3	\$0.0	\$0.0
f. Total Abatement Formula Funding (1b less 1d)	\$61,239.2	\$44,981.1	\$26,938.4	\$33,351.8	\$30,965.2
g. Levy for Interest Costs	\$2,731.0	\$590.5	\$774.3	\$700.0	\$700.0
h. Total Abatement Funding	\$63,970.2	\$45,571.6	\$27,712.7	\$34,051.8	\$31,665.2
i. Number of Districts	329	284	287	287	287
2. Abatement Aid Entitlement by Fund					
a. General Fund	\$33,582.5	\$21,615.4	\$16,328.0	\$20,094.7	\$18,694.6
b. Transportation Fund	\$2,184.5	\$1,618.7	\$0.0	\$0.0	\$0.0
c. Community Service Fund	\$364.0	\$307.7	\$194.7	\$233.9	\$218.8
e. General Debt Service Fund	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
f. Total Gross Abatement Aid	\$37,990.8	\$24,842.5	\$16,522.7	\$20,328.6	\$18,913.4
g. Direct Aid Appropriation	\$10,067.0 ^a	\$24,843.0 ^b	\$6,843.0	\$6,844.0	\$6,844.0
h. Transfer From Excess/Deficiency ^d	\$22,428.9	\$0.0	\$2,427.3	\$0.0	\$0.0
i. Net Prorated Abatement Aid	\$32,495.9	\$24,842.5	\$9,270.3	\$6,844.0	\$6,844.0
j. Proration Factor	85.54%	100.00%	56.11%	33.67%	36.18%
k. Number of Districts	320	273	279	279	279
3. Abatement Levy Authority by (after aud proration)					
a. Certified Levy - Taxes Payable In:	1995	1996	1997	1998	1999
b. Levy Implied by Entitlement	\$23,248.4	\$20,138.6	\$10,415.7	\$13,023.2	\$12,051.8
c. Levy Due to Proration of State Aid	\$5,494.9	\$0.0	\$7,252.4	\$13,484.6	\$12,069.4
d. Levy for Interest Costs	\$2,731.0	\$590.4	\$774.3	\$700.0	\$600.0
e. Total Levy Authority	\$31,474.3	\$20,729.0	\$18,442.4	\$27,207.8	\$24,721.2
f. Authority Adjusted for Underlevies	\$31,328.0	\$20,140.5	\$17,825.7	\$26,508.0	\$24,121.0
g. Number of Districts	361	341	333	340	340

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0801 ABATEMENT AID AND LEVY

(Continuation)

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
4. Certified Levy					
a. Certified Levy - Taxes Payable In:	1995	1996	1997	1998	1999
b. Current Year Levy	\$28,327.3	\$19,848.9	\$14,843.6	\$26,507.8	\$24,121.2
c. Levy Adjustment Year	F.Y. 1993	F.Y. 1994	F.Y. 1995	F.Y. 1996	F.Y. 1997
d. Levy Adjustment Amount	(\$8,723.0)	(\$3,248.1)	(\$15,036.8)	\$880.1	\$2,824.1
e. Levy for Interest Costs	\$2,731.0	\$590.4	\$774.3	\$700.0	\$700.0
f. Advanced Levy	\$10,112.3	(\$1,232.5)	\$3,647.3	\$6,000.0	\$6,000.0
g. Carryover Levy	N/A	\$10,633.4	\$4,773.6	\$3,200.0	\$2,800.0
h. Total Certified Levy	\$32,447.6	\$26,592.1	\$9,002.0	\$37,287.9	\$36,445.3

- ^a Includes \$2,500 deficiency appropriation from Laws of 1994, Ch.587
^b Includes reduction of \$2,340 moved to F.Y. 1997 program funding per Laws of 1996, Ch. 412.
^c See program narrative.
^d According to M.S. 124.14, subd. 7

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
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PROGRAM FUNDING

A. Statutory Formula REVENUE:	\$61,239.2	\$44,983.0	\$27,096.0	\$33,352.0	\$30,965.0
Revenue Reduction Due To Insufficient		\$0.0	\$0.0	\$0.0	\$0.0
Appropriation					
Current Law Revenue					
(Line 8 on Fiscal Page)	\$61,239.2	\$44,983.0	\$27,096.0	\$33,352.0	\$30,965.0
B. Statutory Formula LEVY:	\$23,248.4	\$20,140.0	\$10,573.0	\$130.0	\$12,052.0
Levy Change Due to Insufficient					
Appropriation	\$5,494.9	\$0.0	\$7,253.0	\$13,485.0	\$12,069.0
Current Law Levy					
(Line 7 on Fiscal Page)	\$28,743.3	\$20,140.0	\$17,826.0	\$26,508.0	\$24,121.0
C. Statutory Formula AID:	\$37,990.8	\$24,842.5	\$16,522.7	\$20,328.6	\$18,913.4
Aid Reduction Due To Insufficient					
Appropriation	\$5,494.9	\$0.0	\$7,253.0	\$13,485.0	\$12,069.0
Current Law Aid Entitlement					
(Line 5 on Fiscal Page)	\$32,495.9	\$24,842.5	\$9,270.0	\$6,844.0	\$6,844.0
Proration Factor	85.54%	100.00%	56.11%	33.67%	36.18%

D. Aid Entitlement Reconciliation:

Appropriation-Implied Entitlement (Line 3 on Fiscal Page)	\$24,842.5	\$6,843.0	\$6,844.0	\$6,844.0
Entitlement Changes Per Law:				
■ Appropriation Shortfall	\$0.0	\$12,941.0	\$12,941.0	\$12,069.0
■ Revenue Increases:				
Net Reduction in School Taxes	(\$1,348.2)	(\$4,034.8)	\$6,256.0	\$4,011.7
Railroad Aid Subtraction	\$5.1	(\$8.1)	\$15.1	\$15.1
Levy Authority for Interest Costs	\$590.4	\$774.3	\$700.0	\$700.0
■ Levy (Increases):				
Change in School Taxes Abated	\$1,643.1	\$781.6	(\$5,727.4)	(\$4,026.8)
Levy Authority for Interest Costs	(\$590.4)	(\$774.4)	(\$700.0)	(\$700.0)
■ Total Changes to Aid	\$0.0	\$9,679.7	\$13,484.7	\$12,069.4
Statutory Formula Aid (Unprorated)	\$24,842.5	\$16,522.7	\$20,328.6	\$18,913.4

(*) This is the appropriation-implied entitlement based on the F.Y. 1997 aid appropriations adjusted as necessary for the 90-10% funding basis or other relevant adjustments.

BUDGET ISSUES:

A. CHALLENGES:

- Abatement funding will continue to be needed by school districts. Each year there are court-ordered abatements or net reductions in the tax capacity of districts after taxes have been spread by the county auditor.

B. STRATEGIES:

- This program contributes to the goals of equity for students and taxpayers by replacing revenue to which the district was entitled but which was not received due to abatements. The objective is to replace the revenue in the same proportion of aid and levy as the original entitlement.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$6,844 for F.Y. 1998 and \$6,844 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$6,844 in F.Y. 1998 (\$684 for F.Y. 1997 and \$6,160 for F.Y. 1998), and \$6,844 in F.Y. 1999 (\$684 for F.Y. 1998 and \$6,160 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0801: ABATEMENT REVENUE

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	24,843	16,523	20,329	18,913
2. Statutory Excess / (Shortfall)		(9,680)	(13,485)	(12,069)
3. Appropriated Entitlement	24,843	6,843	6,844	6,844
4. Adjustments				
a. Excess Funds Transferred In / (Out)		2,427		
5. Current Law Aid	24,843	9,270	6,844	6,844
6. Excess / (Shortfall) After Adjustments	0	(7,253)		
7. Current Law Levy	20,140	17,826	26,508	24,121
8. Current Law Funding: Aid & Levy	44,983	27,096	33,352	30,965
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			6,844	6,844
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			26,508	24,121
TOTAL RECOMMENDED FUNDING: AID & LEVY			33,352	30,965

APPROPRIATIONS BASIS:(a)

Prior Year	1,135	3,726	684	684
Current Year	21,117	5,817	6,160	6,160
Current Year Adj. to 90%, per M.S. 124.904		342		
Subtotal before Transfers	22,252	9,885	6,844	6,844
Transfers per M.S. 124.14, subd. 7	10,331 (b)	2,427		
Total State General Funds	32,583	12,312	6,844	6,844

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Transfer is in the prior year final account

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1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0802 NONPUBLIC PUPIL AID

CITATION: M.S. 123.931 - 947
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide every school pupil in the state equitable access to secular study materials and pupil support services that complement the program of study the pupil regularly attends. Program funds are used to reimburse school districts for the costs incurred in obtaining the educational materials that are loaned to the nonpublic pupil (textbooks, individualized instructional materials, and standardized tests) or for the costs incurred in providing pupil support services (health services and secondary guidance and counseling services) to the nonpublic pupil.

DESCRIPTION:

There are three basic categories of nonpublic pupil aid provided under Minnesota law:

1. Textbooks, Individualized Instructional Materials, and Standardized Tests. Public school districts, upon formal request, must make available to nonpublic pupils instructional materials that are secular, neutral, nonideological and not able to be diverted to religious use. Items purchased are loaned to the nonpublic pupil and remain the property of the district.

The districts are reimbursed the cost of purchase and distribution of eligible materials up to an amount equal to the statewide average expenditure per public school pupil for similar materials in the second preceding school year, adjusted by the percent of increase in the General Education formula allowance from the second preceding school year to the current school year, multiplied by the number of nonpublic pupils served, with Kindergarten pupils weighted at 0.5.

The formula for computing the per pupil rate is as follows for F.Y. 1997:

$$\begin{array}{rcl} \text{F.Y. 1997} & & \text{F.Y. 1995 Avg. Expend.} \\ \text{Per Pupil} & = & \text{per Public Pupil} \times \\ \text{Rate} & & \text{for like materials} \end{array} \times \frac{\text{F.Y. 1997 Gen'l Ed. Form. Allow.}}{\text{F.Y. 1995 Gen'l Ed. Form. Allow.}}$$

2. Health Services. Public school districts, upon formal request, must make available to nonpublic pupils the student health services provided to public pupils. Health services may be provided to nonpublic students at a public school, a neutral site, the nonpublic school, or any other suitable location.

Each participating district is reimbursed for the cost of providing these services up to an amount equal to the statewide average expenditure per public school pupil for similar services in the second preceding school year, times the number of nonpublic pupils served.

3. Guidance and Counseling Services. Public school districts, upon formal request, must make available to nonpublic secondary pupils, the guidance and counseling services provided to public secondary pupils, except guidance or counseling in the planning or selection of particular courses

or classroom activities of the nonpublic school. Eligible services must be provided either at the public school or at a neutral site. Each participating district is reimbursed for the cost incurred in providing eligible services up to an amount equal to the statewide average expenditure per public secondary pupil for similar services in the second preceding school year, times the number of nonpublic secondary pupils served.

In addition to the three aid reimbursement components described above, school districts are provided an amount equal to 5% of their total aid reimbursement amount to offset the cost of administering the program.

All nonpublic students requesting materials or services by the statutory deadline date have been and are being accommodated. The number of nonpublic students is estimated to increase from 80,653 in F.Y. 1992 to 84,459 in F.Y. 1996. Current projections anticipate that this rate of increase in nonpublic students will continue through F.Y. 1999. In addition, the percentage of these students participating in the Nonpublic Pupil Aid program continues to increase. Also, the number of pupils being instructed by parents in a home school that are requesting to participate in the program is increasing significantly. Since 1987-88, the number of students attending home schools has grown from 2,322 students in 1987-88 to 10,519 in 1995-96. Together these factors are increasing the number of pupils participating in the program.

Reimbursement rates for each current year are based on district expenditures in the second prior year for similar materials and services in the public schools.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Textbooks, individualized instructional materials and standardized tests					
a. Nonpublic Grade K-12 enrollment statewide*	87,221	88,968	90,589	91,884	92,830
b. Districts Participating	231	294	255	258	262
c. Pupils Requesting Services*	77,665	79,696	82,436	83,614	84,475
d. State Aid Rate Per Pupil Unit	52.54	51.08	46.90	48.74	49.46
e. Maximum Aid Entitlement (c times d)	\$4,080.5	\$4,070.9	\$3,866.2	\$4,075.3	\$4,178.1
f. Entitlement Per District Expenditure	\$3,906.1	\$3,948.8	\$3,750.3	\$3,953.1	\$4,052.8
Average Aid Per Pupil Unit (f divided by c)	50.29	49.55	45.49	47.28	47.98
2. Health Services					
a. Nonpublic Grade K-12 enrollment statewide*	87,221	88,968	90,589	91,884	92,830
b. Districts Participating	204	202	208	211	215
c. Pupils Requesting Services*	74,062	75,425	77,907	78,986	79,834
d. State Aid Rate Per Pupil Unit	30.31	31.58	33.21	35.11	35.63
e. Maximum Aid Entitlement (c times d)	\$2,244.8	\$2,381.9	\$2,587.3	\$2,773.2	\$2,844.5

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0802 NONPUBLIC PUPIL AID
 (Continuation)

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
f. Entitlement Per District Expenditure	\$1,890.7	\$2,048.4	\$2,225.1	\$2,385.0	\$2,446.3
 Average Aid Per Pupil Unit (f divided by c)	 25.53	 27.16	 28.56	 30.20	 30.64
 3. Guidance & Counseling					
a. Nonpublic Secondary Enrollment					
Statewide	27,831	28,451	29,176	29,811	30,060
b. Districts Participating	142	152	158	162	166
c. Pupils Requesting Services*	22,360	23,320	24,216	24,743	24,950
d. State Aid Rate Per Pupil Unit	125.91	121.00	118.03	126.32	128.19
e. Maximum Aid Entitlement (c times d)	\$2,815.3	\$2,821.7	\$2,858.2	\$3,125.5	\$3,198.3
f. Entitlement Per District Expenditure	\$2,363.8	\$2,426.7	\$2,458.1	\$2,688.0	\$2,750.6
 Average Aid Per Pupil Unit (f divided by c)	 105.72	 104.06	 101.51	 108.64	 110.24
 4. Total Aid Entitlement					
a. Services and Materials	\$8,160.6	\$8,423.3	\$8,433.5	\$9,026.1	\$9,249.7
b. Administrative Costs	\$408.0	\$421.2	\$421.7	\$451.3	\$462.5
c. Total Funding Requirement	\$8,568.6	\$8,844.5	\$8,855.2	\$9,477.4	\$9,712.2

* Expressed in pupil units (K=0.5, Grades 1-12=1.0)

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$9,477 for F.Y. 1998 and \$9,712 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$9,415 in F.Y. 1998 (\$885 for F.Y. 1997 and \$8,530 for F.Y. 1998), and \$9,688 in F.Y. 1999 (\$947 for F.Y. 1998 and \$8,741 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0802: NONPUBLIC PUPIL AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	8,845	8,855	9,477	9,712
2. Statutory Excess / (Shortfall)	841	831	210	(25)
3. Appropriated Entitlement	9,686	9,686	9,687	9,687
4. Adjustments				
a. Excess Funds Transferred In / (Out)	(841)	(707)		
		(124)		
5. Current Law Aid	8,845	8,855	9,687	9,687
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	8,845	8,855	9,687	9,687
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			9,687	9,687
a. Eliminate Excess			(210)	25
Recommended Aid Entitlement			9,477	9,712
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			9,477	9,712

APPROPRIATIONS BASIS:(a)

Prior Year	1,452	1,452	885 (c)	947
Current Year	8,234	8,234	8,530	8,741
Current Year Adj. to 90%, per M.S. 124.904		484		
Subtotal before Transfers	9,686	10,170	9,415	9,688
Transfers per M.S. 124.14, subd. 7	(1,324) (b)	(748)		
Total State General Funds	8,362	9,422	9,415	9,688

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Includes \$841 for the prior year final account and \$483 in the current year account

c) The \$968 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM:	08	Nutrition and Other Education Programs
AGENCY:		Children, Families & Learning Aids
	0803	NONPUBLIC PUPIL PROGRAM SUMMARY (Information Only)
CITATION:		M.S. 123.246; 123.76 - 123.79; 123.931 - 123.947; 124.252; 124.646; 124.648; 124A.034; 126.031 and 290.001
MDCFL ADMIN:	1501	Finance and Management Assistance
FEDERAL:		Various

PURPOSE:

In Minnesota, nonpublic pupils and staff receive services under 10 programs. For purposes of discussion, these programs are categorized by state or federal funding source. The state funded programs include programs that provide either state aid or state income tax deductions. Additional information for each program is provided in the appropriate program budget narrative.

DESCRIPTION:

State Programs:

1. Nonpublic Pupil Aid (M.S. 123.931-123.947; also see Program 0802)

School districts are required to provide every school pupil in the state equitable access to secular study materials and pupil support services that complement the program of study the pupil regularly attends.

Under this program, districts are reimbursed for the costs incurred in obtaining the educational materials that are loaned to the nonpublic pupil or for the costs incurred in providing pupil support services to the nonpublic pupil. The maximum reimbursement is limited to an amount equal to the statewide average expenditure per public pupil in the second prior school year multiplied by the number of nonpublic pupils served. A 2 year inflation adjustment is included in the rate for the textbook, individualized instructional materials and standardized tests component. Districts are provided an additional 5% of the reimbursed amount to offset the cost of administering the program. School districts are not required to expend an amount for nonpublic pupils which exceeds the amount of the state aid payments.

2. Shared Time Program (M.S. 124A.034; also see Program 0101)

Nonpublic school pupils may be admitted by school districts to public school programs for part of the school day. These pupils earn a shared-time portion of General Education aid for the district.

School districts are required to provide special education programs for disabled children. These programs must be made available to disabled nonpublic school pupils, and the district receives a shared-time portion of General Education aid for these pupils.

3. Transportation Program (M.S. 123.76-123.79; also see Program 0104)

School districts are required to provide "equal transportation" to nonpublic school pupils. This means that the district within which a non-disabled pupil resides must provide transportation for the nonpublic pupil within the district in like manner as that provided to the public school student residing in the district. Public schools are also permitted to transport nonpublic school pupils to regular shared-time programs and must transport disabled nonpublic school pupils to and from the facility where special education is provided. Public schools must also provide nonpublic school pupils with transportation within the district boundaries between the private school and public school or neutral site for the purpose of receiving health and secondary guidance and counseling services provided to nonpublic school pupils.

4. School Lunch Program (M.S. 124.646; also see Program 0306)

State funds are used to meet matching requirements of the United States Department of Agriculture National School Lunch Program.

5. School Milk Program (M.S.124.648; also see Program 0306)

State funds are provided to schools to pay, in part or in total, the cost of serving ½ pint of milk per day to kindergarten students. Eligibility is coordinated with the federal school milk program.

6. School Breakfast Program (M.S. 124.6472, also see Program 0308)

State funds are provided to schools to pay, in part or in total, the cost of serving breakfast to students.

7. State Income Tax Deductions (M.S. 290.01, Subd. 19b, [3])

Taxpayers who itemize deductions may deduct from gross income the amounts they spend for tuition, secular textbooks, and transportation of dependents attending public or nonpublic elementary or secondary schools in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin. The maximum deductions are \$650 per dependent in Grades K-6 and \$1,000 per dependent in Grades 7-12.

Federal Programs:

1. School Lunch Act and Child Nutrition Act (see Programs 0328-0334)

The state receives federal funds from the United States Department of Agriculture to provide better nutrition for students.

2. Innovative Program Strategies (also see Program 0715)

The Federal Block Grant program replaced several smaller categorical grant programs. Federal funds are available to schools to support educational program improvement in 6 targeted areas.

3. Teacher In-service (also see Program 0714)

Title 2 of the Elementary and Secondary Education Act (P.L. 98-377), and the Math & Science Act (P.L. 100-297) provide funds to school districts for training and retraining of teachers to improve instruction in the areas of mathematics and science. Nonpublic school teachers must be ensured equitable participation in the program.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0803 NONPUBLIC PUPIL PROGRAM SUMMARY
 (Continuation)

This estimate is based on the conversion of the number of nonpublic students to pupil units multiplied times the F.Y. 1996 General Education allowance of \$3,205. Taking into consideration that only three districts receive no General Education aid, all increased revenue is estimated to come in the form of aid.

4. Educationally Disadvantaged (ECIA) Chapter 1, Basic (also see Program 0233)

The state receives federal funds to encourage the participation of nonpublic students in Chapter 1, which provides supplemental services to educationally disadvantaged students who live in areas of high concentrations of poverty.

PROGRAM STATUS:

		Current Law				
(\$ in 000s)		<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. <u>State Programs</u>						
1. Nonpublic Public Aids						
Texts/Instructional materials	\$3,906.1	\$3,948.8	\$3,750.3	\$3,953.1	\$4,052.8	
Health services	\$1,890.7	\$2,048.4	\$2,225.1	\$2,385.0	\$2,446.3	
Guidance/ Counseling						
Services	\$2,363.8	\$2,426.7	\$2,458.1	\$2,688.0	\$2,750.6	
Administration	\$408.0	\$421.2	\$421.7	\$451.3	\$462.5	
Subtotal	\$8,568.6	\$8,844.5	\$8,855.2	\$9,477.4	\$9,712.2	
2. Shared-time Program	\$2,350.8	\$2,647.8	\$2,647.8	\$2,541.4	\$2,497.2	
3. Pupil Transportation	\$17,426.0	\$18,126.0	\$16,955.4	\$17,179.3	\$21,426.0	
4. School Lunch Program	\$326.2	\$328.0	\$328.0	\$328.0	\$328.0	
5. School Milk Program	\$80.8	\$82.0	\$85.0	\$85.0	\$85.0	
6. School Breakfast	\$9.2	\$12.0	\$14.0	\$14.0	\$14.0	
7. State Income Tax						
Deduction	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	\$2,500.0	
State Total	\$37,479.4	\$38,737.6	\$37,592.8	\$39,061.1	\$43,777.4	
B. <u>Federal Programs</u>						
1. School Lunch Act and						
Child Nutrition Act	\$2,863.2	\$4,203.7	\$4,750.0	\$4,750.0	\$4,750.0	
2. Block Grant	\$306.3	\$306.3	\$309.6	\$309.6	\$309.6	
3. Teacher In-service Training	\$132.8	\$137.8	\$140.8	\$140.8	\$140.8	
4. Educationally Disadvantaged						
Ch. 1	\$7,641.3	\$8,330.0	\$8,240.0	\$8,240.0	\$8,240.0	
Federal Total						
GRAND TOTAL	\$10,943.6	\$12,977.8	\$13,440.4	\$13,440.4	\$13,440.4	
C. <u>Number of Nonpublic Students</u>						
	87,221	88,968	90,589	91,884	92,830	

The total amount of state funding for nonpublic pupils for F.Y. 1996 equals \$38,737,600. If the 101,134 nonpublic pupils in the State of Minnesota during F.Y. 1995 were to enroll in the public school system, the amount of state funding required under current law would be approximately \$324,134,470.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

 0804 PSEO REPLACEMENT AID

CITATION: M.S. 124.177
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

The purpose of this program is to replace lost revenue for districts with declining enrollments whose average daily memberships are significantly reduced by the Post-secondary Enrollment Options Program.

DESCRIPTION:

A school district that meets the following criteria is eligible for PSEO replacement aid:

- the number of pupils or portions of pupils in average daily membership using the post-secondary enrollment options program exceeds 4% of the district's enrollment in grades 11 and 12;
- the enrollment in average daily membership in the district is less in the current year than it was five years previous; and
- the district is adjacent to at least two districts that are eligible for elementary or secondary sparsity revenue.

PSEO replacement aid equals:

- the number of pupils or portions of pupils in average daily membership using the post-secondary enrollment options program for the portion of time not attending the school district, minus
- the number of pupils in average daily membership in grades 11 and 12 in the district multiplied by 4%, multiplied by
- the secondary pupil weighting of 1.3, multiplied by
- the basic formula allowance for the fiscal year.

The PSEO replacement aid is no less than zero.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Intl. Falls	N/A	\$96.2	\$105.2	\$99.0	\$95.0
Crookston	N/A	\$23.9	\$26.2	\$24.6	\$23.6
Chisholm	N/A	\$0.0	\$0.0	\$0.0	\$0.0
Virginia	N/A	\$34.1	\$37.3	\$35.1	\$33.7
Eveleth-Gilbert	<u>N/A</u>	<u>\$18.6</u>	<u>\$20.3</u>	<u>\$19.1</u>	<u>\$18.4</u>
Total		\$172.8	\$189.0	\$177.8	\$170.7
Funds Available		\$172.8	\$138.0	\$121.0	\$121.0
Proration Factor		1.000000	0.730159	0.680540	0.708846

\$ in 000s)	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
A. APPROPRIATED ENTITLEMENT (Line 3 Fiscal Page)	\$123.0	\$121.0	\$121.0	\$121.0
B. ENTITLEMENT CHANGES PER LAW Number of Districts Participating	\$50.0	\$68.0	\$57.0	\$50.0
C. STATUTORY FORMULA AID (Line 1 Fiscal Page)	\$173.0	\$189.0	\$178.0	\$171.0

BUDGET ISSUES:

A. CHALLENGES:

- Districts' eligibility for this program must be checked annually. Eligibility can be changed by a district's enrollment patterns or by a neighboring district's sparsity revenue.

B. STRATEGIES:

- The department will continue to monitor district's eligibility for the program and continue to pay districts the aid required by law.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this program.

The Governor recommends an appropriation of \$12 in F.Y. 1998 for the final portion of the F.Y. 1997 entitlement.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0804: PSEO REPLACEMENT AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	173	189	178	171
2. Statutory Excess / (Shortfall)	(50)	(68)	(57)	(50)
3. Appropriated Entitlement	123	121	121	121
4. Adjustments				
a. Excess Funds Transferred In / (Out)	50	17		
5. Current Law Aid	173	138	121	121
6. Excess / (Shortfall) After Adjustments	0	(51)		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	173	138	121	121

GOVERNOR'S RECOMMENDATION: AID

Current Law Aid (from Line 5)

a. Reallocate Funds

Recommended Aid Entitlement

121	121
(121)	(121)
0	0

GOVERNOR'S RECOMMENDATION: LEVY

Current Law Levy (from Line 7)

0	0
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TOTAL RECOMMENDED FUNDING: AID & LEVY

0	0
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APPROPRIATIONS BASIS:(a)

Prior Year	0	19	12	0
Current Year	104	103	0	0
Current Year Adj. to 90%, per M.S. 124.904		6		
Subtotal before Transfers	104	128	12	0
Transfers per M.S. 124.14, subd. 7	50	17		
Total State General Funds	154	145	12	0

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition Other Education Programs
AGENCY: Children, Families & Learning Aids

0805 MISCELLANEOUS GENERAL LEVIES

CITATION: See individual levies.
MDE ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide additional property tax levy revenue to school districts to fund obligations of the district general fund, including unemployment insurance, past operating debt, the cost of judgments, state audits, and retirement, health insurance and severance for certain districts.

DESCRIPTION:

1. **Reemployment Insurance** (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for unemployment insurance under M.S. 268.06, Subd. 25, and for job placement services offered to employees who may become eligible for benefits under M.S. 268.08. If the unemployment insurance fund balance exceeds \$10 per pupil unit, the levy authority is reduced by the amount of the excess.
2. **Statutory Operating Debt** (M.S. 124.914, Subd. 1). A school district must levy the lesser of:
 - a. 1.66% of the adjusted net tax capacity of the district; or
 - b. the amount needed to retire the district's statutory operating debt as of June 30, 1977.
3. **Operating Debt** (M.S. 124.914, Subd. 2, 3 and 4, and Laws of 1992, Chap. 499, Art. 7, Sec. 16 and 17). Under the 1983 and 1985 operating debt levies, a school district may levy the lesser of:
 - a. 1.85% of the adjusted net tax capacity of the district (4.21% for I.S.D. 712, Buhl-Mountain Iron); or
 - b. the greater of: the amount needed to retire the deficit in the district's operating funds as of June 30, 1983, not to exceed the district's state aid reductions in F.Y. 1983; or the amount needed to retire the deficit in the district's general fund as of June 30, 1985.

Under the 1992 operating debt levy, a school district that has filed a statutory operating debt plan and has received approval by the commissioner of education may levy the lesser of:

- a. 1.0% of the adjusted net tax capacity of the district;
- b. \$100,000; or
- c. the amount needed to retire the deficit in the district's operating funds as of June 30, 1992, reduced by any referendum revenue in the statutory operating debt plan.

I.S.D. 316 and 381 also may levy over a five year period to retire the unreserved undesignated fund balance in the operating funds as of June 30, 1992. The 1996 payable 1997 levy is the final year of this authority

4. **Judgment** (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for judgments under M.S. 127.05, including interest.
5. **State Audit** (M.S. 124.912, Subd. 1). A school district may levy the amounts necessary to pay the district's obligations for post audits by the state auditor under M.S. 6.62, if the audit is performed at the discretion of the state auditor pursuant to M.S. 6.51, or if the audit has been requested through a petition by eligible voters pursuant to M.S. 6.54. A school district may not levy for post audits requested by the school board under M.S. 6.55.
6. **Health Insurance Levy** (M.S. 124.916, Subd. 1 and Laws of 1993, Chap. 224, Art. 8, Sec. 18). A school district may levy as an early retirement incentive for health, medical, and dental expenses for certain eligible employees who retired between May 15, 1992 and July 21, 1992 and between May 17, 1993 and August 1, 1993. The levy is authorized for expenses of the retiree up to age 65.
7. **Health Benefit Levy** (M.S. 124.916, Subd. 2). A school district may levy for the district's obligations under the collective bargaining agreement in effect on March 30, 1992 for health insurance and unreimbursed medical expenses of retirees who retired before July 1, 1992. The district levy authority, which may not exceed \$300,000, is available for taxes payable in 1996, 1997, 1998 and 1999.
8. **Minneapolis Civil Service Retirement** (M.S. 124.916, Subd. 3, paragraphs 1, 2 and 3). The Minneapolis school district may levy the amount levied for retirement in 1978, reduced each year by 10% of the difference between the amount levied for retirement in 1971 and the amount levied for retirement in 1975. Beginning in 1991, the Minneapolis school district may also levy an additional amount required for contributions to the Minneapolis Employees Retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund.
9. **Minneapolis and St. Paul Additional Retirement** (M.S. 124.916, Subd. 3, paragraphs 4, 5 and 6). The Minneapolis and St. Paul school districts may levy for the increased costs of TRA contributions due to changes in the contribution rates. The entire amount levied is recognized as revenue in the fiscal year in which the levy is certified. This levy is not considered in computing the aid reduction for the tax levy revenue recognition change under M.S. 124.155.
10. **Minneapolis Health Insurance Subsidy** (M.S. 124.916, Subd. 4). The Minneapolis school district may levy 0.10% of the district's adjusted net tax capacity to subsidize health insurance costs for retired teachers who were basic members of the Minneapolis Teachers Retirement Fund Association, who retired before May 1, 1974, and who are not eligible to receive the hospital insurance benefits of the federal Medicare program without payment of a monthly premium.
11. **St. Paul Severance** (Laws of 1989, Chap. 329, Art. 13, Sec. 18). The St. Paul school district may levy 0.21% of the district's adjusted net tax capacity.
12. **Crime Levy** (M.S. 124.912, Subd. 6). A school district may levy up to \$1.00 per capita to provide a drug abuse prevention program in the elementary schools, and/or to provide liaison services in the middle and secondary schools.
13. **Ice Arena Levy** (M.S. 124.912, Subd. 7). A school district that operates and maintains an ice arena may levy for the net operational costs of the ice arena for the previous year. The school district must demonstrate that it will offer equal sports opportunities for male and female students to use its ice arena.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition Other Education Programs
AGENCY: Children, Families & Learning Aids

0805 MISCELLANEOUS GENERAL LEVIES
 (Continuation)

PROGRAM STATUS:

	Estimate		Current Law		
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
	93 PAY 94	94 PAY 95	95 PAY 96	96 PAY 97	97 PAY 98
1. Reemployment Insurance					
Net Amount Certified ^(a)	\$5,759.1	\$5,068.0	\$5,170.3	\$5,987.8	\$5,800.0
Number of Districts	273	256	221	241	241
2. Statutory Operating Debt					
Certified Levy	\$131.9	\$53.6	\$37.0	\$38.0	\$40.5
Number of Districts	5	3	2	2	2
3. Operating Debt					
Certified Levy	\$1,176.6	\$1,172.3	\$1,225.9	\$1,103.0	\$658.0
Number of Districts	30	28	27	25	22
4. Certified Levy					
Certified Levy	\$259.3	\$326.2	\$856.8	\$685.5	\$700.0
Number of Districts	6	9	7	10	12
5. State Audit					
Certified Levy	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Number of Districts	0	0	0	0	0
6. Health Insurance Levy					
Certified Levy	\$5,826.4	\$5,899.0	\$5,618.1	\$5,141.2	\$5,141.2
Number of Districts	244	240	222	217	217
7. Health Benefit Levy					
Certified Levy	\$8,190.4	\$7,761.1	\$6,895.9	\$5,978.4	\$5,201.2
Number of Districts	119	118	120	112	110
8. Minneapolis Retirement					
Certified Levy	\$2,364.1	\$1,159.2	\$959.1	\$759.0	\$558.9
9. Additional Retirement					
Certified Levy	\$1,600.0	\$2,350.0	\$3,600.0	\$3,962.0	\$3,962.0
Number of Districts	2	2	2	2	2
10. Minneapolis Health Insurance					
Certified Levy	\$266.4	\$0.0	\$0.0	\$0.0	\$0.0
11. St. Paul Severance					
Certified Levy	\$0.0	\$0.0	\$374.5	\$391.0	\$415.0
12. Crime Levy					
Certified Levy	\$3,382.3	\$3,638.5	\$3,712.8	\$3,806.0	\$3,882.1
Number of Districts	192	209	200	205	205
13. Ice Arena Levy					
Certified Levy	\$205.0	\$188.4	\$182.1	\$292.1	\$292.1
Number of Districts	3	3	3	5	5

^(a) Net levy authority after reductions made for excess fund balances of \$2.6 million for F.Y. 1995, \$2.8 million for F.Y. 1996, and \$2.2 million (est.) for F.Y. 1997, 1998 and 1999.

BUDGET ISSUES:

A. CHALLENGES:

- The miscellaneous general levies continue to serve varied needs for Minnesota school districts. All funds generated through these levies are anticipated to be fully utilized.

B. STRATEGIES:

- Minnesota school districts will generate revenue to the extent needed for various general fund obligations in F.Y. 1998 and F.Y. 1999, thereby contributing to their overall financial health. School districts will not need to allocate general education formula funding to these identified costs. The amount received from levy will be substantially equal to the expenditure as shown on annual financial reports.

GOVERNOR'S RECOMMENDATION:

Governor recommends changing the definition of pupils units consistent with changes in the General Education program. See Program 0101 for further information.

The Governor recommends the following modification in miscellaneous general levies:

Beginning with taxes payable in 1998, compute the reemployment insurance levy based on expenditures through the fiscal year the levy is certified, instead of expenditures through the fiscal year after the year the levy is certified. Permit school districts to recognize 100 percent of the levy in the fiscal year the levy is certified, and exempt this levy from the tax shift aid reduction.

1998-99 Biennial Budget

PROGRAM:	08	Nutrition and Other Education Programs
AGENCY:		Children, Families & Learning Aids
	0806	SCHOOL LUNCH AND FOOD STORAGE PROGRAM
	0807	SUMMER FOOD SERVICE
	0808	SCHOOL BREAKFAST
CITATION:		M.S. 124.646, 124.6469, 124.6472, 124.124648; Laws 1995X, Ch. 3, Art. 8, Sec. 25, Subd. 5 and 6
MDCFL ADMIN:	1402	Prevention
FEDERAL:	0329	School Lunch
	0330	Special Milk
	0331	School Breakfast
	0332	Child Care Food
	0333	Summer Food Service
	0334	Food Distribution

PURPOSE:

To safeguard the health and well-being of Minnesota children by reimbursing school food authorities that provide breakfast, lunch and milk to children.

1. **School Breakfast:** To provide additional reimbursement to schools beyond the reimbursement available through the federal School Breakfast Program to encourage more schools to offer nutritious breakfasts to children.
2. **School Lunch:** To provide required state matching funds to school food authorities to assure continuance of federal assistance through the National School Lunch Program. Additional state funds, beyond the match, help to keep lunch prices affordable.
3. **Minnesota Kindergarten Milk:** To provide milk reimbursement to schools so that kindergarten children have access to a milk break each school day to improve their health and meet daily nutritional needs.
4. **Summer Food Service:** To provide funding incentives so more children from low income areas and groups will have access to meals during the summer when school is not in session.
5. **Food Distribution:** To provide handling, storage, delivery and processing of USDA donated commodities to schools and other eligible agencies using state school lunch revenue match funds.

DESCRIPTION:

The Food and Nutrition activity administers six U. S. Department of Agriculture (Federal) programs (School Breakfast and National School Lunch, Special Milk, Summer Food Service, Child and Adult Care Food, Food Distribution Program). State funds complement several of the USDA sources and fund the Minnesota Kindergarten Milk Program. Combined federal and state funding of about \$170 million is distributed to approximately 1,600 organizational customers.

School Breakfast Program: The state provides an appropriation that is paid to schools on a per breakfast rate because federal reimbursement is not always sufficient to cover local costs, nor to keep the charge to the paying students at an affordable price. Federal reimbursement rates are structured

so that a "severe need" school (one that served 40% or more of its lunches free or at reduced price during the second preceding year) receives greater average reimbursement per breakfast than other schools. State legislation requires schools to offer a breakfast program if 33% or more of their lunches served during the second preceding year were served free or at reduced price.

The FY 97 appropriation of \$456,000 enables two categories of state reimbursement: 1) up to 5.1 cents per breakfast served except for free and reduced price breakfasts served at "severe need" sites, and 2) up to an additional 10.5 cents per free and reduced price breakfast served at schools mandated to offer a breakfast program, but not eligible for federal "severe need" reimbursement (between 33% and 40% of lunches served during the second preceding year were served free or at reduced price).

School Lunch Program: The State Revenue Matching (SRM) requirement for the National School Lunch Program (NSLP) is fixed at \$4,625,000. If the state fails to meet the SRM requirement for any school year, the federal assistance funds used by the state during that school year are subject to recall and repayment to the U. S. Department of Agriculture (USDA). For school years 1996 and 1997 \$6,404,000 and \$6,454,000 have been appropriated.

SRM funding is used for reimbursement of lunches served in participating schools and for commodity handling, storage and delivery costs. Payment is made to schools on a per lunch rate (approximately 5 cents per meal). At the end of each school year, the rate of reimbursement is adjusted, based on total claims and the state appropriation.

Minnesota Kindergarten Milk Program: Public and nonpublic schools participating in the program are initially reimbursed at approximately 14 cents per estimated number of half-pints of milk for kindergarten students. For milk claimed both through this program and the federal milk program, the initial state reimbursement rate is approximately 6 cents per estimated number of half-pints of milk for kindergarten students. \$800,000 has been appropriated annually.

Summer Food Service Program: For the first time in FY 1994, incentive funding of \$1,000 was provided to each new sponsor of the federal SFSP. Funds are used for start up costs at the discretion of the sponsor. This strategy increases program access of the federal SFSP by providing operating and administrative funds.

Food Distribution Program: School lunch SRM funds are used to pay for handling, storage and delivery of USDA donated commodities to schools. Estimated annual distribution costs are subtracted from SRM funds before the remaining balance is paid to schools on a per lunch basis. M.S. 121.11, subd. 14 provides for the establishment of a revolving fund for which SRM funds can be used for the further processing of USDA commodities and for the establishment of a revolving fund for the deposit and payment of commodity distribution charges of non school agencies.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0806 SCHOOL LUNCH AND FOOD STORAGE PROGRAM
 (Continuation)

PROGRAM STATUS:

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
School Breakfast Program:					
A. Number of School Breakfast Programs					
1. Public School District	300	293	288	285	283
Sites	953	996	1,010	1,025	1,035
2. Nonpublic Schools	29	25	26	25	25
Sites	33	26	27	26	26
3. Residential Institutions	43	45	45	45	45
Sites	86	89	89	89	89
B. State Funding					
1. Total Breakfast Eligible for State Funding (000s)					
a. Non-Severe Need Sites and Paid Breakfasts	5,008	5,334	5,500	5,700	5,850
b. Mandated Sites (33%-40%) Free and Reduced Price Breakfasts	936	1,006	1,050	1,075	1,100
2. Reimbursement per Breakfast (cents)					
a. Non-Severe Need Sites and Paid Breakfasts	5	5	5	5	5
b. Mandated Sites (33%-40%) Free and Reduced Breakfasts	11	11	11	11	11
3. Total State Aid Available	\$400	\$419	\$456	\$456	\$456
School Lunch Program					
A. Number of School Food Authorities					
1. Public School Districts**	381	363	357	355	353
2. Private Schools and Residential Child Care Institutions	248	244	244	244	244
B. State Revenue Matching (SRM)					
1. Total Number of Lunches Served (000s)	84,267	84,300	84,300	84,300	84,300
2. State Reimbursement per lunch (cents)***	6	6	6	6	6
3. State Cash Assistance	\$5,017	\$5,104	\$5,054	\$5,054	\$5,054
4. Total State Aid Available for Lunch Payments, Storage, & Trans Costs****	\$5,725	\$6,404	\$6,454	\$6,454	\$6,454

* The reimbursement per meal shown on tables will be decreased to remain within the available funding.

** Due to Pairing and Cooperating agreements, not all school districts have individual food service agreements.

*** this rounded rate reflects the amount per lunch required to be allocated for the fiscal year in order to use available state funds.

**** The SRM remains at \$4,625,000. Beginning in F.Y. 1997 state funding provided \$7,254,000 minus approximately \$8000,000 for the Minnesota Kindergarten Milk Program and minus approximately \$1,400,000 for commodity storage and transportation costs.

F.Y. 1995 F.Y. 1996 F.Y. 1997 F.Y. 1998 F.Y. 1999

Minnesota Kindergarten Milk Program

A. Public Schools					
Number of SFAs Participating	329	326	323	320	320
Number of Kindergarten Students	62,391	62,908	63,500	64,000	64,500
Number of Kindergarten Students with Access	51,468	52,674	53,500	54,500	55,500
State Aid Received	\$714	\$715	\$715	\$715	\$715

B. Private Schools					
Number of SFAs Participating	194	194	194	194	194
Number of Kindergarten Students	8,676	8,828	8,950	9,000	9,050
Number of Kindergarten Students with Access	5,086	5,311	5,500	5,650	5,650
State Aid Received	\$81	\$85	\$85	\$85	\$85

C. Total State Aid Available	\$800	\$800	\$800	\$800	\$800
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Summer Food Service Program

Funding For Incentive	\$19	\$15	\$15	\$15	\$15
Number of New Sponsors	19	15	15	15	15

Food Distribution Program

Warehouse storage, handling and distribution costs	\$1,200	\$1,300	\$1,400	\$1,400	\$1,400
Revolving Fund Processing Activity	\$1,000	\$1,000	\$1,000	\$2,000	\$2,000

BUDGET ISSUES:

A. CHALLENGES:

- **School Breakfast Program:** At a time when more schools are required to offer breakfast programs and the number of breakfasts served continues to increase, the amount of federal reimbursement received is inadequate to meet the actual cost of preparing a nutritious breakfast. Schools are asked to promote the relationships between good nutrition, health and learning. However, it is increasingly difficult for schools to provide breakfasts that meet the dietary guidelines for Americans, allow all children to eat for a reasonable fee and provide enough income to maintain a breakfast program.
- **School Lunch Program:** School lunch participation and the cost of each meal continues to rise each year. The federal reimbursement has not covered the direct costs incurred by many schools to produce the lunches. With price increases, additional children choose not to eat lunch at school and may not get a nutritious meal.
- **Minnesota Kindergarten Milk Program:** Not all students have access yet.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

0806 SCHOOL LUNCH AND FOOD STORAGE PROGRAM
(Continuation)

- **Summer Food Service Program:** The federally funded SFSP is not available to children in every qualifying area of the state. Some municipalities with significant numbers of eligible children have never had a program. With recent federal reimbursement cuts (effective in 1997) program expansion into those communities will be challenging. Expansion into primarily rural areas will be even more difficult.
- **Food Distribution Program:** Commodity distribution costs will increase due to inflation and an increase in the amount of processed commodity end products. This will reduce the amount of funds available for reimbursement to school food authorities. The amount of commodities that will be further processed will increase as a result of higher labor costs and desirability of end products. However, the limited amount of SRM funds available for use as a revolving fund for processing may limit the volume of commodities that can be processed.

B. STRATEGIES:

- **School Breakfast Program:** Minnesota Children is promoting the School Breakfast Program along with existing state legislation which provides complementary state aid to USDA funding. The funding combination has made it possible for more schools to operate in the black and continue to offer the program. The link between breakfast and educational achievement makes it important for schools to increase the participation rates of all students in the SBP.
- **School Lunch Program:** In addition to state aid that complements USDA funding, Minnesota Children provides local consultation on program management including roles and qualifications of leadership staff, menu planning and purchasing, pricing strategies and cost reduction strategies.
- **Minnesota Kindergarten Milk Program:** Program outreach continues.
- **Summer Food Service Program:** Recruitment of new sponsors will be concentrated in areas that have a significant population base for long term viability and those who have access to other food resources (e.g. surplus, salvage, dated and donated foods) to supplement the loss of federal funds. Collaborations are also being developed within communities to promote the program through local service agencies, obtain equipment funding and build stronger volunteer networks.
- **Food Distribution Program:** The food distribution program will continue the practice of Just In Time to hold down distribution costs. More commodities will be processed into desirable end products for school food authority labor savings and convenience.

GOVERNOR'S RECOMMENDATION:

School Lunch/Milk/Storage Program

The Governor recommends an aid entitlement and 100% current appropriation of \$7,254 for F.Y. 1998 and \$7,254 for F.Y. 1999.

The Governor recommends continuation of authority for the following:

- Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced and fully paid federally reimbursable student lunches served during that school year.
- If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.
- Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so school lunch aid and food storage costs can be fully paid as scheduled.
- Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Summer Food Service

The Governor recommends an aid entitlement and 100% appropriation of \$15 for F.Y. 1998 and \$15 for F.Y. 1999.

School Breakfast

The Governor recommends an aid entitlement and 100% current appropriation of \$456 for F.Y. 1998 and \$456 for F.Y. 1999.

The Governor recommends continuation of authority for the following:

- If the appropriation amount attributable to either year is insufficient, the rate of payment for each fully paid student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpended balance remaining shall be used to subsidize the payments made for school lunch aid per M.S. 124.646.
- Up to one percent of the program funding can be used by the Department of Children, Families & Learning for technical and administrative assistance.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

0806: SCHOOL LUNCH AND FOOD STORAGE AID

0807: SUMMER FOOD SERVICE

0808: SCHOOL BREAKFAST AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1a. Statutory Formula Aid - School Lunch and Food Storage Aid	7,204	7,254	7,254	7,254
1b. Statutory Formula Aid - Summer Food Service	15	15	15	15
1c. Statutory Formula Aid - School Breakfast Aid	419	456	456	456
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	7,638	7,725	7,725	7,725
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	7,638	7,725	7,725	7,725
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	7,638	7,725	7,725	7,725
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			7,725	7,725
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			7,725	7,725

APPROPRIATIONS BASIS:

Direct Appropriated Funds - School Lunch and Food Storage Aid	7,204	7,254	7,254	7,254
Direct Appropriated Funds - Summer Food Service	15	15	15	15
Direct Appropriated Funds - School Breakfast Aid	419	456	456	456
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	7,638	7,725	7,725	7,725

1998-99 Biennial Budget

PROGRAM: 08 Education and Other Education Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0809 FEDERAL IMPACT AID
(Information Only)

CITATION: P.L. 81-874, Titles I and IV as amended; P.L. 81-915, as amended
MDCFL ADMIN: 1209 Education Finance

PURPOSE:

Federal Impact Aid was established to assist school districts that are financially burdened as a result of existing, new, or expanded federal activities. Federal Impact Aid is designed to compensate school districts for the costs of educating children when enrollments and/or the availability of revenues from local sources have been adversely affected by federal ownership or federal activity.

DESCRIPTION:

For fiscal year ending 1996, 20 Local Education Agencies (LEAs) in Minnesota qualified and received approximately \$4.1 million in funding for Federal Impact Aid.

The federal government is the nation's largest landowner and employer, with military installations, civilian government agencies, Indian reservations, and public housing. The federal government does not pay property taxes, the traditional source of financial support for schools. Since federal property is not subject to property tax, it does not provide financial support for the schools, even though the dependents of federal employees and residents of federal lands add to the cost of providing public education. When P.L. 81-874 and P.L. 81-815 were originally enacted in 1950, the primary focus was to respond to the impact of increased populations in centers of defense production and near military installations. Since that time, P.L. 103-382 has expanded the provisions of the program to recognize the impact represented by children residing on certain Indian lands. Additional Impact Aid is available for disabled children who reside on Indian land and disabled children who have a parent in the uniformed services. The definition of federal property has been broadened to include certain low-rent housing properties as well as tax-exempt properties owned by foreign governments.

Federal Impact Aid provides assistance to LEAs under one broad program with four components that is a recurring, current funded program requiring an annual application filed with the U.S. Department of Education by January 31.

1. Public Law 103-382

Public Law 103-382 provides financial assistance for current operations. Impact aid payments are made directly to school districts for the current fiscal year where they are usually commingled with state, local, and other funds used for any purpose benefiting all students enrolled in the district. Funds for this program are available from October 1 through September 30. The level of funding is dependent upon the availability of appropriations. Significant sections of this law are described below.

2. Section 8002 (of P.L. 103-382)

Authorizes assistance to school districts having a partial loss of tax base as a result of the acquisition of real property by the United States. An LEA may be eligible if 1) the property was acquired by

transfer since 1938; 2) was not acquired by exchange for other federal property in the LEA agency which the United States owned before 1939; 3) the assessed valuation of such property represents 10% or more of the total assessed valuation of all realty in the LEA at the time or times of transfer; 4) the acquisition has placed a substantial and continuing financial burden on the LEA; and 5) the LEA is not being substantially compensated by increases in revenue from federal activities with respect to the Federal property.

3. Basic Support Payments (Section 8003)

Basic support payments constitute the major part of the Impact Aid program. Section 8003 establishes several broad categories of school children who may generate payments for their LEAs and requires the determination of the number in each category. Eligible school districts provide education for federally connected children who:

1. reside on federal property *and* live with a parent employed on Federal property, or
2. reside on federal property with a parent who is an official of a foreign government and is a foreign military officer,
3. reside on federal property *and* have a parent on active duty in the uniformed forces,
4. reside on Indian lands,
5. had a parent on active duty in the uniformed services but did not reside on federal property,
6. had a parent who is an official of and has been accredited by a foreign government and is a foreign military officer but did not reside on federal property,
7. resided in low-rent housing, or
8. resided with a parent employed on federal property.

A school district may be eligible for payments if the total number of Section 8003 children in average daily attendance (ADA) is 3% of the total average daily attendance or 400, whichever is the lesser.

The maximum amount the LEA is eligible to receive under Section 8003 for any fiscal year is the sum of its total weighted student units multiplied by one-half of the average per-pupil expenditure for all of the states for the third fiscal year preceding the fiscal year for which the determination is made.

4. Payments for Children with Disabilities (Section 8003 (d))

The new legislation includes a new formula and authorization for a separate appropriation for payments for children with disabilities. Revenues for children with disabilities shall be used to provide a free public education to children in accordance with the Individuals with Disabilities Education Act.

For children with disabilities who reside on Indian land and children with disabilities who are military dependents residing on federal property, the revenue weighting is 1.0 and it is estimated that the payment per child will be approximately \$900. For military dependent children with disabilities not residing on Federal property, the revenue weighting is .50 and it is estimated that payment will be approximately \$450 per child.

Payments to Heavily Impacted Districts (Section 8003 (f))

Additional revenue is to be provided for LEAs which meet one or more of the following eligibility:

1. has an enrollment of federally connected children which is at least 50% of total enrollment of the LEA if the LEA receives Basic Support Payments (Section 8003); or
2. has an enrollment of federally connected children which is at least 40% of total enrollment of the LEA if the LEA does NOT receive Basic Support Payments (Section 8003) *and* has a tax rate for general fund purposes which is at least 95% of the average tax rate for general fund purposes of comparable LEAs; or
3. has an enrollment of federally connected children which is at least 35% of total enrollment of the LEA *and* has a tax rate for general fund purposes which is at least 125% of the average tax rate for general fund purposes of comparable LEAs in the state.

1998-99 Biennial Budget

PROGRAM: 08 Education and Other Education Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0809 FEDERAL IMPACT AID
 (Continuation)

Policies and Procedures for Children Residing on Indian Lands (Section 8004)

Districts claiming assistance under Section 8003 for children residing on Indian lands must establish policies and procedures to ensure that:

1. the Indian children claimed participate on an equal basis in the school program with other children educated by the district;
2. the tribes and parents of the Indian children must receive copies of the applications and evaluations;
3. parents and tribes are consulted and involved in planning and developing such program and activities;
4. relevant applications, evaluation and program plans are disseminated to the parents and tribes; and
5. parents and tribes are afforded an opportunity to present their views on the education programs of the district.

PROGRAM STATUS:

I.S.D.	District Name	Current Law				
		F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1	Minneapolis	\$75.8	\$64.4	\$0.0	*	*
4	McGregor	28.4	28.2	22.3		
11	Anoka-Hennepin	22.1	0.0	0.0		
25	Pine Point	91.2	77.5	131.0		
31	Bemidji	73.2	0.0	0.0		
32	Blackduck	21.5	18.3	4.4		
36	Kelliher	31.4	26.7	0.0		
38	Red Lake	2,276.1	1,934.7	2,710.7		
93	Carlton	53.9	45.8	40.4		
94	Cloquet	155.9	132.5	0.0		
113	Walker	65.9	56.0	67.5		
115	Cass Lake	466.6	396.6	256.5		
118	Remer	37.6	31.9	18.8		
162	Bagley	68.5	55.0	13.4		
166	Cook County	0.0	0.0	32.3		
192	Farmington	3.1	0.0	0.0		
280	Richfield	10.0	0.0	0.0		
317	Deer River	123.3	102.4	102.0		
381	Lake Superior	5.0	0.0	0.0		
432	Mahnomen	476.9	405.4	312.5		
435	Waubun	\$210.6	\$179.0	\$0.0	*	*
473	Isle	22.6	0.0	0.0		
480	Onamia	162.3	138.0	60.5		
625	St Paul	123.6	105.1	0.0		
652	Morton	119.7	0.0	0.0		
696	Ely	2.6	0.0	0.0		

I.S.D.	District Name	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
700	Hermantown	18.8	0.0	0.0		
707	Nett Lake	180.5	153.5	198.1		
709	Duluth	17.9	0.0	0.0		
742	St Cloud	20.9	0.0	0.0		
2142	St Louis County	82.3	69.9	0.0		
2165	Hinckley-Finlayson	25.4	0.0	0.0		
2580	East Central	34.6	0.0	4.8		
2758	Redwood Falls	0.0	91.6	0.0		
	TOTAL	\$5,108.2	\$4,108.5	\$3,975.2		

BUDGET ISSUES:

A. CHALLENGES:

- Revenue reductions targeted for F.Y. 1998 have made it difficult to determine how many Minnesota LEAs will retain Impact Aid revenue. It is projected that 700 of the nation's 2,700 LEAs currently receiving Impact Aid will lose funding.

B. STRATEGIES:

- Federal Impact Aid will continue to provide direct aid payments to Minnesota school districts which are financially burdened as a result of federal activities or ownership. Although nationwide, Impact Aid is primarily a program for military and other federal activities, LEAs which include Indian lands are the main benefactors in Minnesota. The amount of Impact Aid received by Minnesota LEAs makes a significant impact in providing programs and services to students. The Minnesota Department of Children, Families & Learning will continue to provide assistance to LEAs in their application for Federal Impact Aid.

1998-99 Biennial Budget

PROGRAM: 08 Nutrition and Other Education Programs
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

0811 SCHOOL LUNCH PROGRAM
 0812 SPECIAL MILK PROGRAM
 0813 SCHOOL BREAKFAST PROGRAM
 0814 CHILD AND ADULT CARE PROGRAM
 0815 SUMMER FOOD SERVICE PROGRAM
 0816 FOOD DISTRIBUTION PROGRAM

CITATION: National School Lunch Act, Sections 4, 9, 11, 13, 14, and 17
MDCFL ADMIN: 1303 Food and Nutrition Service

PURPOSE:

To safeguard the health and well-being of Minnesota children by reimbursing school food authorities that provide breakfast, lunch, and milk to children and that participate in the following United States Department of Agriculture (USDA) nutrition programs:

Child and Adult Care, School Breakfast, National School Lunch, Special Milk, Summer Food Service, and Food Distribution

DESCRIPTION:

The Food and Nutrition activity is to effectively deliver six U. S. Department of Agriculture (Federal) nutrition programs (Child and Adult Care Food, School Breakfast, National School Lunch, Special Milk, Summer Food Service and Food Distribution Programs) through leadership, service and administration.

Child and Adult Care Program: Eligible organizations are licensed or approved child care centers, outside-school-hours care centers, sponsoring organizations, and family day care homes. USDA reimbursement is available for breakfast, lunches, suppers, and snacks that meet guidelines. Up to two meals and one snack per day per participant may be claimed for reimbursement. Rates of reimbursement for center and for family day care homes are established by USDA. For centers, the amount of reimbursement also depends on household size and income. Sponsors of family day care home organizations receive administrative payments in relation to the number of homes sponsored.

School Breakfast Program and National School Lunch Program: Public and nonpublic schools and residential child care institutions are eligible to participate in these programs and receive reimbursement at rates that are established annually. Free and reduced price breakfasts and lunches are available to children who qualify based on family size and income. Low cost meals are available to other children. A basic federal rate of reimbursement for breakfasts, and a basic rate for lunches, is paid for all meals served. All sites receive reimbursement in addition to the basic rate for meals served free or at reduced price. For "severe need" breakfast sites (those sites with free and reduced price lunch participation of at least 40%) free and reduced price breakfasts are eligible for higher rates of reimbursement if justified by actual costs. Sites with at least 60% free and reduced price lunch participation receive slightly higher rates of reimbursement for all lunches served.

Special Milk Program: This program serves children who do not have access to school breakfast

or lunch. Agencies are reimbursed for ½ pints of milk at a rate that is adjusted annually. Agencies which serve milk free to eligible needy are reimbursed at their average cost of milk.

Summer Food Service Program: Agencies in federally defined low-income areas receive reimbursement and donated commodities for meals served to eligible needy when the school meal programs are not operating. Agencies in low-income areas are recruited to participate in this program. Agencies receive administrative aid as well as operating reimbursement.

Food Distribution Program: The department contracts with one or more providers to receive, store and distribute USDA donated commodities to eligible schools, charitable institutions, summer camps and summer food service program sites. Based on availability, desirable commodities are requested from the USDA on behalf of eligible agencies and equitably allocated and delivered to program participants. Many less-desirable commodities are processed into more desirable end products.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Child and Adult Care Program					
1. <u>Public Institutions</u>					
Total Institutions Participating	53	65	65	65	65
Sites	172	159	160	160	160
Average Daily Participants	4,423	4,550	4,550	4,550	4,550
USDA Funding	\$620.0	\$640.0	\$700.0	\$650.0	\$640.0
2. <u>Private Institutions</u>					
Total Institutions Participating	242	230	230	230	230
Sites	14,552	14,659	1,470	14,700	14,700
Average Daily Participants	92,600	92,500	92,500	92,500	92,500
USDA Funding	\$62,354.0	\$64,537.0	\$66,800.0	\$64,350.0	\$63,360.0
3. Total Federal Aid	\$62,974.0	\$65,177.0	\$67,500.0	\$65,000.0	\$64,000.0
School Breakfast Program					
1. Public School Districts					
School Food Authorities Participating	300	293	288	285	283
Sites	953	996	1,010	1,025	1,035
Breakfast Served (000s)					
Paid	2,187	2,574	2,900	3,100	3,300
Reduced Price	777	853	900	950	1,000
Free	6,645	6,861	7,000	7,100	7,200
Total Breakfasts	9,609	10,288	10,800	11,150	11,500
2. USDA Funding	\$8,250.0	\$8,730.0	\$9,000.0	\$9,300.0	\$9,500.0
School Food Authorities/Institutions	72	70	71	70	70
Sites	119	115	116	115	115
Breakfast Served (000s)					
Paid	94	95	94	94	94
Reduced Price	14	14	14	14	14
Free	879	907	930	955	980
Total Breakfasts	987	1,016	1,038	1,063	1,088
USDA Funding	\$1,032.0	\$1,087.0	\$1,125.0	\$1,175.0	\$1,200.0
3. Total Federal Aid	\$9,413.0	\$9,903.0	\$10,249.0	\$10,475.0	\$10,700.0

LIBRARIES (10)

State Aid Programs

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Federal Flow - Through Programs

1005 Public Library Aid	A-476
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1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

1001 LIBRARIES - BASIC GRANTS

CITATION: M.S. 134..31- 134.36
MDCFL ADMIN: 1403 Library Development and Services
FEDERAL: 1005 Library Aid

PURPOSE:

To promote, encourage, and assist in the provision of basic public library services.. Public libraries provide self-directed educational opportunities for learners of all ages. Grants are provided for development and operation of 12 regional public library systems to strengthen and improve public library services, and for statewide interlibrary loan and reference information services. These systems serve all areas of the state, including rural, sparsely populated areas. Specific objectives of the program include:

- providing incentives for counties and cities to work together in regional public library systems, thereby improving and extending services to users at the most reasonable possible cost;
- promoting reading and use of library materials and use of information resources;
- sharing library materials within each region and statewide through interlibrary loan systems and reciprocal borrowing;
- strengthening library materials collections to better meet the needs of the public;
- supporting automation and integration of new technologies; and
- equalize funding between cooperating jurisdictions.

Appropriations in this activity are also used for maintenance of effort in order to qualify for federal funds.

DESCRIPTION:

The state-funded public library grant program is used for regional library basic system support and interlibrary exchange grants.

State law requires that a regional public library system, to be eligible for a Regional library basic system support grant, must consist of at least 3 counties and must be designated by the State Board of Education as the appropriate agency to strengthen, improve, and promote public library services in the participating area. State law also requires that each governmental unit participating in a regional public library system must meet minimum levels of local support requirements and maintenance of effort. The minimum level of local support, revised by the 1992 Legislature, is .82% of the adjusted net tax capacity, or a per capita amount, whichever is less. The method of calculating the per capita amount is established in statute. The per capita amount is \$8.32 in 1997; it is increased each year by ½ of the percentage of increase of the adjusted net tax capacity statewide. To maintain effort, a participating governmental unit must provide, for operating purposes for public library services, at least the dollar amount provided in the preceding year. During F.Y. 1993, 1994 and 1995, however, grants were made if a unit maintained an effort at the level of the second preceding year. This change was enacted by the 1992 Legislature and extended to 1996 by the 1995 Legislature.

The formula for regional library basic system support grants, as amended by the 1991 Legislature and effective in F.Y. 1993, is contained in M.S. 134.35. The formula allots 57.5% of available funds to

the system in an equal amount per capita, 12.5% of available funds in an equal amount per square mile, 5% of available funds in an equal amount to each system, and 25% of available funds for equalization of funding from counties where the adjusted net tax capacity per capita falls below that state average adjusted net tax capacity per capita. The formula factors address the costs of providing services in the rural, sparsely populated and property poor areas of the state.

The interlibrary exchange grants are used for contracts with the Minnesota Higher Education Services Office to pay for the services of MINITEX to public libraries, and the St. Paul Public Library for services of the Public Library Access Network (PLANET). The amounts of the contracts are determined annually through negotiation, and are based on costs for providing projected levels of services. Services provided by MINITEX are interlibrary loan from the University of Minnesota Libraries and other academic and government agency libraries, inclusion of public library holdings in the computerized Minnesota Union List of Serials, and back up reference service for answering reference questions that the local library lacks materials to answer. Services provided by PLANET are interlibrary loan from Twin Cities public libraries and private college libraries.

The 12 regional public library systems and the counties they serve are shown in Table 10-1.

TABLE 10-1
 MINNESOTA REGIONAL PUBLIC LIBRARY SYSTEMS

Arrowhead Library System

Population 306,797

Carlton County
 Cook County
 Itasca County
 Koochiching County
 Lake County
 Lake of the Woods County
 St. Louis County

Great River Regional Library

Population 344,334

Benton County
 Morrison County
 Sherburne County
 Stearns County
 Todd County
 Wright County

East Central Regional Library

Population 133,396

Aitkin County
 Chisago County
 Isanti County
 Kanabec County
 Mille Lacs County
 Pine County

Kitchigami Regional Library

Population 135,048

Beltrami County
 Cass County
 Crow Wing County
 Hubbard County
 Wadena County

Lake Agassiz Regional Library

Population 134,487

Becker County
 Clay County
 Clearwater County
 Mahnommen County
 Norman County
 Polk County
 Wilkin County

Southeastern Libraries Cooperating

Population 437,442

Dodge County
 Fillmore County
 Freeborn County
 Goodhue County
 Houston County
 Mower County
 Olmsted County
 Rice County
 Steele County
 Wabasha County
 Winona County

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

1001 LIBRARIES - BASIC GRANTS
(Continuation)

TABLE 10-1
Continued

Metropolitan Library Service Agency

Population 2,448,081

Anoka County
Carver County
Dakota County
Hennepin County
Ramsey County
Scott County
Washington County

Northwest Regional Library

Population 50,202

Kittson County
Marshall County
Pennington County
Red Lake County
Roseau County

Pioneerland Library System

Population 161,617

Big Stone County
Chippewa County
Kandiyohi County
Lac Qui Parle County
McLeod County
Meeker County
Renville County
Swift County
Yellow Medicine County

Traverse des Sioux Library System

Population 220,392

Blue Earth County
Brown County
Faribault County
LeSueur County
Martin County
Nicollet County
Sibley County
Waseca County
Watsonwan County

Viking Library System

Population 115,338

Douglas County
Grant County
Otter Tail County
Pope County
Stevens County
Traverse County

Plum Creek Library System

Population 119,934

Cottonwood County
Jackson County
Lincoln County
Lyon County
Murray County
Nobles County
Pipestone County
Redwood County
Rock County

PROGRAM STATUS:

(\$ in 000s)

Current Law

	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
a. Items loaned by public libraries	42,482.9	42,570.0	42,800.0	43,100.0	43,400.0
b. State rank in public library lending per capita	5	5	5	5	5
c. Number of reference questions asked	6,536.3	6,800.6	7,000.0	7,200.0	7,400.0
d. State rank in reference questions per capita	4	4	4	4	4
e. Interregional reciprocal borrowing	404.4	445.9	490.0	530.0	560.0
f. Interlibrary loan requests processed through Public Library Access Network (PLANET) and MINITEX Library Network	90.2	92.8	95.5	98.3	101.3
g. Interlibrary loan requests supplied by regional systems (Calendar Year)	222.6	225.0	228.0	231.0	234.0
h. State rank in public library expenditures per capita	13	13	13	13	13
i. State rank in public library staff per capita	19	19	19	19	19
j. Number of people coming to public libraries	20,879.3	21,050.0	21,200.0	21,350.0	21,500.0
k. Number of people attending programs at public libraries	932.8	938.0	943.0	948.0	953.0
l. Items in public library collections	16,978.9	17,200.0	17,400.0	17,600.0	17,800.0
m. State Grants					
a. Regional library basic support grants					
Number of Grants	12	12	12	12	12
Expenditures	\$7,276.1	\$7,029.0	\$7,029.0	\$8,000.0	\$8,000.0
b. Grants for interlibrary exchange					
Number of Grants	2	2	2	2	2
Expenditures	\$542.9	\$719.0	\$719.0	\$719.0	\$719.0
Total Number of Grants	14	14	14	14	14
Total Funding	\$7,819.0	\$7,819.0	\$7,819.0	\$7,819.0	\$7,819.0

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

1001 LIBRARIES - BASIC GRANTS
(Continuation)

BUDGET ISSUES:

A. CHALLENGES:

- Use of Minnesota's public libraries is steadily increasing. There has been a 48.4% increase in the number of items borrowed in the past decade.
- Minnesota libraries are expected to serve as access points to Internet and other technology based information services.
- Use of statewide interlibrary loan networks is steadily increasing along with the demand for speedy delivery.
- Public libraries are expected to share and link their bibliographic databases to enhance access.
- Regional, county and city library boards do not have the power to tax. They receive local appropriations from county boards of commissioners and city councils. In the 6 consolidated regional public library systems, these local funds along with state and federal aid funds are expended for operating public library service. In the 6 federated regional public library systems, most funds are provided to county and city libraries for their operations. The federated regional public library systems expend state and local funds for operation of cooperative services such as bookmobile service, library automation, interlibrary loans, delivery of materials, and collection development.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$7,819 for F.Y. 1998 and \$7,819 for F.Y. 1999. Based on these entitlements, the Governor recommends an appropriation of \$7,819 in F.Y. 1998 (\$781 for F.Y. 1997 and \$7,038 for F.Y. 1998), and \$7,819 in F.Y. 1999 (\$781 for F.Y. 1998 and \$7,038 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1001: BASIC SUPPORT GRANTS FOR LIBRARIES

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	7,819	7,819	7,819	7,819
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	7,819	7,819	7,819	7,819
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	7,819	7,819	7,819	7,819
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	7,819	7,819	7,819	7,819
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			7,819	7,819
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			7,819	7,819

APPROPRIATIONS BASIS:(a)

Prior Year	1,172	1,172	781	781
Current Year	6,647	6,647	7,038	7,038
Current Year Adj. to 90%, per M.S. 124.904		391		
Subtotal before Transfers	7,819	8,210	7,819	7,819
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	7,819	8,210	7,819	7,819

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

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1998-99 Biennial Budget

PROGRAM:	10	Libraries
AGENCY:		Children, Families & Learning Aids
	1002	MULTICOUNTY, MULTITYPE LIBRARY SYSTEM GRANTS
CITATION:		M.S. 134.351 - 134.36
MDCFL ADMIN:	1403	Library Development and Services
FEDERAL:	1005	Library Aid

PURPOSE:

Encourage systemic and collaborative provision of library and information services, available to all Minnesotans, through linkages of academic, public, school, and special libraries. Collaborating libraries within seven multicounty, multitype library cooperation systems develop mutual programs that strengthen the service capacity each participating library can offer to its primary users. These cooperative systems bring together the human, material and information resources and services that support all levels of education, learning and decision-making in Minnesota. Specific objectives of the program include:

- developing long-range plans that address needs of the region and determine priority actions to best meet needs with available library and information resources;
- developing and operating ways to share library and information resources among participating libraries;
- developing and operating systems for communication among participating libraries;
- developing and operating systems for delivery of materials and information among participating libraries; and
- encouraging the development of common electronic databases that support information sharing and exchange.

DESCRIPTION:

Within the general purpose and qualifying program areas, each multicounty multitype library system develops and operates services tailored to the needs of its region. All systems operate programs that allow participating libraries to extend and improve the services they provide to users at a cost lower than would be possible if each library were operating independently. Examples of services are improved communication among the library and information community, interlibrary loan and reference backup, building of machine-readable bibliographic databases and electronic communications systems, delivery of library materials and information between libraries, and staff development opportunities.

Multicounty multitype library systems use operating grants to initiate, operate, or contract for planned service programs. A formula established in State Board of Education rule establishes operating grant awards that allocate 60% of available funds equally among the systems, 20% of available funds in an equal amount per capita, and 20% of available funds in an equal amount per square mile.

State law empowers the State Board of Education to approve the establishment of multitype library systems and their geographic boundaries. To join a system, a participating library signs an organizational agreement providing for: 1) sharing of library resources, 2) long range planning, 3) development of a delivery systems among libraries, 4) development of bibliographic databases, and 5) a communication system among libraries. State law requires that each multitype library system file

an annual report with the Minnesota Department of Education (MDE) on projects conducted with grant funds. State rules establish grant application procedures. They also require each system to file a 5-year long-range plan. Public libraries participating in a multitype library system also are required to participate in their regional public library system.

The 7 multicounty multitype library systems operating in Minnesota and the numbers of participants are identified in Table 10-2.

TABLE 10-2
MULTICOUNTY MULTITYPE LIBRARY SYSTEMS

<u>Central Minnesota Libraries Exchange</u>		<u>Metronet</u>	
Office: St. Cloud		Office: St. Paul	
Number of Participants:	117	Number of Participants:	177
Academic	9	Academic	30
Public	2	Public	13
School	81	School	50
Special	25	Special	84
<u>North County Library Cooperative</u>		<u>Northern Lights Library Network</u>	
Office: Virginia		Office: Alexandria	
Number of Participants:	98	Number of Participants:	144
Academic	12	Academic	14
Public	31	Public	15
School	34	School	99
Special	21	Special	16
<u>Southcentral Minnesota Interlibrary Exchange</u>		<u>Southeast Library System</u>	
Office: Mankato		Office: Rochester	
Number of Participants:	81	Number of Participants:	93
Academic	5	Academic	10
Public	11	Public	29
School	50	School	46
Special	15	Special	8
<u>Southwest Area Multicounty Multitype Interlibrary Exchange</u>			
Office: Marshall			
Number of Participants:	106		
Academic	8		
Public	19		
School	67		
Special	12		

PROGRAM STATUS:

This program provides resources to encourage systemic and collaborative activities of libraries throughout Minnesota. Specifically, this program focuses on the following outcomes:

1. Access to Information

Access to information becomes more equitable because resources, which are spread across diverse collections, become available to individuals other than those with primary access to only their local library.

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

1002 LIBRARIES COOPERATIVE GRANTS
 (Continuation)

2. **Access to Technology**
 Technologies that are not feasible within the budget of one library are achievable when shared within a regional system.
3. **Increase Use of Library Resources**
 Knowing what is in a remote library promotes sharing those resources and increases their use.
4. **Increase Staff Effectiveness**
 Skills of service staff and their effectiveness in meeting public needs are strengthened through pooling and sharing expertise to learn from one another.
5. **Increase Responsiveness to Community Needs**
 The experience of organizing and negotiating collaboration prepares library staff for new challenges; it develops problem solving skills and exercises creativity to find solutions within available resources.

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Equity of Access Participating					
Library Jurisdictions	810	805	800	800	800
Participating Service Outlets	1,965	1,975	1,985	1,990	1,995
2. Affordable Technologies					
Machine-Readable Catalog					
Records (000s)	21,000	23,000	25,000	27,000	29,000
Access to Regional Databases -					
Access Points	1,000	1,100	1,200	1,300	1,400
Electronic Messaging Systems - Uses	9,000	10,000	11,000	12,000	13,000
3. Expanded Resource Sharing					
Interlibrary Transactions	45,000	49,000	53,000	56,000	58,000
Reference Questions Referred	3,500	3,800	4,200	4,500	4,800
4. Service Skill & Effectiveness					
Continued Education Attendance	2,300	2,500	2,800	3,000	3,200
Program Participation Updates -					
Transmissions	54,000	58,000	62,000	65,000	68,000
5. Collaborative Problem-					
Solving Shared Activities	127	133	140	145	150
6. Total Funding	\$527.0	\$527.0	\$527.0	\$527.0	\$527.0

BUDGET ISSUES:

A. CHALLENGES:

- As the changing environment drives Minnesotans to continue their learning across the lifespan, the demand for library services continues to grow.
- As education shifts to results-oriented, individualized learning plans, students require increased and varied information resources.
- As communities actively encourage new businesses and develop strategies for economic growth, the resources of localities must be tied to information not only statewide but also nationally.
- While the cooperative library systems support provision of information from libraries of all types, level funding has limited system capacity to respond to needs.

B. STRATEGIES:

- Efforts will be made to maintain existing levels of programs and services and to expand them with additional resources.
- Demonstrate state responsibility for funding multitype collaborative programs.
- Use the multitype systems considerable ability and experience in collaboration to work with additional collaborative programs, especially in cross agency services to children, telecommunications planning and implementation, improving access and information connectivity for all types of libraries, the education of library workers from all types of libraries.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$527 for F.Y. 1998 and \$527 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$527 in F.Y. 1998 (\$52 for F.Y. 1997 and \$475 for F.Y. 1998), and \$527 in F.Y. 1999 (\$52 for F.Y. 1998 and \$475 for F.Y. 1999).

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1002: MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	527	527	527	527
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	527	527	527	527
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	527	527	527	527
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	527	527	527	527
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			527	527
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			527	527
<hr/>				
APPROPRIATIONS BASIS:(a)				
Prior Year	79	79	52	52
Current Year	448	448	475	475
Current Year Adj. to 90%, per M.S. 124.904		27		
Subtotal before Transfers	527	554	527	527
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	527	554	527	527

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

1998-99 Biennial Budget

PROGRAM: 10 Public Libraries
AGENCY: Children, Families & Learning Aids

1003 LIBRARIANS OF COLOR

CITATION: M.S. 134.155
MDCFL ADMIN: 1403 Library Development and Services
FEDERAL: None

PURPOSE:

To recruit and educate people of color in the field of library science or information management.

DESCRIPTION:

This grant program was established by the 1994 Minnesota Legislature to promote increased diversity on staffs of public libraries. The Commissioner of Children, Families & Learning, in consultation with the Multicultural Advisory Committee, awards grants for professional development programs to recruit and educate people of color in library science or information management. Eligible applicants are public libraries with a growing minority population, in collaboration with an accredited institution of higher education with a library program in Minnesota. In awarding grants, the Commissioner considers whether the program is likely to increase the recruitment and retention of people of color in librarianship, whether grant recipients will establish or have a mentoring program for persons of color, and whether grant recipients will provide a library internship for persons of color while participating in the program.

Grant recipients are to establish an advisory council representing communities of color to assist in implementation of the professional development program. Students assisted under this program agree to work in the public library assisting them for either 2 or 3 years, depending upon the degrees obtained under the program.

PROGRAM STATUS:

The first grants under this program were made in 1995.

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>
St. Paul Public Library	\$14.2	\$14.2
Pioneerland Library System	\$20.5	\$23.9
Hennepin County Library	<u>\$20.0</u>	<u>\$10.0</u>
Total Grants Awarded	\$54.7	\$48.1

BUDGET ISSUES:**A. CHALLENGES:**

- Accepted library education programs in Minnesota are located in St. Paul, Duluth, St. Cloud and Mankato. People of color interested in the program are not necessarily in these 4 areas and do not have mobility.
- It is difficult to recruit people of color to low beginning salaries for professional librarians.

B. STRATEGIES:

- Working with staff from 3 library grant recipients to provide recruitment materials throughout the state.
- Allow students to attend institutions in other states and take advantage of distance learning opportunities.
- Allow placement of individuals in libraries in geographic area if positions are not available in grant library.
- Working on implementing an educational program to provide for certification of paraprofessional staff for libraries.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$55 for F.Y. 1998 and \$55 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1003: LIBRARIANS OF COLOR

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	55	55	55	55
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	55	55	55	55
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	55	55	55	55
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	55	55	55	55
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			55	55
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			55	55
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	55	55	55	55
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	55	55	55	55

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

1004 CHILDREN'S LIBRARY SERVICES GRANTS

CITATION: M.S. Laws 1994, Chapter 647, Article 10, Section 3
MDCFL ADMIN: 1403 Library Development and Services
FEDERAL: None

PURPOSE:

To strengthen public library services to children, young people and their parents through collaborations and partnerships of public libraries and other community agencies.

DESCRIPTION:

The Commissioner of Children, Families and Learning makes grants to public libraries for collaborative activities involving a public library and at least one child or family organization, such as a school district, an early childhood family education program, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

The Commissioner appoints an advisory task force, with at least two members who are practicing children's services librarians, to review applications and make recommendations for funding. Public libraries applying for grants must: (1) demonstrate that their project results in collaboration with a public or private agency that improves library services to children, young people, and their families; (2) include a plan for replication of the project in other parts of the state, if appropriate; (3) involve personnel from the regional public library system and the multitype library system in planning; and (4) include an evaluation component in the project.

This grant program was established by the 1994 Legislature, with the first grants awarded in 1995.

PROGRAM STATUS:

1995 GRANTS: (\$ in 000s)

Public Library and Community	Grant Amount	# of Collaborators	Targeted Populations	Outcome
Cloquet	\$10.0	13	Students with homework	increased library skill through peer tutoring
Moorhead	9.6	7	Hispanic and other minorities	increased access through mass transit
Litchfield	5.0	5	WIC parents and children	attract new families to library use
Minneapolis	9.4	6	Hispanic community	helps parents as children's first teachers
Nobles County	5.2	4	All 3-year olds in Headstart and non-English speakers	overcome language barriers to library services
St. Paul	10.0	5	Diverse teenage population	research and library skills in family, community and oral history
Total	\$49.2			

1996 GRANTS:

Public Library and Community	Grant Amount	# of Collaborators	Targeted Populations	Outcome
Benson	\$10.0	18	young parents	improved parenting skills, especially related to language and reading
Hanska	10.0	8	all new mothers in Brown County	improved parenting skills, especially related to language development
Kasson	10.0	5	school age students	skill development in designing and presenting own reading program on video
Moorhead	10.0	9	4 city neighborhoods of low use	increase comfort with and use of library services
Perham	10.0	13	area day care centers and area learning centers	increased involvement of families with young children and youth in cross-generational pursuit of reading
Total	\$50.0			

BUDGET ISSUES:

A. CHALLENGES:

- Projects aimed at target populations have better success when representatives of those populations participate in the planning.
- Projects that aim at increasing knowledge, experience, comfort and appreciation of library use succeed based on engagement in activities.
- The demand for special project funding far exceeds the availability.

B. STRATEGIES:

- Projects of this nature are necessarily pilots that inform and suggest possibilities for wider library service planning and implementation.
- Special projects require wide and repeated promotion as models and inspirations for more general library replication.
- Funding improves libraries attracting partners in the collaboration.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$50 for F.Y. 1998 and \$50 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1004: CHILDREN'S LIBRARY SERVICES GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	50	50	50	50
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	50	50	50	50
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	50	50	50	50
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	50	50	50	50
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			50	50
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			50	50
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	50	50	50	50
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	50	50	50	50

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

1005 PUBLIC LIBRARY AID

CITATION: Library Services and Technology Act (LSTA) P.L. 104-208
MDCFL ADMIN: 1403 Library Development and Services

PURPOSE:

The new LSTA, P.L. 104-208 consolidates the previous federal library service programs. It replaces the previous Library Services and Construction Act, P.L. 101-254. State-based LSTA funds can be used by state library agencies directly or through subgrants to:

- establish or enhance electronic linkages among or between libraries;
- electronically link libraries with educational, social, or information services;
- assist libraries in accessing information through electronic networks;
- encourage libraries in different areas, and encourage different types of libraries, to establish consortia and share resources, or pay costs for libraries to acquire or share computer systems and telecommunication technologies; and
- target library and information services to persons having difficulty using a library and to underserved urban and rural communities, including children (from birth to age 17) from families with incomes below the poverty line.

A basic allotment is made to each state, and remaining funds are distributed proportionally to the states on a population basis. Funds for library services must be matched on a 1/3 basis from nonfederal, state, or local sources. Maintenance of effort is required on state-level expenditures for similar purposes.

Funds appropriated under Libraries - Basic Grants (1001) are used for maintenance of effort.

DESCRIPTION:

Federal funds are to be used by the state for purposes identified in the Act and in the state's 5 year long-range program for library development. Because the amount of federal funds available can vary from year to year, and because the allotment often is not determined until well into the state fiscal year, these funds are used in Minnesota primarily for programs of limited duration or for capital outlay expenditures.

In order to be eligible to receive a grant, Library Development and Services must submit a 5-year plan to the Director responsible for library programs no later than April 1, 1997. The State plan shall establish goals, specify priorities and describe activities that are consistent with the goals and priorities that the State library administrative agency will carry out during one year using such a grant; describe the procedures and methodology for evaluation; the procedures to involve libraries and library users throughout the State in policy decisions; and provide assurances as the Director may require. The plan must be publicly available and developed with library/user input.

Such state plan shall be submitted for approval as required by regulations promulgated by the Director

of the federal program, identify the State's library needs, and set forth the activities to be taken toward meeting the identified needs supported with the assistance of Federal funds made available under this title.

The state must expend at least 96% of such funds either directly or through subgrants or cooperative agreements. Eligible applicants will be libraries and library systems.

PROGRAM STATUS:

The previous Library Services and Construction Act expired at the end of federal F.Y. 1996. The replacement Library Services and Technology Act passed on September 30, 1996, with appropriations allocated under the previous LSCA. Proposed funding is at \$150,000,000 from which the Minnesota amount is estimated.

Depending upon approval of a new State plan for library services in Minnesota, federal funds may be used for the following types of grants:

1. Regional library grants to the 12 regional public library systems to assist them in developing and performing ongoing public library services in the areas of telecommunications delivery and service to target populations. Systems would determine specific activities within terms of the State long range plan they would address with grant funds.
2. Urban resource library grants to urban libraries. Grants assist these libraries in serving target populations and for providing unique resources to libraries throughout the state.
3. Multi-county multitype library cooperation grants to assist the 7 multitype library systems in developing and operating cooperative programs involving academic, public, school, and special libraries in electronic delivery of library services and information.
4. Projects at a multi-regional or state level which have the overall effect of improving the library community's capacity to expand and deliver electronically-based services and reach targeted and new populations.

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998*	F.Y. 1999*
Types of Aid (Grants)					
1. Regional library basic system support grants					
Number of Grants	12	12	12	12	12
Expenditures	\$1,300.0	\$1,300.0	\$1,400.0	\$1,400.0	\$1,400.0
2. Major urban resource library grants					
Number of Grants	2	2	2	2	2
Expenditures	\$54.5	\$54.5	\$90.0	\$90.0	\$90.0
3. Grants to improve library services in human services and corrections institutions and for the blind and physically handicapped					
Number of Grants	3	3	3	3	3
Expenditures	\$55.9	\$55.9	\$60.0	\$60.0	\$60.0

1998-99 Biennial Budget

PROGRAM: 10 Libraries
AGENCY: Children, Families & Learning Aids

FEDERAL PROGRAMS

1005 PUBLIC LIBRARY AID
 (Continuation)

(\$ in 000s)	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998*</u>	<u>F.Y. 1999*</u>
4. Multi-county multitype library cooperation					
Number of Grants	3	3	3	3	3
Expenditures	\$310.0	\$310.0	\$200.0	\$200.0	\$200.0
5. Multi-regional or state level capacity building projects					
Number of Grants	7	7	1	1	1
Expenditures	\$338.0	\$404.0	\$185.0	\$185.0	\$185.0
TOTALS					
Number of Grants	27	28	21	21	21
Expenditures	\$2,058.4	\$2,124.4	\$1,985.0	\$1,985.0	\$1,985.0

* The figures in the latter two columns may not be valid. Actual projections will not be available until the new state plan has been completed and approved.

Note: Funding levels shown in the statistical table may differ from the expenditures shown on the federal program fiscal summary page, due to fund carryover provisions and statewide accounting period closing requirements.

Beginning in F.Y. 1997, P.L. 101-254 was replaced with P.L. 104-208.

BUDGET ISSUES:

A. CHALLENGES:

- Final rules and regulations for allowable expenditures under LSTA will not be ready until late F.Y. 1997.
- The commitment and ability of the state institutions to maintain support for library services may preclude their receiving grants in future years.
- It is unknown whether historical uses of federal funds will be valid and affordable.

B. STRATEGIES:

- For almost forty years, federal funds have come to Minnesota under successive reauthorizing of this program, assisting in supporting statewide library development and cooperation. Transition to a new act will mean working with many of the same grant recipients as in the past to work out ways to phase in the new priorities.

- Although all Minnesotans have access to public library service and use of Minnesota public libraries has steadily increased since 1980, not all segments of the population share equally in this use. Library Development and Services must work with eligible grant applicants in effectively reaching these new targeted populations.
- To clarify which programs should be more appropriately funded at the state level to achieve equity and economy and which should be supported with federal funds.
- In January through March of 1997, a new five-year plan will be developed in partnership with local city and county governmental officials; school, library and other community and general public stake holders which will determine priorities for F.Y. 1998 - 1999 grants.

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TECHNOLOGY (11)

State Aid Programs	<u>Page</u>
1101 INFORMS Grant	A-480
1102 Regional Library Telecommunications Aid	A-482
1103 Interactive Television (ITV) Revenue	A-484
1104 Telecommunication Access Grants	A-486
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1109 Library Site Grants	A-497
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1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1101 INFORMS GRANT

CITATION: Laws 1995, Chapter 3, Article 12, section 12, Subdivision 3.
MDCFL ADMIN: 1503 Informational Technologies
FEDERAL: None

PURPOSE:

The InforMNs Program provides for a SLIP (single telephone line) Internet connection to Minnesota schools. This project was established as a pilot to provide use of Internet to teachers, students and administrators.

DESCRIPTION:

InforMNs has provided an introduction to the Internet for Minnesota schools. Through this project, many classroom resources have been made available. Schools have utilized InforMNs in the classroom and media centers so students can research information associated with curriculum. Many projects were implemented among various schools and districts using the Internet as a communication device. For example, schools tracked the progress and adventures of two Minnesotans as they trekked across Africa on bicycles. InforMNs provides access to research material, curriculum materials, e-mail and discussion groups. .

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Internet Addresses	1,600	2,400	2,400	2,400	2,400
Number of Schools with Internet Access	900	1,600	1,600	1,600	1,600
Number of School Districts/entities with Basic Internet Access	379	379	379	ALL	ALL
Funding	\$200.0	\$400.0	\$400.0	\$400.0	\$0.0

BUDGET ISSUES:

Funding of InforMNs will no longer be necessary once the Learning Network of Minnesota, to be constructed under the telecommunications access grant program (124.C74) is established. See Program 1104 for further information.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1101: INFORMS GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	400	400	400	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	400	400	400	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	400	400	400	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	400	400	400	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			400	0
a. Reallocate Funds			(400)	
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	400	400	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	400	400	0	0

1998-99 Biennial Budget

PROGRAM: 11 Public Libraries
AGENCY: Children, Families & Learning Aids
 1102 REGIONAL LIBRARY - TELECOMMUNICATIONS AID
CITATION: M.S. 134.46
MDCFL ADMIN: 1403 Library Development and Services
FEDERAL: None

PURPOSE:

To provide incentive funds to regional library systems that will support the development of on-line information and data services in local public libraries. Specifically, the state funds combined with a dedicated local levy, may be used by the regional public library systems for the following :

- construction, maintenance, and lease costs of data access connections, including Internet connections;
- purchase, maintenance, professional development, and support of computer hardware and software for data access;
- cost of technical support for a regional library system's technology investments, including technical support, personnel, contracted services for technical support, and training; and
- promotion of electronic access through public libraries for members of the public.

DESCRIPTION:

This program was first authorized by the 1995 legislature and began in F.Y. 1996. It is designed to target funding to those regional public library jurisdictions that were able and ready to move forward with technology in the public libraries. Libraries throughout the state are at different stages in their development of implementing technology . This program provides a means to encourage funding at the local level for any aspect of implementing technology in libraries.

To be eligible for Telecommunications Aid, a regional public library system must match the state funds with local funds equal to .1% times the adjusted net tax capacity for each participating city or county for the year preceding the year the levy is certified. Regional public library systems that receive telecommunications access grant funds under section M.S. 124C.74 may use local funds under this section for the grant match in the year the grant is awarded, without a reduction in state aid. Local matching funds must be an increase in the amount of local funds allocated to support library operations in the year prior to the first year of the telecommunication access grant. Local matching funds are exempt from section M.S. 134.34. A grant award under this section may not be used to substitute for any existing local funds allocated to provide electronic data access of equipment, for library staff or the public, or local funds previously dedicated to other library operations. Full funding would require at least \$1.2.

PROGRAM STATUS:

(\$ in 000s)	Current Law				
	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Data Access Connections					
Number of Regions	0	3	8	10	11
Expenditures	\$0	\$50	\$80		
2. Computer Hardware & Software for Data Access					
Number of Regions	0	3	8	11	12
Expenditures	\$0	\$70	\$221		
3. Cost of Technical Support					
Number of Regions	0	2	7	11	12
Expenditures	\$0	\$10	\$300		
4. Promotion of Electronic Access					
Number of Regions	0	4	8	12	12
Expenditures	\$0	\$18.4	\$50.7		
Total Expenditures	\$0	\$148.4	\$651.6	\$800*	--

* Biennial appropriation

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1102: REGIONAL LIBRARY TELECOMMUNICATIONS AID

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	800	0	800	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	800	0	800	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	800	0	800	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	800	0	800	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			800	0
a. Reallocate Funds			(800)	
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	800	0	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	800	0	0	0

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1103 INTERACTIVE TELEVISION (ITV) AID AND LEVY

CITATION: M.S. 124.91, Subd. 5
MDCFL ADMIN: 1501 Finance and Management Assistance
FEDERAL: None

PURPOSE:

To provide funds for the construction, maintenance, and lease costs of an interactive television system for instructional purposes so districts have more program offerings for students.

DESCRIPTION:

A school district located outside economic development region 11 may apply for revenue up to the greater of 0.5% of the adjusted net tax capacity or \$25,000. There is a statutory provision for a revenue adjustment for ITV lease costs incurred by component districts and a revenue adjustment in the first year following consolidation. A district maximum levy equals the product of the maximum revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per actual pupil unit to the equalizing factor. A district's maximum aid equals the maximum revenue minus the maximum levy. If a district levies less than the maximum amount, the state aid is reduced proportionately. If capital expenditure ITV aid is prorated, there is no adjustment to the levy for the proration.

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	Current Law	
				F.Y. 1998	F.Y. 1999
Total Revenue					
Amount (Gross)	\$4,896.8	\$5,667.6	\$5,858.6	\$7,158.2	\$7,290.3
Amount (Net)	\$4,557.0	\$4,164.3	\$5,858.6	\$6,464.2	\$6,693.3
Districts	188	196	192	220	220
Levy					
Amount	\$1,403.0	\$1,694.3	\$2,011.9	\$2,551.2	\$2,755.3
Districts	188	196	192	220	220
State Aids					
Amount (Gross)	\$3,493.8	\$3,973.3	\$3,846.7	\$4,607.0	\$4,535.0
Amount (Net)	\$3,154.0	\$2,470.0	\$3,846.7	\$3,913.0	\$3,938.0
Districts	186	195	190	218	218

Not included in the table above would be additional payable 1996 (F.Y. 1997) ITV levy revenue of \$50,000 each for District, 95 - Cromwell, and 698 - Floodwood. With this additional levy, each district qualified for a matching grant of \$125,000 for F.Y. 1997.

BUDGET ISSUES:

A. CHALLENGES:

- Small schools continue to have fewer program offerings than larger school districts.
- Network technology will continue to provide opportunities for all schools to benefit from this program.
- The Minnesota Department of Children, Families & Learning will continue to provide technical assistance to participating districts.

B. STRATEGIES:

- Broaden this program to allow districts greater flexibility in the purchase and maintenance of instructional technology.
- Districts need revenue to wire buildings to create local area and wide area networks that can allow teachers and students to communicate with each other within school buildings, between school buildings, and throughout the state and country. A broader program will allow for shared learning and professional development to ensure the development and implementation of the best teaching and learning practices and materials.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement of \$4,051 for F.Y. 1998 and \$4,051 for F.Y. 1999.

Based on these entitlements, the Governor recommends an appropriation of \$4,030 in F.Y. 1998 (\$384 for F.Y. 1997 and \$3,646 for F.Y. 1998), and \$4,051 in F.Y. 1999 (\$405 for F.Y. 1998 and \$3,646 for F.Y. 1999).

The Governor recommends the following modification in the interactive television program:

1. To stabilize aid and levy computations as changes are made in pupil unit weightings and the general education formula, set the equalizing factor for the interactive television program at \$10,447, beginning in F.Y. 1999.
2. Permit interactive television revenue to be used for telecommunication access grants.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1103: INTERACTIVE TELEVISION (ITV) REVENUE

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	3,973	3,847	4,607	4,535
2. Statutory Excess / (Shortfall)	(1,503)	204	(694)	(597)
3. Appropriated Entitlement	2,470	4,051	3,913	3,938
4. Adjustments				
a. Excess Funds Transferred In / (Out)	1,503	(183)		
b. Portion of Final 15 % Not Requested		(21)		
5. Current Law Aid	3,973	3,847	3,913	3,938
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy	1,660	1,992	2,552	2,755
8. Current Law Funding: Aid & Levy	5,633	5,839	6,465	6,693
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			3,913	3,938
a. Adjust Base Funding			138	113
Recommended Aid Entitlement			4,051	4,051
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			2,552	2,755
TOTAL RECOMMENDED FUNDING: AID & LEVY			6,603	6,806

APPROPRIATIONS BASIS:(a)

Prior Year	473	370	384 (c)	405
Current Year	2,100	3,444	3,646	3,646
Current Year Adj. to 90%, per M.S. 124.904		202		
Subtotal before Transfers	2,573	4,016	4,030	4,051
Transfers per M.S. 124.14, subd. 7	1,465	(145) (b)		
Total State General Funds	4,038	3,871	4,030	4,051

a) For FY 1996, appropriations are composed of 15% of the prior year's entitlement and 85% of the current year's entitlement. In F.Y. 1997, the provisions of M.S. 124.904, subd. 4d were triggered by the November forecast surplus, increasing the current 85% amount to 90%. In F.Y. 1998, F.Y. 1999 and later years, appropriations include 10% of the prior year's entitlement and 90% of the current year's entitlement.

b) Includes \$38 for the prior year final account and \$(183) in the current year account.

c) The \$405 prior year amount based on the F.Y. 1997 appropriated entitlement has been reduced to 10% of the estimated statutory formula aid.

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1104 TELECOMMUNICATION ACCESS GRANTS

CITATION: M.S. 124C.74
MDCFL ADMIN: 1503 Informational Technologies
FEDERAL: None

PURPOSE:

This program provides funding for K - 12 and public libraries to establish a high speed telecommunications highway known as the Learning Network of Minnesota, which links K - 12 education, libraries and higher education to provide access to distance learning opportunities and information resources such as the Internet. The Minnesota Education Telecommunications council, composed of members from higher education, K - 12 education and public libraries, is responsible for establishing criteria and policy direction for the network. The high-speed network, which will be completed during the F.Y. 1998 - 99 biennium, will provide for Internet access, data transmission and two-way video capacity for all Minnesota school districts, libraries and higher education institutions.

DESCRIPTION:

This effort, known as the Learning Network of Minnesota, provides for the implementation of a telecommunications highway linking K - 12 education, libraries and higher education. This project also establishes data connectivity between public libraries and regional public library systems. This effort is accomplished through the establishment of nine clusters of K - 12 school districts and public libraries, working together with the higher education telecommunications regions. Each cluster receives a portion of grant dollars to build the network. The grant dollars provide for high speed (T1 and 56KB) telecommunications lines to each school district and library in the state. School districts and libraries must provide for their own internal equipment and local area networking. This project is being implemented in a phased approach with completion scheduled for the 1998-1999 biennium.

This program will provide teachers and students with access to information resources such as Internet and distance learning opportunities through two way interactive video. It will also serve as a conduit for transferring data between and among school districts, libraries and the state.

PROGRAM STATUS:

	Current Law				
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Districts Participating	--	0	100	379	379
Number of Regional Libraries Participating	--	0	10	12	12
Sites with Network Internet Access	--	0	100	500	800
Number of Sites using Learning Network	--	0	150	300	375
for two Interactive television					
Number of Conferences	--	0	100	150	300
Funding	--	\$5,500.0*	\$10,000.0	\$5,250.0	\$5,250.0

* F.Y. 1996 was the first year for this program, although no grant funds were paid to school districts until F.Y. 1997. This time was needed to appoint and establish the Minnesota Education Telecommunications Council, which then worked to establish policy direction and criteria and a grant application process for the Learning Network of Minnesota.

BUDGET ISSUES:

A. CHALLENGES:

- While the telecommunications access grant program provides connectivity to the school district and public library systems, school districts and libraries must allocate local resources for purchase of district and library internal equipment and networking to make the connection to the Learning Network of Minnesota complete for their schools and local libraries.

B. STRATEGIES:

- This program provides school districts and libraries with high speed connections to the state's Learning Network of Minnesota, which will ultimately enable them to share distance learning applications across networks, enhance their capacity for connecting to Internet and other information resources, and to provide for data transmission.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$13,000 for F.Y. 1998 and \$5,250 for F.Y. 1999.

The Governor also recommends a one-time increase of \$7,750 in funding for F.Y. 1998. It is estimated \$3,000 of the increase is to complete the implementation of the high speed telecommunications network (Learning Network of Minnesota). The remaining funds are for costs such as lease costs for data and video transmission lines.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1104: TELECOMMUNICATION ACCESS GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	5,500	10,000	5,250	5,250
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	5,500	10,000	5,250	5,250
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	5,500	10,000	5,250	5,250
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	5,500	10,000	5,250	5,250
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			5,250	5,250
a. Learning Network Initiative			7,750	0
Recommended Aid Entitlement			13,000	5,250
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			13,000	5,250

APPROPRIATIONS BASIS:

Direct Appropriated Funds	5,500	10,000	13,000	5,250
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	5,500	10,000	13,000	5,250
State General Funds - Aid	5,359	9,850	12,850	5,100
State General Funds - Administration	141	150	150	150

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1105 INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY

CITATION: Laws 1995, First Special Session, Ch. 3, Art. 12, Sec. 8
MDCFL ADMIN: 1501 Informational Technologies
FEDERAL: None

PURPOSE:

The Instructional Transformation Through Technology program provides the opportunity for districts to compete for special technology project funding. The focus of these grants is to promote creative and new approaches to use technology in support of instruction. A primary aspect of these grants includes development of an individual learning plan for students.

DESCRIPTION:

This grant program was established to help school districts work with higher education institutions, businesses, local government units, libraries and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. Recipients shall use grant proceeds to:

- enhance teaching and learning productivity through the use of technology;
- develop individual learner classroom-based teaching and learning systems that can be aggregated into site, district and state frameworks;
- Develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;
- match and allocate resources;
- create a curriculum environment that is multi-platform;
- provide user and contributor access to electronic libraries;
- schedule activities;
- automate progress reports;
- increase collaboration between school districts, sites, businesses, higher education institutions, libraries and local government units;
- correlate state-defined outcomes to curriculum units for each student;
- increase accountability through a reporting system; and
- provide technical support, project evaluation, dissemination services and replication.

A grant applicant must be a school district or a group of school districts and must demonstrate collaboration with libraries, businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of children, families & learning shall prescribe the form and manner of applications. The commissioner may award grants to applicants likely to meet the outcomes above. The commissioner shall ensure that business partners do not participate in more than one grant award in each round of grants.

PROGRAM STATUS

Four grants were awarded in F.Y. 1995 and 1996. Eight grants were awarded in F.Y. 1997.

BUDGET ISSUES:

A. CHALLENGES:

- Teachers need tools to aid in developing individual learning plans for students that are responsive to the requirements of the graduation standards.
- Schools acknowledge the benefits of technology and have begun to expend resources on technology but need assistance in learning to effectively integrate the technology as a tool for enhancing instruction.
- Teachers need tools that enable them to effectively assess and track student progress and which provide information needed to communicate with parents and administrators.
- Technology needs to be integrated with curriculum as a tool for instruction and can no longer be viewed as a subject in and of itself.
- The program is limited to model projects in a few school districts. While projects are successful in these districts, strategies need to be developed for replication of successful programs and best practices across the state.

B. STRATEGIES:

- This program provides for development of systems that help teachers develop individual learning plans for students.
- Several model projects have been implemented that could be replicated in other school districts if the districts allocate resources towards the technology.
- This program provides for development of systems that help teachers assess and track student progress and which provide them with the information needed to communicate with parents and administrators.

GOVERNOR'S RECOMMENDATION:

The Governor recommends discontinuing this activity. The learning site technology grants will accomplish the same objective as this activity.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1105: INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	2,700	2,700	2,700	2,700
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	2,700	2,700	2,700	2,700
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	2,700	2,700	2,700	2,700
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	2,700	2,700	2,700	2,700
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			2,700	2,700
a. Reallocate Funds			(2,700)	(2,700)
Recommended Aid Entitlement			0	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			0	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	2,700	2,700	0	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	2,700	2,700	0	0

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1106 EDUCATION TECHNOLOGY IMPROVEMENT CLEARINGHOUSE

CITATION: M.S. 121.95
MDCFL ADMIN: 1503 Informational Technologies
FEDERAL: None

PURPOSE:

Education Technology Improvement Clearinghouses is a grant program that provides the opportunity for districts to compete for special technology project funding. The grants must be used to create centers to upgrade and refurbish computers that are donated to schools and provide opportunities for student involvement. These centers will then:

- Serve as centers where business or others may donate new or used computers and other technology for use by Minnesota schools;
- Provide an opportunity for students to upgrade donated and existing school-owned computers so they are capable of being connected to the Internet and local networks; and
- Provide a means of informing schools of available technology and distributing donated and upgraded computers to schools for technology improvements in support of learning.

Each clearinghouse must support opportunities for students to learn skills, including the technical skills needed to retrofit and upgrade computers. The clearinghouses shall retain the ability to review equipment for suitability and refuse equipment that does not meet standards or is not suitable for use in schools. At a minimum, all donated computers must be suitable for upgrade so the retrofitted computers can be connected to the Internet and a local area computer network.

The regional clearinghouses will work with the Department of Children, Families & Learning to support and collaborate with the National Cristina Foundation. At a later date, the department may also require the clearinghouses to help collect and maintain information on school district technology infrastructure.

DESCRIPTION:

In the first year, clearinghouses will be set up in different regions of the state. Each clearinghouse will receive a grant of \$125,000. The grants may be used to purchase needed technology for upgrading donated computers and other donated technology and distribution cost of any computers donated and upgraded through this grant program. The department established a grant application process for evaluating and awarding grants. Grant awards are competitive.

PROGRAM STATUS:

			Current Law		
(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Total Amount	-	-	\$250.0	\$250.0	\$250.0
Number of Awards	-	-	2	2	2
Estimated Number of Computers Recycled	-	-	750	750	750
Estimated Number of Computer Upgrades	-	-	750	750	750

F.Y. 1997 was the first year of the program.

BUDGET ISSUES:**A. CHALLENGES:**

- Many businesses and individuals are upgrading computers or computer systems. However, computers are considered hazardous waste, which makes them difficult to dispose of properly.
- The Department of Administration program to donate surplus state and federal computers reaches relatively few schools.
- The National Cristina Foundation works with the department to distribute some computers but does not upgrade or refurbish the computers on a large scale.

B. STRATEGIES:

- Getting computers at low or no cost helps to stretch school district technology resources. While a school district should not rely completely on older computers, these computers can be used for some basic skills work.
- By establishing clearinghouses in different areas, knowledge of the availability and need of this program is broadened. Distribution of upgraded computers is also easier from different areas in the state than from one central location.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$250 for F.Y. 1998 and \$250 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1106: EDUCATIONAL TECHNOLOGY CLEARINGHOUSE AND UPGRADE SYSTEM

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	250	250	250
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	250	250	250
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	250	250	250
6. Excess / (Shortfall) After Adjustments		0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	250	250	250
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			250	250
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			250	250
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	250	250	250
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	250	250	250

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1107 MINNESOTA LEARNING ACADEMY

CITATION:
MDCFL ADMIN: 1503 Information Technologies
FEDERAL: None

PURPOSE:

Minnesota Learning Academy is one of three major components of Minnesota Learning Communities which is a comprehensive program of state, local and private partnerships designed to ensure that Minnesota leads in the creation of lifelong learning opportunities for its citizens through the effective and innovative use of technology. The two other components are Learning Site Technology Grants and Minnesota Learning Network.

The Minnesota Learning Academy will provide a mechanism to help ensure 50,000 Minnesota teachers, principals and library staff have the opportunity to participate in high quality, professional development that is focused on technology literacy, integration and planning to facilitate the teaching and learning recommended in the state and national standards. The Learning Academy will operate as a partnership between the public and private sectors including representatives from higher education.

Funds allocated will be used to cover financing charges on laptops that can be purchased by school districts to provide to those teachers that "graduate" from the Academy. The state will be responsible for obtaining low-cost laptop offerings from vendors to help reduce the costs. Approximate financing charges for laptops may run from \$100 to \$200 per year.

DESCRIPTION:

The Minnesota Learning Academy is established to provide teachers, principals, school district administrators, community education directors and librarians training opportunities in technology use and its integration into learning activities. In the establishment and governance of the academy, the commissioner shall consult with representatives of public schools, higher education, teacher organizations, students, private businesses, state agencies, libraries and political subdivisions.

The Learning Academy shall:

- set measures for teacher training opportunities on technical skills and technology integration skills;
- identify and establish outcomes for training courses that provide for technical skills and technology classroom integration skills;
- recommend tuition costs for participation in training courses;
- identify existing public or private institutions to develop and provide training courses;
- establish procedures for school districts to purchase a computer for the use of each teacher during school and nonschool hours who completes the classroom integration skills courses; and
- monitor quality of teacher training opportunities.

The Learning Academy will coordinate the statewide delivery of high quality, professional development programs focused on technology application, integration and planning.

Planned oversight of the Minnesota Learning Academy would occur through a board comprised of representatives from various stakeholders. The Department of Children, Families & Learning would provide staff support to the board and serve as fiscal agent authority. School districts will pay professional development providers on a sliding scale based on length of training. All Learning Academy participants will receive renewal units toward licensure and/or can pay tuition for appropriate college credit. Classroom teachers completing integration level programs will have the options of obtaining a laptop computer for their use. The laptop will be funded through vendor discounts, state funded interest free loans and annual district lease payments.

BUDGET ISSUES:

A. CHALLENGES:

Adopting new graduation standards for Minnesota students and taking responsibility for achieving them requires rethinking the way teachers teach and students learn. Effective use of new and emerging technologies for teaching and learning will play a key facilitative role in effecting the changes needed to help students meet the new standards and obtain the skills necessary to function in a global society.

In order for educators to integrate technology into the educational experience, the following issues must be addressed:

- The content and quality of current training varies widely with providers.
- Access to training varies widely throughout the state.
- There is a lack of available training focused on the use of technology to facilitate the teaching and learning recommended in graduation standards.
- There is not currently enough training capacity to reach all targeted participants.
- Existing professional development programs are not well coordinated to ensure effective and efficient access.

B. STRATEGIES:

- Establish a Minnesota Learning Academy to coordinate the state-wide delivery of high quality, professional development focused on technology literacy and integration of technology through a four way partnership of the state, local school districts, educators and private vendors. The Learning Academy will articulate professional development standards and learning outcomes and provide a seal of approval for professional development programs that exemplify these standards and outcomes.
- All Learning Academy participants will receive renewal units toward licensure and/or can pay tuition for appropriate college credit. In addition, classroom teachers completing integration level programs have the option of obtaining a laptop computer for their use. The laptop can be purchased by the participant's school district through a joint effort of major vendor discounts, state funded interest free loans and annual district lease payments.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$1,000 for F.Y. 1998 and \$1,000 for F.Y. 1999. The Governor recommends authority for carryover for any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1107: LEARNING ACADEMY

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			<u>1,000</u>	<u>1,000</u>
Recommended Aid Entitlement			<u>1,000</u>	<u>1,000</u>
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			<u>0</u>	<u>0</u>
TOTAL RECOMMENDED FUNDING: AID & LEVY			1,000	1,000
<hr/>				
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	1,000	1,000
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1108 MINNESOTA LEARNING RESOURCE NETWORK

CITATION:
MDCFL ADMIN: 1503 Information Technologies
FEDERAL: None

PURPOSE:

Minnesota Learning Resource Network is one of three major components of Minnesota Learning Communities which is a comprehensive program of state, local and private partnerships designed to ensure that Minnesota leads in the creation of lifelong learning opportunities for its citizens through the effective and innovative use of technology. The two other components are Learning Site Technology Grants and Minnesota Learning Academy.

The Learning Resource Network will provide Minnesota students extended learning opportunities through interactive, online delivery of approved curriculum aligned with learning outcomes in the Minnesota Graduation Standards and supporting programs such as the GED program, school-to-work system and English as a second language (ESL). Access to the Internet will be included. The Learning Resource Network will provide Minnesota students, teachers and parents extended learning opportunities through interactive, online delivery of curriculum aligned with learning outcomes in the Minnesota Graduation Standards along with supporting the reporting outcomes. The Network will also support other efforts including GED, ESL, ABE and School-to-Work. Statewide establishment of E-mail addressing schemes and accounts will also occur

Funds will be used to expand the current learning resources pilot state-wide.

DESCRIPTION:

The Learning Resource Network will provide a critical base of learning resources and communication facilities accessible by all Minnesota students, their teachers, parents and community, to aid in meeting the Minnesota Graduation Standards, to support the school to work system, to assist in the Adult Basic Education and to engage parents and community members as learning partners.

The Learning Resource Network will be delivered via the Learning Network of Minnesota; a statewide telecommunications highway linking K - 12 education, libraries and post secondary institutions (telecommunications access grant program).

The state will fund multiple connections for every district in the state and will provide all initial training. Districts will be responsible for ongoing operating charges available at deep discounts from normal rates. Long term sustainability of the operation will depend on participating school districts brokering this learning service to consumer populations.

Current efforts include funding an installation and initial operation of the Learning Resource Network for up to 30 secondary schools. This current effort is being supported with existing funds (\$750,000).

BUDGET ISSUES:

A. CHALLENGES:

If all Minnesota students are to have the opportunity to meet and/or exceed the rigorous Minnesota Graduation standards, the following issues must be resolved:

- Some students need easy access to learning resources at different times and in disparate locations.
- Parents, teachers and community members have limited opportunities for collaboration in support of learning.
- Teachers have limited access to tools or learning resources which provide curriculum support of Minnesota Graduation Standards.
- Current electronic curriculum libraries vary in quality, have limited scope and sequence, offer similar instructional strategies and a continuum of performance tracking and control features.
- Local school district installation of electronic curriculum libraries varies throughout the state.

B. STRATEGIES:

- Provide Minnesota students extended learning opportunities through interactive, online delivery of approved curriculum aligned with learning outcomes in the Minnesota Graduation Standards, and supporting programs such as the GED program, school to work system and English as a second language (ESL).

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$7,000 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends continuation of authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1108: LEARNING RESOURCE NETWORK

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			7,000	0
Recommended Aid Entitlement			7,000	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			7,000	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	7,000	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	7,000	0

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1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1109 LIBRARY SITE TECHNOLOGY GRANTS

CITATION:
MDCFL ADMIN: 1403 Library Development and Services
FEDERAL: None

PURPOSE:

To build capacity in electronic information technologies for libraries to add their resources to the learning network of Minnesota and thereby increase learning opportunities for the people of Minnesota. The funds can be used to:

- Equip libraries of all types to be partners in the state's information and learning infrastructure.
- Position libraries to contribute their resources into networked systems.
- Increase substantially the fund of electronic resources to which libraries contribute.
- Increase through telecommunications public opportunities to use library resources.
- Develop programs to increase public knowledge and skill with digital information resources.

These on-time state funds will be matched with local funds for a total investment of over \$13 million. Grants will be awarded through a competitive process and will be evaluated by representatives of public and private organizations. Grants will be awarded to individual library sites and may range in value to \$70,000. Sites will be expected to maintain any on-going investments and their involvement with the community.

DESCRIPTION:

For a generation, libraries have bridged human communication with information sources in all media--text, sound, and graphics. Today, however, developments in electronic technologies alter libraries at a quickening pace. Computer usage merges with telecommunications; messages from previously separated formats join the same digital stream; new publishing expands faster in electronic than other formats; telecommunications connectivity increases for institutions and for the public. These changes call for libraries to be well positioned with electronic technologies to keep pace with their environment, to meet the expectations of the public that is equipped with technology, and to advance the skills of the public not yet familiar with the new opportunities for digital resources.

The Library Sites Technology Grants Program is a state-wide initiative to aid library participation in this new environment by matching grants that involve libraries in partnerships with their communities and in strengthened cooperative relationships with other libraries. The program will raise libraries to higher and consistent levels for public use of electronic information technologies in such areas as public workstations, database development, networked resources, online connectivity, and related software that increase the availability of each library's resources and that enlarge public access to those libraries. The program will provide through the multi-county multitype library cooperation systems training for all libraries interested in applying for a matching grant from the state and in developing a strategic plan for technology acquisition and deployment.

The program provides matching state funds to libraries who demonstrate readiness. Qualifying libraries are eligible to receive \$1 in state funding for every \$2 recovered by the library. The \$2

recovered by the library to be applied to electronic information technology improvements must represent \$1 from the private sector and \$1 from the library's budget. Eligible sites are library members of a regional multi-county multitype library cooperation system who develop a project proposal with at least one other library of another type. Community libraries are libraries which have agreed to share their resources with other libraries in a multitype system. Multitype library cooperation systems will coordinate projects within their regional planning functions, aggregate site project proposals into regional applications and administer grant funds to sites receiving awards.

Total funds available from the state for all grants cannot exceed \$4.65 million for the biennium. Payment of state funds to multitype systems for member libraries will be confirmed upon demonstration of readiness (payment #1) and demonstration of results achieved (payment #2). The grants awarding process will be competitive. The grants will focus on the needs of each applicant site to fit into its multitype system and how well the library's plans address these needs and the criteria.

Criteria and Conditions:

To qualify for a grant, libraries must demonstrate readiness and a match from the private sector and the local library's budget.

Readiness. The library shall provide evidence for a plan which will guide their technology adaptation and growth from which the library will move forward in conjunction with the multitype system plan over the next five years. The plan shall have the following components:

- how technology solutions and applications will equip the library to increase public services;
- how technology solutions and applications will improve communications between the public, the library and its staff, and between communities;
- how the grant will benefit the community served through improved public access and integration with lifelong learning;
- how use of the matching grant will accelerate technology acquisition and deployment and maximize use of existing technology;
- how the library will integrate technology expenditures into the ongoing capital and operations budgets;
- how the library will measure the results and the impact of the grant, including goals, key indicators and types of evaluation methods to be used.

Matching dollars. Each state dollar must be matched by \$1 from the private sector and \$1 from the library's current budget. The private match may be in the form of cash and or specific kinds of in-kind goods and services. Donations from the private sector must be documented by a pledge letter, a receipt or an action of the library authority accepting a gift. The donations may be from private or corporate foundations, service organizations, Friends groups, private citizens and/or businesses. It cannot be from product sales or fees from events. Library and Friends foundations, however, may sell products and receive donations to be transmitted to the library.

The match from the library's budget may include the reallocation of existing budget line items to the technology plan; new funding from public sources applied to technology expenditures; and the dedication of new or existing staff and other resources to technology equipment, training and or service. Documentation of the library match must be by formal action of the site team, an approved budget or some other commonly accepted method.

Where donations or reallocation of goods or services by the private sector or the library are provided as evidence of the match, a commonly-accepted market value will be assigned.

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1109 LIBRARY SITE TECHNOLOGY GRANTS
(Continuation)

Grants Distribution and Payment:

Grants will be made to library sites working with their multi-county multitype systems through a competitive process involving both the public and private sectors. Grant monies will be awarded to libraries based on the levels of merit and qualifying match. Libraries may be at any level of readiness: basic, intermediate, advanced or accelerated, and the grant must be used to drive the site to the next level.

The grant will be expended to in two payments. The first payment will be provided to "jump-start" the library's improvement efforts, and the second payment will be made when results are achieved and reported. Where pledges of cash or goods and services are counted in the match, a portion of the final payment will be contingent upon the receipt of the pledge. Unexpended funds will be reallocated in full or partial grants if the balance of funds available is less than is request by a qualifying library.

Evaluation of Results:

Measures of success will include impact data, activity data and customer satisfaction data. All data will be collected from individual libraries, then aggregated to determine performance for all sites and disaggregated to determine performance for specific types of libraries, region, size of grant and other variables.

Impact data. State level impact will assess how well libraries have performed in the following areas.

- Moving technology levels from existing level to a higher level.
- Increasing public access.
- Alignment of technology plans and activities to support lifelong learning.
- Establishing infrastructure, including a budget line item to support continued deployment of technology.

Activity data. State level activity data will report levels of activity, such as number of libraries brought online, number of terminal and a port access points, number of library resources made available, number of grants by amount of dollars, number of in-library and dial-access users served, number of personnel trained, amount of private dollars invested in the partnerships, how monies were used, etc.

Customer Data. Library customers will be asked to evaluate the grant process to assess ease of access, responsiveness, quickness of turnaround, and helpfulness in training and technical assistance.

BUDGET ISSUES:

A. CHALLENGES:

- Libraries vary in their readiness to participate in adopting new technologies.
- Administrators do not always appreciate the connection between increased local capacity and system benefits.

- Most libraries require a long lead time to plan for projects and secure necessary funds.
- Unexamined beliefs about new technologies assume that library information resources can all come from a distance and diminish local responsibility.

B. STRATEGIES:

- Multitype library cooperation systems are practiced in leveraging funds to encourage the adoption of new technologies and to foster cooperation.
- Multitype library cooperation systems have experience in adopting new technologies to communications, database development and delivery systems.
- Multitype library cooperation systems have evolving long-range plans that incorporate new technologies to increase participation, share resources, and improve services to the public.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$4,650 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends authority for carryover of any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1109: LIBRARY SITE GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments	0	0		
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			4,650	0
Recommended Aid Entitlement			4,650	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			4,650	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	4,650	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	4,650	0

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1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1110 LEARNING SITE TECHNOLOGY GRANTS

CITATION:

MDCFL ADMIN: 1503 Information Technologies
FEDERAL: None

PURPOSE:

To provide one-time incentives to schools and local communities to build an ongoing infrastructure for using technology solutions to increase their capacity to continuously improve student learning. The funds can be used to:

- move schools from current levels of technological deployment to the next higher levels;
- establish long-term community-based partnerships to implement a strategic plan for technology deployment;
- establish "hubs" and networks for learning and community access, linking students, families, schools, higher education institutions, libraries and workplaces.

Learning Site Technology Grants is one of three major components of Minnesota Learning Communities, which is a comprehensive program of state, local and private partnerships to insure that Minnesota leads in the creation of lifelong learning opportunities for its citizens through the effective and innovative use of technology. The two other components are the Minnesota Learning Academy and the Minnesota Learning Resource Network.

These one-time state funds will be matched with local funds for a total investment of \$150 million. Grants will be awarded through a competitive process and will be evaluated by representatives of public and private organizations. Grants will be awarded to individual school sites and may range in value to \$300,000. Sites will be expected to maintain any ongoing investments and their involvement with the community. Grants may be used for equipment, networks and training, but must be tied to specific learner outcomes and benefit the entire community.

DESCRIPTION:

The Learning Sites Technology Grants Program is a state-wide initiative established to encourage communities, schools and private businesses to create partnerships which will become ongoing and which will bring schools up to and beyond the basic or minimal standards for technology to support improvements in learning. The program will provide training for all schools interested in applying for a matching grant from the state and in developing a strategic plan for technology acquisition and deployment.

The program provides matching state funds to selected public schools who demonstrate readiness. Qualifying schools are eligible to receive \$1 in state funding for every \$2 recovered by the school and applied to technology improvements. The \$2 recovered by the school must represent \$1 from the private sector and \$1 from the schools budget. All public schools, including charter schools, are eligible to apply.

The total funds available from the state for all grants cannot exceed \$50 million for the biennium. Payment of state funds to schools will be contingent upon demonstration of readiness (payment #1)

and demonstration of results (payment #2). The grants awarding process will be competitive and distributive. The grants will focus on the unique needs of each applicant site and how well the school's plan addresses these needs and the criteria.

Criteria and Conditions:

To qualify for a grant, schools must demonstrate readiness and a match from the private sector and the local school's budget.

Readiness. The school shall provide evidence of a plan which will guide their technology acquisition, application and growth from where the school is now toward where the school thinks it needs to be in five years. The plan shall address the following components:

- How technology solutions and applications, such as improving curriculum design, instructional delivery, and staff development and assessment, will accelerate and improve student learning to achieve graduation standards.
- How technology solutions and applications will improve communications between students, teachers, families, school personnel and the broader community.
- How the grant will benefit the entire community through a provision for public access and integration with community educations.
- How use of the matching grant will accelerate technology acquisition and deployment and maximize use of existing technology.
- How the school will integrate technology expenditures into the ongoing capital and operations budgets.
- How the school will measure the results and the impact of the grant, including goals, key indicators and types of evaluation methods to be used.

Matching Dollars. Each state dollar must be matched by \$1 from the private sector and \$1 from the school's current budget. The private match may be in the form of cash and/or specific kinds of in-kind goods and services. Donations from the private sector must be documented by a pledge letter, a receipt or an action of the school board accepting a gift. The donations may be from private or corporate foundations, service organizations, booster clubs, private citizens and/or businesses. It cannot be from product sales or fees from events. Legally formed and registered school foundations, which can demonstrate a federal tax identification number, however, may sell products and receive donations to be transmitted to the school.

The match from the school's budget may include the reallocation of existing budget line items to the technology plan, new funding sources, such as the GOALS 2000 grants, applied to technology expenditures and the dedication of new or existing staff and other resources to technology equipment, training and/or services. Documentation of the school match must be by formal action of the site team, an approved budget or some other commonly accepted method.

Where donations or reallocations of goods or services by the private sector or the school are provided as evidence of the match, a commonly-accepted market value will be a state panel of reviewers.

Grants Distribution and Payment:

Grants will be made to schools through a competitive process with the involvement of public and private sectors. Grant monies will be awarded to schools based on the levels of merit and qualifying match. Schools may be at any level of readiness: basic, intermediate, advanced or accelerated, and the grant must be used to drive the site to the next level. The number of grants made will be contingent upon the number and amounts of requests received. Grants will be made to schools representing all four levels of readiness.

Grant request and grant awards must represent a total amount (combined state + school + private support) which is large enough to accomplish the results proposed. It is expected that the combined

1998-99 Biennial Budget

PROGRAM: 11 Technology
AGENCY: Children, Families & Learning Aids

1110 LEARNING SITE TECHNOLOGY GRANTS
(Continuation)

funds allocated to move a school from one level of technology deployment to the next will average statewide to between \$150,000 and \$300,000. It is critical that each applicant school prepare a detailed plan for continued deployment, since the upgrade and ongoing deployment may extend beyond the initial period.

The grant will be extended to sites in two payments. The first payment will be provided to "jump-start" the school's improvement efforts. The second payment will be made when results are achieved and reported. Where pledges of cash or goods and services are counted in the match, a portion of the final payment will be contingent upon the receipt of the pledge. Unexpected funds will be reallocated in full or partial grants if the balance of funds available is less than is requested by a qualifying school.

Evaluation of Results:

Measures of success will include impact data, activity data and customer satisfaction data. All data will be collected from individual schools, then aggregated to determine performance for all sites and disaggregated to determine performance for specific groups of schools, including size of school, geography, size of grant and other variables.

Impact Data. State level impact will assess how well schools have performed in the following areas:

- Moving technology applications from existing level to a higher level
- Increasing student achievement or accelerating progress toward accelerating student achievement
- Alignment of technology plan and activities to support critical learning activities
- Establishing infrastructure, including a budget line item, to support continued deployment of technology.

Activity Data. State level activity data will report levels of activity, such as number of schools attending training, number of applicants, numbers of selectees, number of grants by amount of dollars, number of students served, numbers of personnel trained, amount of private dollars invested in the partnerships and how monies were used.

Customer Data. School customers will be asked to evaluate the grant process to assess the ease of access, responsiveness, quickness of turnaround and helpfulness of training and technical assistance.

PROGRAM STATUS:

(\$ in 000s)	F.Y. 1995	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
Number of Trainee Schools				400	400
Number of Applicants				500	500
Number of Selectees				250	250
State Funds Allocated				\$35.0	\$15.0
Private Funds Committed				\$35.0	\$15.0
School Funds Reallocated				\$35.0	\$15.0

BUDGET ISSUES:

A. CHALLENGES:

- Minnesota schools lag behind other schools nationally in the deployment of technology. An assessment of Minnesota schools demonstrates that different sites are at different stages of implementing appropriate and value-added technology to support the management, deployment and assessment of teaching and learning. Current usage ranges from telephones in a few classrooms to overhead projectors to cable access and distance learning to limited computer and word processing labs to electronic grade books and portfolios to computer modems and Internet access in all classrooms.
- Minnesota students will need to be prepared for a technological workplace, entertainment and life skills. Currently, while Minnesota students appear to fare well on many comparative measures of student achievement, their capacity to compete technologically is not ensured through participation in the present configuration of limited technology and limited access to technology.
- Schools consistently want more revenue. The availability of more revenue is not certain. Technology can provide a more efficient and effective means for teaching and learning. This grants program requires schools to reassess and reallocate current funding to these improved methods.
- Communities and business investors in public education demand greater accountability for results. Partnerships such as those specified via this program will contribute to this greater accountability and facilitate the achievement and the reporting of results.

B. STRATEGIES:

- Focus on schools as the unit of deployment to best leverage ongoing learning and results for students. Provide opportunities for schools at any level of readiness - basic, intermediate, advanced or accelerated - to improve.
- Provide a one-time investment/infusion of state funds to jump-start technology upgrades and to create new technology infrastructure which must be ongoing.
- Link grant awards and payments to readiness and demonstration of results.
- provide incentives to engage the total community in the design and implementation of the learning sites and to ensure that local citizens utilize access to the new technology at the school.
- Provide mechanisms so that schools help other schools.
- Reduce bureaucracy as much as possible to ensure that the learning sites grants are driven by readiness and results and expediency.

GOVERNOR'S RECOMMENDATION:

The Governor recommends an aid entitlement and 100% current appropriation of \$50,000 for F.Y. 1998 and \$0 for F.Y. 1999.

The Governor recommends authority for carryover for any unexpended balance in the first year to the second year of the biennium.

CHILDREN, FAMILIES AND LEARNING AIDS - GOVERNOR'S BUDGET
(Dollars in Thousands)

1110: TECHNOLOGY SITE GRANTS

	Estimated		Governor's Rec.	
	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999
1. Statutory Formula Aid	0	0	0	0
2. Statutory Excess / (Shortfall)				
3. Appropriated Entitlement	0	0	0	0
4. Adjustments				
a. Excess Funds Transferred In / (Out)				
5. Current Law Aid	0	0	0	0
6. Excess / (Shortfall) After Adjustments				
7. Current Law Levy				
8. Current Law Funding: Aid & Levy	0	0	0	0
GOVERNOR'S RECOMMENDATION: AID				
Current Law Aid (from Line 5)			0	0
a. New Initiative			50,000	0
Recommended Aid Entitlement			50,000	0
GOVERNOR'S RECOMMENDATION: LEVY				
Current Law Levy (from Line 7)			0	0
TOTAL RECOMMENDED FUNDING: AID & LEVY			50,000	0
APPROPRIATIONS BASIS:				
Direct Appropriated Funds	0	0	50,000	0
Transfers per M.S. 124.14, subd. 7				
Total State General Funds	0	0	50,000	0

1998-99 Biennial Budget

PROGRAM:	11	Discontinued/Nonrecurring Programs
AGENCY:		Education Aids
	1200	DISCONTINUED STATE AND FEDERAL CATEGORICAL AID PROGRAMS

PURPOSE:

The budget process requires a report of discontinued education aids or grants if there is any expenditure in F.Y. 1995, F.Y. 1996 or F.Y. 1997

DESCRIPTION:

State Programs Discontinued	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
1201 Additional General Education Aid	15,580.7		
1202 Burnsville Facility Grant	500.0		
1203 Richfield Grant	500.0		
1204 Area Learning Centers	142.4		
1205 ECSU Aid	110.0		
1206 Vocational Coop Aid	24.0		
1207 Metro Deaf Transportation	6.0		
1208 Special Education/Abatement Deficiency Tax Bill	20,000.0		
1209 Student Survey	135.9		
1210 Truancy Project	100.0		
1211 Task Force on Disabilities	25.0		
1212 Sexuality and Family Life Survey	17.4		
1213 ASL Proficiency Evaluation	9.6		
1214 Violence Prevention-High Risk Youth	2,108.9		
1215 Violence Prevention Education	999.2		
1216 Youth Apprenticeship (Demo Sites)	630.4		
1217 Cross Cultural Initiatives	111.0		
1218 Local Grass Roots Collaboratives	100.0		
1219 Learning Readiness	1,500.0		
1220 Agricultural Specialist	34.7		
1221 Agricultural Leadership	29.0		
1222 Multicultural Grant - Red Lake	26.4		
1223 Nett Lake Youth Program Grant	25.0		
1224 ITV - Scott and Carver County	189.0		
1225 Time and Technology	0.0		
1226 Mountain Iron - Buhl Grant	75.0		
1227 Collaboration Planning #2580	49.9		
1228 Planning Grant - North St. Paul, etal	25.1		
1229 School Improvement Incentive Grant	125.0		
1230 Technology Grant	1,600.0		
1231 Teacher Exchange	0.0		
1232 Coalition for Education Reform & Accountability	39.1		

State Programs Discontinued

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
1233 Capital Facilities for C & C	500.0	408.0	
1234 Student Suspension and Expulsion	6.9	13.6	19.5
1235 Free Breakfast Pilot	161.4	86.0	106.0
1236 Planning Grant-Lakefield, etal	36.9	20.9	19.1
1237 Angle Inlet One Room School	50.0	30.0	25.0
1238 Special Education Summer School	4,866.6	4,310.0	2,610.0
1239 Nett Lake Liability and Unemployment	22.5	62.0	62.0
1240 Violence Prevention Councils	205.1	75.0	75.0
1241 Capital Expenditures - Facilities	74,292.3	75,966.2	11,530.0
1242 Capital Expenditures - Equipment	38,281.1	44,556.3	6,748.0
1243 ITV Grant Cromwell		125.0	
1244 Wide Area Transportation Pilot		250.0	
1245 Rural Computerized Transportation Routing		25.0	
1246 Comprehensive Early Intervention Grants		390.0	
1247 MN ENABLE		247.9	
1248 Montevideo Grant		100.0	
1249 Multicultural Continuing Education		69.0	
1250 Aquila Community Together		50.0	
1251 New Moon Girls Program		20.0	
1252 ITV Grant Floodwood		125.0	
1253 Milan Operating Debt		36.0	36.0
1254 Preston-Harmony - Fountain Grant		70.0	70.0
1255 Vocational School Planning		34.9	65.1
1256 Year-Round School, Extended Week or Day Pilot		948.5	851.5
1257 School Interpreters		135.9	114.1
1258 Mankato Truancy Project		15.0	15.0
1259 Youth Enrichment		2.7	4,997.3
1260 Joint Program Start-up & Implementation			200.0
1261 After School Technology			1,000.0
1262 Electronic Curriculum			860.0
1263 Crow River - Meeker & Wright Special Educ. Coops			100.0
1264 St. Paul Accountability			100.0
1265 Nett Lake Community Center			74.0
1266 West St. Paul Grant			20.0
1267 Technology Integration Grants			3,500.0
Subtotal	117,754.5	127,665.3	33,072.1

State Programs Moved to Agency Budget

1268 Academic Excellence	537.9		
1269 Education Effectiveness	811.1		
1270 Environmental Education	25.4		
1271 Graduation Rule - Health	0.0		
1272 Transition Aid for Information Support	624.8		
1273 Mentorship Site Coops	35.0		
1274 GED Coordination	57.4		
1275 Graduation Rule	4,505.8		
1276 Fire Marshall	60.0		
1277 Health & Safety Management Assistance	400.0		
Subtotal	7,057.4	0.0	0.0

1998-99 Biennial Budget

PROGRAM: 11 Discontinued/Nonrecurring Programs
AGENCY: Education Aids

1200 STATE AND FEDERAL CATEGORICAL AID PROGRAMS
 (Continuation)

Federal Programs Discontinued	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
1278 ESEA I Handicapped - CFDA #84009	1,847.5	24.0	37.0
1279 FACS - Art Education - CFDA #84215	255.7	256.0	
1280 Child Youth Education Disturbance - CFDA #84237	69.8	47.0	
1281 Block Grant - CFDA #84151*	2,638.3	4,859.0	
1282 EESA Math & Science - CFDA #84164*	1,109.5	1,692.0	
Subtotal	5,920.8	6,930.0	37.0
Grand Total	130,732.7	134,595.3	33,109.1

* For related funding information, see Article X, Program X and X.

1998-99 Biennial Budget

PROGRAM: 11 Discontinued/Nonrecurring Programs
AGENCY: Education Aids

1200 STATE AND FEDERAL CATEGORICAL AID PROGRAMS
 (Continuation)

Federal Programs Discontinued	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
1278 ESEA I Handicapped - CFDA #84009	1,847.5	24.0	37.0
1279 FACS - Art Education - CFDA #84215	255.7	256.0	
1280 Child Youth Education Disturbance - CFDA #84237	69.8	47.0	
1281 Block Grant - CFDA #84151*	2,638.3	4,859.0	
1282 EESA Math & Science - CFDA #84164*	1,109.5	1,692.0	
Subtotal	5,920.8	6,930.0	37.0
 Grand Total	 130,732.7	 134,595.3	 33,109.1

* For related funding information, see Article X, Program X and X.