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➲ Designates that this item is a change item

TO: Minnesota Legislators

FROM Alice Seagren, Commissioner
Minnesota Department of Education

DATE: January 27, 2009

RE: Governor's Biennial Budget Recommendations

The Minnesota Department of Education is pleased to submit the education budget for FY 2010-11 on behalf of Governor Tim Pawlenty. This budget consists of $14.0 billion from the state's General Fund and is a 2.0% increase from FY 2008-09 spending, when the impact of education budget shifts is excluded. More information can be found at www.education.state.mn.us

Minnesota continues to be a national leader when it comes to the education of our children. An *Education Week* study in 2007, found that Minnesota ranks third in the nation when it comes to preparing our children for success. Additionally, Minnesota students once again had the top scores in the nation on the ACT in 2008. Our fourth graders in 2007 also recorded the third largest gain in math in the history of the Trends in International Mathematics and Science Study (TIMSS), when compared to our fourth graders in 1995.

Since 2003, Governor Tim Pawlenty and the Minnesota Legislature have continued their efforts to raise student achievement by preparing for a more competitive global future, including:

- Creating more rigorous graduation requirements, including Algebra I by end of 8th grade, and Algebra II and Chemistry or Physics to graduate;

- Implementing new Math & Science Teacher Centers around the state of Minnesota. These Centers are preparing our teachers to deliver higher levels of instruction in math and science to meet the state's new requirements;

- Creating more rigorous standards in reading/language arts, math, science and social studies. In 2006, the new reading and mathematics MCA II assessments were given in grades 3-8, 10 and 11. The results of these new tests give us a clearer picture of how students are performing and serve as a basis to measure future improvement;

- Implementing Minnesota's nation-leading Q Comp program, which is designed to advance the teaching profession by providing structured professional development and evaluation, as well as an alternative pay schedule that compensates teachers based on performance, not seniority. Forty-four school districts and 25 charter schools are participating in the Q Comp program. These districts and charter schools serve more than 255,000 students. An additional 10 school districts have recently submitted applications to implement the program for the 2009-10 school year;

- Expanding Get Ready, Get Credit, which resulted in an ongoing and substantial increase in Advanced Placement participation and scores. During the 2007-08 school year, there was a 6.5 percent increase in the number of students taking AP tests and a 8.1 percent increase in the number of students scoring a "3" or higher on their exams, which is the cut score used by most colleges to award college credit to new entering students. Additionally, during the 2007-08 school there was a 23 percent increase in the number International Baccalaureate (IB) exams taken by Minnesota students;

- Developing school report cards that provide a wealth of information to parents and the public, including student demographic information, enrollment, student achievement data, school safety information, academic opportunities, school staff characteristics, a "Report to Taxpayers" regarding the school's and district's revenues and expenditures, and a new school growth model finalized in December 2008. The report cards are easily accessible on the Department's website at www.education.state.mn.us;

- Implementing a new initiative to work with Minnesota's Regional Service Cooperatives to provide local support for Minnesota schools and districts in their efforts to meet federal Adequate Yearly Progress (AYP) and No Child Left Behind (NCLB) requirements;

- Developing a statewide initiative to formulate an articulated Mandarin Chinese curriculum. The initiative will ensure that our students are prepared to enter a competitive global economy;

- Starting a teacher recruitment web site, which assists school districts and charter schools with hiring teachers in all subject areas and recruiting teachers to fill hard-to-fill subject areas such as math, science, special education, and world languages;

- Partnering on the implementation of the Principal Institute as designed by the National Institute for School Leadership (NISL) so that our school principals have the training and tools to be effective leaders; and

- Implementing a new online learning program that provides more choice options to parents.

While Minnesota has a proud tradition of leading the nation in education excellence, much more needs to be done to take our students from nation-leading to world-competing.

That is why the Pawlenty Administration will set a course of action to create a system of education for the 21st Century, which prepares Minnesota students to compete with students from anywhere around the world.

In order to address needs and push for greater accountability and innovation, Governor Pawlenty is proposing:

- Q Comp Expansion: The nation-leading Q Comp program will increase the per pupil funding from $260 to $300 per pupil and the program will be expanded to all school districts and charter schools in the state.

- The Teaching Transformation Act: This includes reforms to improve higher education teacher preparation programs by establishing minimum entrance requirements and increasing the rigor of the teacher certification process. This Act also creates alternative pathways to teacher licensure through the State of Minnesota Mid-Career Alternative Route to Teaching (SMART) and creates incentives and training to recruit teachers into shortage areas such as math and science.

- 21st Century Assessment System: To advance the statewide assessment system to its next generation, all assessments in grade 3 through grade 8 will be migrated to adaptive and computer administration. In addition, end-of-course exams will be developed and implemented for high school.

- Pay for Performance Plan: A school district and charter school pay for performance plan will be implemented based upon school districts demonstrating student growth under the Minnesota Department of Education growth model.

- Advanced Placement and International Baccalaureate: Base funding will be targeted to continue the growth in AP/IB participation in our state.

- Innovative School Leaders: The National Institute for School Leadership program will be expanded and school leaders will be provided more training to be instructional leaders in their schools. Leaders will also have more authority to make personnel decisions about their schools.

- Minnesota Virtual Education Program (MVEP): MVEP will be created to provide access to online coursework throughout the state. This will support the requirement that beginning in 2013, every student participate in an online learning experience as part of their graduation requirements.

- Summer of Success: This aggressive intervention pilot program for 8th graders who are not yet proficient on the MCA-IIs in mathematics or reading will be provided through an intensive program targeted to students in the summer between 8th and 9th grades.

In conclusion, Governor Pawlenty's education agenda and budget presented to the 2009 Legislature and the people of Minnesota is one that places priority on expanding resources for schools, while making reforms to create 21st Century high schools, increasing rigor and accountability, developing more effective teachers and closing the achievement gap. All of these things will be essential to taking Minnesota students from nation-leading to world-competing.

I look forward to working with the legislature, education organizations and the public as we work toward our common goal: improving student achievement for every Minnesota student.

Agency Purpose

The Minnesota Department of Education's (MDE) mission is to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for lifelong learning.

MDE strives to be an innovative education agency, assisting schools, families, and other education providers with exemplary services that result in high academic achievement for all students, pre-kindergarten to grade 12, and adult learners.

Every learner will have access to a high-quality education that promotes his or her development to full potential through an outstanding Minnesota education system that is a world leader.

MDE focuses on four primary goals.

- improve achievement for all students
- enhance teacher quality
- expand education options for students and families
- implement education finance reform and enhance accountability

At A Glance

MDE Customers (FY 2008)

- 825,603 pre-kindergarten through grade 12 students and their parents/guardians
- 137,402 licensed teachers
- approximately 2,003 public schools
- 340 school districts and 143 charter schools
- Over 74,000 adult learners
- Over 136,000 children participated in early learning programs.

Annual K-12 School Funding (FY 2008)

- State - $6.9 billion or 73.4% of total funding
- Local - $1.9 billion or 20.2% of total funding
- Federal - $0.6 billion or 6.4% of total funding

Core Functions

Improve Achievement for all Students: Raise overall student achievement levels and close the achievement gap that currently exists among students of color and students with disabilities by implementing standards, research-based best practices, measuring progress with statewide assessments, and promoting lifelong learning.

Teacher Quality: Improve teacher quality in Minnesota by implementing initiatives to increase the number of highly trained teachers, enhance teacher preparation, improve teacher retention in high-needs schools, and provide ongoing professional development.

Options for Students: Ensure that programs offering education options to families support quality schools and continuous improvement in student achievement. Create new choices to better meet the educational needs of all children, especially students from low-income families, students of color, students with disabilities, and students who are English language learners.

Finance Reform: Encourage improved financial management of school districts and charter schools, make the system more understandable and accountable to the public, implement performance-based pay linked to student achievement gains, and enhance accountability for student learning through a comprehensive data system.

Operations

The Office of Teaching and Learning is responsible for academic standards development, high school improvement activities, early childhood education and development activities, library development, the Minnesota Braille and Talking Book Library located in Faribault, and licensing of school administrators and teachers.

The Office of Accountability and Improvement is responsible for statewide testing programs, administration of federal education programs (Elementary and Secondary Education Act), and research and evaluation of educational programs.

The Office of School Choice and Support Services is responsible for school choice programs, charter school activities, supplemental services, Indian education programs, food and nutrition services, adult basic education and general educational development (GED) programs, and special education services.

School Finance and Program Accountability and Improvement is responsible for distribution of formula and competitive grant and aid programs, fiscal and grant compliance monitoring, calculating state aid and distributing aid payments to school districts and charter schools, calculating school district property tax levy limitations, managing and administering competitive and application grant programs.

Administration activities are provided in the areas of leadership and policy direction for the agency, information technology services to all agency programs, and agency fiscal (MAPS budget and spending plan) and human resource direction.

These offices and activities provide the following services to the preK-12 education community.

- Academic Standards
- Adult and Career Education
- Career and Technical Education
- Charter Schools
- Compliance and Assistance for Special Education Students
- Consolidated Federal Programs
- Early Learning Services
- Educator Licensing and Teacher Quality
- English Language Learners/Limited English Proficiency (LEP)
- Food and Nutrition Services
- High School Improvement
- Indian Education
- Library Development and Services
- Minnesota Braille and Talking Book Library
- Research and Assessment
- Safe and Healthy Learners
- School Choice
- School Finance
- School Improvement
- School Technology
- Special Education

Budget

MDE will administer over $7 billion in state and federal funding for preK-12 and adult and career education funding. In addition, MDE will calculate in excess of $1.9 billion of annual property tax levy limitations.

Contact

Agency Contact: (651)582-8200
Department of Education Website: http://education.state.mn.us

Minnesota Department of Education
1500 Highway 36 West
Roseville, Minnesota 55113-4266

For information on how this agency measures whether it is meeting statewide goals, please refer to www.departmentresults.state.mn.us

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	6,812,223	6,971,008	6,971,008	6,971,008	13,942,016
Recommended	**6,812,223**	**6,941,007**	**5,696,371**	**7,035,227**	**12,731,598**
Change		(30,001)	(1,274,637)	64,219	(1,210,418)
% Biennial Change from 2008-09					-7.4%
Expenditures by Fund					
Direct Appropriations					
General	6,804,517	6,947,154	5,696,378	7,035,234	12,731,612
Miscellaneous Special Revenue	0	32	35	35	70
Statutory Appropriations					
Miscellaneous Special Revenue	11,336	13,239	11,747	11,855	23,602
Endowment School	27,847	28,222	29,845	31,467	61,312
Federal	622,867	681,840	699,612	727,293	1,426,905
Miscellaneous Agency	576	2,023	1,429	1,429	2,858
Gift	192	76	43	43	86
Total	**7,467,335**	**7,672,586**	**6,439,089**	**7,807,356**	**14,246,445**
Expenditures by Category					
Total Compensation	34,345	38,131	39,679	40,656	80,335
Other Operating Expenses	46,663	56,586	56,881	56,762	113,643
Payments To Individuals	781	2,121	735	735	1,470
Local Assistance	7,385,139	7,575,476	6,341,529	7,708,938	14,050,467
Other Financial Transactions	407	272	265	265	530
Total	**7,467,335**	**7,672,586**	**6,439,089**	**7,807,356**	**14,246,445**
Expenditures by Program					
Agency Operating	64,256	79,903	77,355	76,816	154,171
General Education	5,618,862	5,676,579	4,590,794	5,767,069	10,357,863
Other General Education	40,376	41,715	38,367	43,107	81,474
Ed Ex Choice Programs	118,211	128,576	117,252	134,512	251,764
Ed Ex Indian Programs	4,244	4,241	3,945	4,522	8,467
Ed Ex Innovation & Accountabil	25,201	25,559	31,626	35,580	67,206
Ed Ex Spec Studnt & Teacher	189,987	205,587	205,674	208,325	413,999
Special Education	962,899	1,012,782	952,540	1,078,374	2,030,914
Facilities & Technology	47,615	44,037	33,258	35,583	68,841
Nutrition Programs	215,008	238,580	257,858	281,801	539,659
Libraries	14,250	18,405	17,113	18,830	35,943
Early Childhood & Family Supp	66,200	76,371	66,622	70,026	136,648
Community Education	2,078	1,577	1,238	1,237	2,475
Self Sufficient & Lifelong Lrn	45,290	49,360	45,447	51,574	97,021
Discontinued Programs	52,858	69,314	0	0	0
Total	**7,467,335**	**7,672,586**	**6,439,089**	**7,807,356**	**14,246,445**
Full-Time Equivalents (FTE)	**424.9**	**444.9**	**445.7**	**441.6**	

Dollars in Thousands

	FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Fund: GENERAL				
FY 2009 Appropriations	**6,971,008**	**6,971,008**	**6,971,008**	**13,942,016**
Technical Adjustments				
Current Law Base Change		(5,061)	(5,061)	(10,122)
End-of-session Estimate		11,471	87,383	98,854
November Forecast Adjustment	(30,001)	(16,341)	(5,276)	(21,617)
One-time Appropriations		(64,054)	(64,212)	(128,266)
Program/agency Sunset		(7,750)	(7,750)	(15,500)
Pt Contract Base Reduction		(68)	(68)	(136)
Subtotal - Forecast Base	**6,941,007**	**6,889,205**	**6,976,024**	**13,865,229**
Change Items				
Q Comp Expansion	0	0	41,452	41,452
College of Education Reforms	0	40	45	85
U Teach	0	500	500	1,000
SMART	0	500	500	1,000
Assessment Policy and Schedule Revision	0	3,318	4,218	7,536
Pay for Performance Plan	0	40,460	50,658	91,118
Direct Concurrent Enrollment Base to AP/IB	0	0	0	0
Principals' Leadership Institute	0	400	400	800
Rulemaking Principal Licensure Standards	0	125	0	125
MVEP	0	1,000	1,000	2,000
Summer of Success	0	3,204	6,258	9,462
Math & Science Teacher Academies	0	1,500	1,500	3,000
Repeal Contract Penalty	0	400	100	500
Modify Extended Time Revenue	0	(5)	(5)	(10)
Cap Integration Revenue at FY 2009 Level	0	(3,491)	(4,411)	(7,092)
Convert Perpich to Charter School	0	0	2,036	2,036
Agency Operating Reduction	0	(410)	(410)	(820)
Aid Payments Shift	0	(676,451)	(9,624)	(686,075)
Property Tax Shift	0	(570,200)	(35,000)	(605,200)
SOD Advance Payment	0	6,276	(14)	6,262
Total Governor's Recommendations	**6,941,007**	**5,696,371**	**7,035,227**	**12,731,598**
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	**13,239**	**11,747**	**11,855**	**23,602**
Total Governor's Recommendations	**13,239**	**11,747**	**11,855**	**23,602**
Fund: ENDOWMENT SCHOOL				
Planned Statutory Spending	**28,222**	**29,845**	**31,467**	**61,312**
Total Governor's Recommendations	**28,222**	**29,845**	**31,467**	**61,312**
Fund: FEDERAL				
Planned Statutory Spending	**681,840**	**699,612**	**727,293**	**1,426,905**
Total Governor's Recommendations	**681,840**	**699,612**	**727,293**	**1,426,905**
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	**2,023**	**1,429**	**1,429**	**2,858**
Total Governor's Recommendations	**2,023**	**1,429**	**1,429**	**2,858**
Fund: GIFT				
Planned Statutory Spending	**76**	**43**	**43**	**86**
Total Governor's Recommendations	**76**	**43**	**43**	**86**

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	0	41,452	53,245	55,433
Revenues	0	0	0	0
Other Fund				
Expenditures	0			
Revenues	0	0	0	0
Net Fiscal Impact	0	41,452	53,245	55,433

Recommendation

The Governor recommends $41.452 million in FY 2011, $53.245 million in FY 2012, and $55.433 million in FY 2013 to implement Q Comp statewide. This proposal would increase the current Q Comp allowance from $260 per pupil to $300 per pupil for FY 2011 and require all school districts and charter schools to participate in the program. For FY 2012 and later, this proposal would link the Q Comp allowance to the general education formula allowance, so that the Q Comp allowance would increase at the same rate as the formula allowance. The levy impact of this proposal is $15.296 million in FY 2011, $18.542 million in FY 2012, and $19.558 million in FY 2013.

Background

Minnesota's nation-leading Q Comp program is designed to advance the teaching profession by providing structured professional development and evaluation, as well as an alternative pay schedule that compensates teachers based on performance, not just seniority. The program brings together career advancement, professional development and compensation linked to academic achievement. It includes a locally agreed-upon peer evaluation process for every teacher that is based on skills, responsibilities and student academic growth.

The Q Comp program gives school districts the flexibility to meet local needs within a comprehensive model of improved teaching and learning. A total of 44 school districts and 25 charter schools from across the state are participating in Q Comp.

Under current law, school districts, charter schools, the Perpich Center for Arts Education, and multi-district integration collaboratives with an approved alternative teacher professional pay system are eligible to receive up to $260 per pupil enrolled at participating sites for implementation of the alternative teacher professional pay system. Participating school districts currently receive basic state aid of $190 per pupil and are authorized to make an equalized levy of up to $70 per pupil. Under current law, participating school districts will receive basic state aid of $169 per pupil and are authorized to make an equalized levy of up to $91 per pupil beginning in FY 2010. Beginning in FY 2011, the basic state aid will be $195 per pupil and the equalized levy will be $105 per pupil. Other participating units receive an amount equal to the average per pupil Q Comp revenue of participating school districts, all in the form of state aid.

This initiative will require all districts to implement Q Comp by FY 2011. Districts that have not implemented an approved Q Comp program would not receive Q Comp revenue.

Relationship to Base Budget

This proposal increases the base budget by $41.452 million in FY 2011. The expenditures in this proposal are based on the Governor's recommended aid payment percentage of 80% in the current year and 20% in the final year.

Key Goals and Measures

This initiative supports the key department goals of increasing teacher quality, improving student achievement, and preparing all students to compete in a global economy.

Statutory Change: 126C.10, 122A.413, 122A.415.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$40	$45	$0	$0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0		
Revenues	0	0	0	0
Net Fiscal Impact	$40	$45	$0	$0

Recommendation

The Governor recommends $40,000 in FY 2010 and $45,000 in FY 2011 to improve higher education teacher preparation programs at Minnesota colleges and universities. Improvements will include: 1) the establishment of minimum entrance requirements for students prior to admission into teacher preparation programs; 2) strengthening the teacher certification process by raising the cut scores on certification tests; and 3) revisions to the Standards of Effective Practice to provide greater emphasis on technology skills, content and teaching strategies.

Background

Research has indicated that besides the parent, the effectiveness of the teacher is the leading indicator of student success. Currently a rigorous entrance requirement is not established for individuals to enter a Minnesota teacher preparation program. Given that the Pre-Professional Skills Test (PPST) is a basic skills examination designed to demonstrate college readiness, the Governor is proposing passage of this examination as an entrance requirement into a Minnesota teacher preparation program.

Minnesota has participated in research studies designed to determine how Minnesota's education system measures against those of leading countries. It has been noted that Minnesota lacks a requirement for core content, that is, that teachers hold the equivalence of an academic major in the field in which they are teaching. This proposal will revise the teacher licensure exams to ensure that a candidate can demonstrate the equivalence of an academic major in the content area in which they are applying for licensure.

Increased attention is needed to ensure teachers are able to deliver instruction utilizing strategies and resources designed for the 21st Century. Currently, students are often training their teachers on the use of technology. The Standards of Effective Practice will be revised to include a greater emphasis on the use of technology as well as focus on incorporating core content areas into curriculum so that student's understanding of real world application is increased. In addition, teachers must have effective pedagogical training to meet the instructional needs of all students they may be encountering in the classroom. Teacher licensure tests for pedagogy will be revised to include new content in this area.

Funds for this initiative will be used to support Board of Teaching rule revisions and updates to the Standards of Effective Practice.

Relationship to Base Budget

This is a one-time appropriation.

Key Goals and Measures

- Establishment of rigorous teacher of education entrance requirements.
- Increased student achievement.

Statutory Change: M.S. 122A09 and 122A.18.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	500	500	0	0

Recommendation

The Governor recommends $500,000 in FY 2010 and $500,000 in FY 2011 to establish U Teach pilot programs at Minnesota colleges and universities. The programs would recruit current students in university math and science departments who have demonstrated an interest in teaching to take up to six teacher education courses at no cost to the student. Grants will be awarded to colleges and universities on a competitive basis.

Background

In the 2007 Teacher Supply and Demand report, districts reported perceived teacher shortages in several areas including life science, physics, chemistry, mathematics, and earth and space science. This initiative, modeled after the U Teach program at the University of Texas-Austin, would increase the number of students entering the teaching field in math and science content areas. Approximately 75% of U Teach students who enter the teaching profession remain in the classroom after five years.

This initiative will establish a competitive grant process open to the University of Minnesota, Minnesota State Colleges and University Institutions, and Minnesota private colleges to establish U Teach programs. The programs must be designed to encourage the recruitment of current students enrolled in math and science departments into teacher preparations programs. The grants funds awarded must be used to defray the cost of tuition of up to six teacher education courses per student.

Relationship to Base Budget

This is a new program.

Key Goals and Measures

⇒ Number of new teachers licensed in mathematics and science content areas.
⇒ Teacher retention in mathematics and science content areas.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	500	500	500	500
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	500	500	500	500

Recommendation
The Governor recommends $500,000 in FY 2010 and beyond for the State of Minnesota Mid-Career Alternative Route to Teaching (SMART) program. This would establish an alternative route to teacher licensure for qualified professionals.

Background
This initiative allows the Minnesota Board of Teaching to approve one-year teacher training programs developed for qualified professionals. Program providers, approved by the Board of Teaching could offer a program in the instructional fields of science, mathematics, world languages, English as a second language, and special education. To participate in a teacher training program, an individual would be required to have a bachelor's degree and have an undergraduate major or post-baccalaureate degree in the subject to be taught or in an equivalent or related subject area. Qualified candidates would become employed as a classroom teacher, go through a summer training program, receive training throughout the school year and complete a summer program following the school year resulting in a Minnesota Teaching License and graduate credits.

The Minnesota Department of Education, along with representatives of superintendents, principals, and teachers, would be required to participate on an advisory board to assist the Board of Teaching in developing the criteria used to approve programs under this program. Minnesota schools would be asked to hire the program participants with a limited license, with the understanding that the district would need to assemble an evaluation team and a mentor for the new teacher.

Funds for this program would be distributed via a request for proposal process to institutions of higher education to develop teacher training programs.

Relationship to Base Budget
This is a new program.

Key Goals and Measures
⇒ Number of teachers that obtain licensure through the SMART program.
⇒ Number of teachers licensed in shortage disciplines.

Statutory Change: 122A.246

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$3,318	$4,218	$4,082	$892
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	$3,318	$4,218	$4,082	$892

Recommendation

The Governor recommends $3.318 million in FY 2010, $4.218 million in FY 2011, $4.082 million in FY 2012, and $892,000 in FY 2013 to advance the statewide assessment system to its next generation. This would include the development of a process for students required to pass the Graduation Required Assessment for Diploma (GRAD), migrating all assessments grade 3 through grade 8 to adaptive and computer administration and the development and implementation of end-of-course exams for high school that eventually will serve as a component of a student-stakes graduation requirement in place of the GRAD.

Background

Under the current statewide testing law, students are required to take comprehensive assessments correlated with the Graduation Rule's High Standards in grades 3 – 8. At the high school level, students are tested in grade 9 (writing) grade 10 (reading), and grade 11 (mathematics). Students who entered grade 8 in 2005 or later must pass the Minnesota Comprehensive Assessments, Series II (MCA-II) or GRAD in reading or mathematics to satisfy their state level graduation assessment. The 2008 test results for mathematics, MCA-II, Mathematics Test for English Language Learners (MTELL), and Minnesota Test of Academic Skills (MTAS), showed that only 33% of 11th graders were considered proficient in mathematics while more than 70% of 11th graders were proficient in reading. Testing mathematics in 11th grade allows limited time for remediation for the students who need it prior to taking a graduation test.

Beginning in the spring of 2011, students will be tested on the new academic standards. In order to ensure students are college and work ready upon graduation, the state will move to end-of-course testing to support this goal. For the cohort of students currently required to pass the GRAD prior to the 2013-14 school year, an alternate pathway would be available for those students unable to pass the graduation test.

This initiative would make the following changes to the statewide assessment program:

- Clarifies the purposes of assessment program.
- Identifies "alignment of standard to assessment schedule" in statute.
- Eliminates the option to exempt students with disabilities or English language learners from testing, which is inconsistent with federal law.
- Clarifies science testing grade spans as allowed by the U.S. Department of Education.
- Allows for end-of-course tests to be developed for high school assessments.
- Provides for the migration to adaptive and computer administration for all MCA-III tests.
- Requires that schools selected for field testing or national sampling must participate, if selected.
- Requires schools, districts, or charter schools to place a student's assessment score for the comprehensive assessments and the GRAD on the student's report card.

An increase in funding is necessary to design and prepare a new, more responsive assessment while maintaining the administration of the current one until the next generation of assessments is launched according to the revision schedule in statute. Implications of not revising the assessment system means that enhanced student performance data would not be available to teachers at grades 3 – 8. Scores of grades 3 – 8 and high school exams would be available immediately in the school year with computer administration.

Efficiencies are quickly achieved after the start-up costs are funded as paper production and delivery of assessments are also a high-cost item in the assessment system.

School districts may choose to use these more informative statewide assessments and recover dollars in their own budgets by eliminating locally administered assessments if the state assessment system proves more responsive.

Funding would support the following activities necessary to design and field test the next generation of assessments while continuing to maintain the current system until implemented.

FY 2010:

- Additional multiple-choice item development required to align to new mathematics content standards of 2007.
- Additional interactive (Flash-based) math item development that uses computer technology for measurement of higher order thinking skills as required under No Child Left Behind (NCLB).
- Intensive development of additional math test items to allow for adaptive, on-grade level assessments in grades 3 – 8. More items are necessary to create an adaptive, more precise assessment tool.
- Additional multiple-choice item development required to align to new science content standards of 2008.
- Additional interactive (Flash-based) science item development that uses computer technology for more robust measures of student skills.
- Intensive development of additional science test items to allow for adaptive, on-grade level assessments in grades 5 and 8. More items are necessary to create an adaptive, more precise assessment tool.
- Field testing of new test items in a computer-delivered format for mathematics in grades 3 – 8. This must be an additional, stand-alone field test activity because the current administration is a paper administration.
- Field testing of new assessments in an end-of-course model for high school mathematics. This must be an additional, stand-alone field test activity because the current administration is a paper, comprehensive exam.

FY 2011:

- Additional multiple-choice item development required to align to new science content standards of 2008.
- Intensive development of additional science test items to allow for adaptive, on-grade level assessments in grades 5 and 8. More items are necessary to create an adaptive, more precise assessment tool.
- Operational grades 3 – 8 adaptive, computer-delivered assessments in mathematics.
- Operational grades 5 and 8 adaptive, computer-delivered assessments in science (administration within current budget).
- Field testing of new assessments in an end-of-course model for high school mathematics. This must be an additional, stand-alone field test activity because the current administration is a paper, comprehensive exam.
- Field testing of new assessments in an end-of-course model for high school science. This must be an additional, stand-alone field test activity because the current administration is a single biology exam. Chemistry and physics are the additional exams that would be implemented.
- Continued administration of the current math MCA-II and GRAD at the high school level for state and federal accountability (until the student cohort under revised standards arrives in high school courses).
- Setting of performance expectations for mathematics through a contractor-administered, standardized procedure in the summer of 2011.
- A single, paper administration of the next generation of math MCAs for the small number of districts unable to administer the computer test in its inaugural year.
- Comparability study necessary to equate the computer and paper modes of administration.
- Additional multiple-choice item development required to align to new reading content standards of 2009.
- Intensive development of additional reading test items to allow for adaptive, on-grade level assessments in grades 3 – 8. More items are necessary to create an adaptive, more precise assessment tool.

FY 2012:

- Additional multiple-choice item development required to align to new reading content standards of 2009.
- Intensive development of additional reading test items to allow for adaptive, on-grade level assessments in grades 3 – 8. More items are necessary to create an adaptive, more precise assessment tool.
- Additional interactive (Flash-based) math item development that uses computer technology for measurement of higher order thinking skills as required under NCLB.
- Operational grades 3 – 8 adaptive, computer-delivered assessments in mathematics (MCA-IIIs).
- Pilot administrations of end-of-course exams in high school mathematics.
- Operational grades 5 and 8 adaptive, computer-delivered assessments in science (administration within current budget).
- Setting of performance expectations for science through a standardized procedure in the summer of 2012.
- Operational administrations of end-of-course exams in high school science.
- Continued administration of the current math MCA-II and GRAD at the high school level for state and federal accountability (until the student cohort under revised standards arrives in high school courses).

FY 2013:

- Operational assessments for all subjects (grades 3 – 8) in math, reading, and science.
- Operational administrations of end-of-course exams in high school mathematics.
- Operational administrations of end-of-course exams in high school science.
- Operational grades 5 and 8 adaptive, computer-delivered assessments in science (administration within current budget).
- Setting of performance expectations for reading through a standardized procedure in the summer of 2013.
- A single, paper administration of the next generation of reading MCAs for the small number of districts unable to administer the computer test in its inaugural year.
- Comparability study necessary to equate the computer and paper modes of administration.

Relationship to Base Budget

This initiative would increase the base budget for statewide testing by $3.318 million in FY 2010 and $4.218 in FY 2011. The base budget for statewide testing is $15.150 million in FY 2010 and $15.150 million in FY 2011.

Key Goals and Measures

This initiative addresses the Department of Education goals of improving student achievement and preparing students to compete in a global economy. This proposal is also aligned with the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging skills and knowledge; and 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy. The key measures are:

- Minnesota teachers will have access to student-level assessment data more quickly.
- Students who need it will have additional time for remediation in mathematics.
- Minnesota tests will continue to be aligned with the rigorous standards adopted by the state.
- Assessments will provide more accurate measures with increased validity.
- Students will graduate from high school college- and career-ready.

Statutory Change: M.S. 120B.30

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	40,460	50,658	50,898	51,331
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	40,460	50,658	50,898	51,331

Recommendation

The Governor recommends $40.460 million in FY 2010, $50.658 million in FY 2011, $50.898 million in FY 2012, and $51.331 million in FY 2013 to implement a school district and charter school pay for performance plan based upon students achieving medium and high growth under the Minnesota Department of Education (MDE) growth model.

Background

MDE has developed a robust growth model, which is a tool designed to help parents and educators to track students' progress toward academic proficiency in math and reading. Growth models are tools that are nationally recognized in measuring how students are progressing from year to year.

The MDE growth model looks at how students performed at the end of one school year and how they progressed in the next school year toward, or away from, proficiency. School and district level growth models are located on the MDE school report cards, which can be found at: http://education.state.mn.us/ReportCard2005/index.do.

The Pay for School District and Charter School Performance Plan uses a robust student growth model to determine if a district or charter school is eligible to receive funding. The model uses the Minnesota Comprehensive Assessments (MCA), Series II in order to determine performance. School districts and charter schools administer the MCA-II assessments in grades 3-8 in reading and math, and in high school for grade 10 in reading and grade 11 in math. For FY 2010 payouts, results from the MCA-II given in spring 2008 will be used in combination with the growth attained during the 2008-09 school year. For FY 2011 payouts, results from the MCA-II given in spring 2009 will be used in combination with the growth attained during the 2009-10 school year. All payouts will begin July 15 of each fiscal year and will be metered out in regular scheduled payments throughout the fiscal year.

School districts and charter schools must reach measurable results, either by demonstrating medium growth or high growth, in order to receive general education funding increases.

School districts will receive additional general education revenue equal to the sum of 1% of the formula allowance times the percent of tested students achieving medium growth plus 2% of the formula allowance times the percent of tested students achieving high growth.

Relationship to Base Budget

This is a new program. The expenditures in this proposal are based on the Governor's recommended aid payment percentage of 80% in the current year and 20% in the final year.

Key Goals and Measures

This initiative supports the key department goals of improving student achievement. Key measure:

⇒ Increases in student achievement in reading and mathematics.

Statutory Change: M.S. 126C.10, M.S. 125A.11 and M.S. 125A.79.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	0	0	0	0

Recommendation
The Governor recommends directing the existing base budget of $2 million per year to Advanced Placement (AP)/International Baccalaureate (IB) programs.

Background
The legislature provided funding during the 2007 session of $6.5 million in FY 2008 and $6.5 million in FY 2009 for concurrent enrollment, preadvanced placement, advanced placement, and international baccalaureate. Of the $6.5 million, $2.5 million each year was designated for concurrent enrollment. The language specified an ongoing base of $2 million per year, but did not clarify whether the base is for concurrent enrollment or AP and IB programs.

This proposal would target the existing base funding of $2 million per year for additional grants through the raised academic achievement, advanced placement and international baccalaureate programs only.

These programs provide rigorous academic opportunities for elementary, middle, and high school students. High school students who enroll in these programs are better prepared for college and have the opportunity to earn college credit or advanced standing. The Minnesota College and State Universities are required to offer college credit if students obtain a three or higher on an AP exam and a four or higher on the IB exam. Minnesota's private colleges and the University of Minnesota have credit awarding policies for AP and IB course credits for exams taken by students.

These programs provide increased academic rigor, accountability, comprehensive assessment, feedback to students and teachers, and the opportunity for high school students to complete academically on a global level.

Relationship to Base Budget
This proposal would direct the existing base of $2 million per year to AP/IB programs.

Key Goals and Measures
This initiative supports the key goals of improving student achievement and preparing students to compete in a global economy by promoting rigorous education for all students and promoting dual credit opportunities for all students. The key measures of the program are:

⇒ Number of AP and IB students testing and the number of exams taken will increase each year.
⇒ Number of schools offering these programs will increase.
⇒ Number of students earning college credit through AP and IB will increase.
⇒ Number of minority and low-income students participating in these programs and taking exams will increase each year.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	400	400	400	400
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	400	400	400	400

Recommendation
The Governor recommends $400,000 in FY 2010 and beyond for the Principals' Leadership Institute.

Background
Research, including the seminal publication "A Nation at Risk," emphasizes that school leaders are the key to education reform. It found that school leaders need to be "collaborative" and "visionary leaders," while also developing expertise in school improvement, managing data and curriculum and understanding instruction. In order to be effective as school leaders, principals and charter school directors, need to have executive level professional development opportunities.

This initiative would provide funding to the Principals' Leadership Institute through the National Institute for School Leadership (NISL), to expand the program over time to all existing and new principals and charter school directors. The Principals' Leadership Institute provides executive level professional development opportunities and leadership frameworks for school principals. The 2008 legislature made a one-time appropriation of $275,000 for this program.

Relationship to Base Budget
This program does not have a base budget.

Key Goals and Measures
This initiative supports the key department goals of improving student achievement and preparing students to compete in a global economy.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	125	0	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	125	0	0	0

Recommendation
The Governor recommends $125,000 in FY 2010 to allow the Board of School Administrators to establish rules to revise standards for approving principal licensure and administrator programs to include National Institute of School Leadership (NISL) standards.

Background
Recent research has suggested that effective school leaders have an impact on student performance. School leaders play an enormous role in moving education reform forward into the 21st Century. In Minnesota, the need for a more comprehensive program or training for school leaders, along with rapid growth over the past five years, has called for the need to improve administrator standards.

Research that includes publications such as *Nation at Risk* in 1983 and William Ouchi in 2003 have emphasized that school leaders are the key to education reform. Many publications and research have found that school leaders, need to be "collaborative leaders," "visionary leaders," "distributive leaders," while also developing expertise in school improvement, managing data and curriculum, and understanding instruction, among many other roles and duties. Specifically, Ouchi noted seven keys to success for school leaders: 1) every principal is an entrepreneur; 2) every school controls its own budget; 3) everyone is accountable for student performance and its budget; 4) everyone delegates authority to those below; 5) there is a burning focus on student achievement; 6) every school is a community of learners; and 7) families have real choices among a variety of unique schools (Ouchi, 2003).

This proposal will expand on administrator training and licensure requirements so that they have the necessary tools to be an effective leader.

Relationship to Base Budget
This is a one-time appropriation.

Key Goals and Measures
This initiative supports the department goals of improving student achievement and preparing all students to compete in a global economy.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$1,000	$1,000	$1,000	$1,000
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	$1,000	$1,000	$1,000	$1,000

Recommendation
The Governor recommends $1 million in FY 2010, $1 million in FY 2011, $1 million in FY 2012, and $1 million in FY 2013 to create and maintain the Minnesota Virtual Education Program (MVEP). Beginning with the 2009-10 school year, the state would provide online courses that have been reviewed and meet rigorous criteria for inclusion in MVEP including advanced placement (AP) coursework. Once the program is established, every student in Minnesota will be required to experience coursework online.

Background
The MVEP initiative includes the development of an online teaching tool and student courses to be maintained by the Minnesota Department of Education and used by teachers and public school students statewide. In order to meet statewide demand for more online and rigorous courses, the state would provide online courses that have been reviewed and meet rigorous criteria for inclusion in MVEP. For districts that choose to participate, their teachers would deliver instruction, monitor student progress and assign grades and credits according to local and state requirements.

A major feature of MVEP would be establishing an online College Board Advance Placement training site. Teachers would attend summer trainings and throughout the school year participate in online AP classes in the disciplines they are teaching. Such a site would extend the reach of AP into rural areas, sustain teachers through the difficult first year of offering an AP course in both urban and rural settings, increase teacher access to content classes, extend the access of rigorous classes currently not available in rural areas, and utilize technology proactively to enhance options. This initiative would also allow inner city schools expanded online access to better serve and mesh with the lives of their disadvantaged students, and to offer AP class options currently not available at the school.

Relationship to Base Budget
This is a new program.

Key Goals and Measures
This initiative supports the key department goals of promoting a minimum level of rigorous education for all students and preparing students to compete in a global economy.

Statutory Change: Not applicable.

Technology Funding Detail*

(dollars in thousands)

Funding Distribution	FY 2010-11 Biennium		FY 2012-13 Biennium		FY 2014-15 Biennium	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Personnel	$100	$100	$100	$100	$100	$100
Supplies						
Hardware						
Software	$105	$105	$105	$105	$105	$105
Facilities						
Services	$150	$150	$150	$150	$150	$150
Training						
Grants						
TOTAL	**$355**	**$355**	**$355**	**$355**	**$355**	**$355**

*This table shows technology related costs only

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	3,204	6,258	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	3,204	6,258	0	0

Recommendation

The Governor recommends $3.204 million in FY 2010 and $6.258 million in FY 2011 for the "Summer of Success" program, an aggressive intervention program for 8th graders who are not yet proficient on the 8th grade Minnesota Comprehensive Assessments, Series II (MCA-II) in mathematics or reading. This initiative will allow for intensive instruction to be provided in an extended day or Saturday program during the 2009-10 school year and a four to eight hours per day six week program during the summer between 8th and 9th grade prior to the 2010-2011 school year.

Background

Nearly one-third of all high school students leave the public school system before graduating (Swanson, 2004), and research clearly indicates that 9th grade is a pivotal year. More students fail 9th grade than any other year (Herlihy, 2007), and a significant number of students retained in 9th grade eventually drop out. It is critical that a safety net be constructed to support these students, to prepare them for success in the critical high school years.

Most students lose about two months of grade level equivalent math skills over their summer break; low income students additionally lose more than two months in reading achievement over the summer (Cooper, et al, 1996). Research has highlighted that more than half of the achievement gap among low socioeconomic status 9th graders can be attributed to summer learning loss (Alexander, et al, 2007). It is clear that Minnesota could dramatically narrow the achievement gap by targeting and effectively addressing the summer learning loss among low-income students. Informed by the CHEER program established at Fayetteville State University, the Summer of Success program will increase academic readiness for high school and nurture the development of habits essential to academic persistence and success.

The Minnesota Department of Education will support and coordinate the development of intensive, intervention pilot programs targeted to students not yet proficient in reading and/or mathematics as measured by the MCA-IIs. The "Summer for Success" program will provide focused, relevant remedial instruction during the summer between 8th and 9th grade. The program will be administered by instructors who are highly trained and qualified in reading and mathematics instruction.

During the 2010-11 biennium this will be administered via a competitive process on a pilot basis to a total of 2,000 students during FY 2010 and 4,000 students in FY 2011 with sites funded in Minneapolis, St. Paul, the suburbs, and greater Minnesota. It is anticipated that 200 classrooms of 20 students per classroom would be established with two highly qualified instructors in each classroom.

Relationship to Base Budget

This is a new program.

Key Goals and Measures

This initiative will support the department's goals of school success and preparation for college and the world of work by providing students the content knowledge in reading and mathematics necessary for success in high school and beyond. The key measures for this program are:

- Increased percentage of students proficient in mathematics and reading.
- Increased percentage of minority students proficient in mathematics and reading.

Statutory Change: Not applicable.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	1,500	1,500	0	0
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	1,500	1,500	0	0

Recommendation

The Governor recommends $1.5 million in FY 2010 and FY 2011 to sustain and expand the work of the regional Math and Science Teacher Academy, comprised of nine regional teacher centers. The academies, will provide technical assistance to schools and districts and professional development to teachers in order to ensure the successful implementation of the new Minnesota Academic Standards in mathematics and science.

Background

The Math and Science Teacher Academy, comprised of nine regional teacher centers throughout the state of Minnesota, located in Thief River Falls, Mountain Iron, Fergus Falls, Staples, Marshall, St. Cloud, Mankato, Rochester, and the Metro area, are expected to use quality professional development and technical assistance to assist teachers in:

- learning about effective research based pedagogical and content knowledge approaches to implement Minnesota's content standards;
- mastering the use of multiple instructional approaches to differentiate instruction as well as engage students; and
- improving skills to diagnose student learning needs using assessment of student performance.

The Math and Science Teacher Academies will focus on mathematics and science professional development. Each year, the professional development will have a specific mathematics and/or science content focus. This initiative will sustain and expand on the work of the nine regional centers. The regional centers will complete the following work in each fiscal year.

Fiscal Year 2009:

- All nine regional teacher centers will design, refine, and implement a grades 6-8 Algebra Connected to Number module.
- In addition, each regional teacher center will design and refine an additional K-12 mathematics module that will be implemented in Fiscal Year 2010 and shared with all of the other regional centers. The modules will include a K-2 Algebra Connected to Number module, a 3-5 Algebra Connected to Number module, a 9-12 Algebra Connected to Number, a 9-12 Data Analysis and Probability module, a K-5 Mathematical Reasoning and Proof Module, a 6-8 Mathematical Reasoning and Proof module, a 9-12 Mathematical Reasoning and Proof module, an Elementary School Mathematics Through Science, Technology and Engineering (STEM) module, a Middle School Mathematics Through Science, Technology and Engineering module (STEM), a High School Mathematics Through Science, Technology, and Engineering module, and an Accelerating Students to Grade Level in Grades 3-8 Mathematics module.

Fiscal Year 2010:

- All regional teacher centers will continue to sustain their Algebra Connected to Number Module by refining and implementing the module with additional teachers from new districts in their region.
- The regional teacher centers will also refine and implement the new mathematics module they designed in FY 2009 with participating districts.
- The regional teacher centers will design and refine a science module, with a strong emphasis on K-12 engineering and technology design, that aligns with the new revised state science standards.

Fiscal Year 2011:

- All regional teacher centers will continue to sustain quality professional development for teachers supporting regional needs by refining and implementing the grades 6-8 Algebra Connected to Number module with new districts in their region, and/or refining and implementing one of the required additional mathematics modules developed by the regional teacher centers based on the region's needs.
- The regional teacher centers will refine and implement the science module aligned to revised state science standards they designed in FY 2010.
- The regional teacher center will design and refine an additional science module that is aligned to the revised science standards.

Relationship to Base Budget

This program does not have a base budget. One-time funding of $1.5 million each year was appropriated for FY 2008-09. This requests additional funding to support training on the new academic standards in mathematics and science.

Key Goals and Measures

This initiative supports the key department goals of enhancing teacher quality and improving student achievement. The key measures are:

⇒ Number of schools provided technical assistance by each regional academy
⇒ Number of math and science teachers who received professional development from each regional academy.
⇒ Student achievement in mathematics and science in participating schools (pre-and post-measures selected by academy provider in consultation with program evaluator).
⇒ Other measures recommended by program evaluator.

Statutory Change: M.S. 122A.72

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	400	100	400	100
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	400	100	400	100

Recommendation

The Governor recommends the repeal of the state aid penalty for school districts and cooperative units that receive state aid that fail to meet the January 15 deadline for signing a collective bargaining agreement. This proposal has a cost of $400,000 in FY 2010, $100,000 in FY 2011, $400,000 in FY 2012, and $100,000 in FY 2013.

Background

Under current law, school districts and representatives of the teachers must both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If an agreement is not signed, state aid to the school district or cooperative unit is reduced. The reduction in general education state aid is based on $25 times the number of adjusted pupil units. Districts may receive exemptions to the state aid reduction if they meet certain criteria.

This proposal would repeal the state aid penalty for school districts and cooperative units that receive state aid that fail to meet the January 15 deadline for signing a collective bargaining agreement.

Relationship to Base Budget

This is an increase to the base budget of $400,000 in FY 2010 and $100,000 in FY 2011. The expenditures in this proposal are based on the Governor's recommended aid payment percentage of 80% in the current year and 20% in the final year.

Statutory Change: Repeal 123B.05.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	(5)	(5)	(5)	(5)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	(5)	(5)	(5)	(5)

Recommendation
The Governor recommends allowing school districts and charter schools to generate extended time revenue only if they provide an extended time program during the current school year. This would eliminate the residual amount of extended time revenue that is generated the year after a program has been discontinued.

Background
Extended time revenue is based on extended time marginal cost pupil units which are calculated as the greater of 1) the current year extended time pupils, or 2) 77% of the current year extended time pupils plus 23% of the prior year extended time pupils. School districts and charter schools identify extended time average daily membership (ADM) based on whether the student participates in a state-approved learning year program such as an area learning center. However, since current law does not address this, a residual amount of extended time revenue can be generated the year after the program has been discontinued.

Extended time revenue began in FY 2004 as a spin off from general education basic revenue, when ADM used for that purpose was limited to 1.0. Since extended time revenue is used for specific extended time programs, it does not make sense for districts to generate extended time revenue if they do not operate an extended time program in the current year. This would make extended time revenue consistent with limited English proficiency (LEP) revenue.

Relationship to Base Budget
This initiative will decrease the base budget for this program by $5,000 in FY 2010 and $5,000 in FY 2011. The savings in this proposal are based on the Governor's recommended aid payment percentage of 80% in the current year, and 20% in the final year.

Key Goals and Measures
This initiative supports the key department goal of implementing education finance reform.

Statutory Change: 126C.10.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$(3,491)	$(4,411)	$(4,430)	$(4,453)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	$(3,491)	$(4,411)	$(4,430)	$(4,453)

Recommendation

The Governor recommends a reduction of $3.491 million in FY 2010, $4.411 million in FY 2011, $4.430 million in FY 2012, and $4.453 million in FY 2013 to cap integration revenue at the 2009 base level amount. The proposal would also prevent new districts from entering the integration program in FY 2010 and later. The cap on revenue would result in a levy reduction of $1.870 million in FY 2010, $1.896 million in FY 2011, $1.899 million in FY 2012, and $1.910 million in FY 2013.

Background

Under current law, integration revenue for eligible districts other than Minneapolis, St. Paul, and Duluth (and for increases over the FY 2000 funding level for these three districts) is the lesser of the cost of implementing the district's plan or the statutorily-defined rate times the adjusted pupil units. This proposal would limit integration revenue to the lesser of the district's revenue under the current law formula, or the district's revenue per pupil unit for FY 2009 times the current year's pupil units. In addition, no new districts would be eligible for revenue for FY 2010 and later.

Relationship to Base Budget

This is a reduction to the base budget of $3.491 million in FY 2010, $4.411 million in FY 2011. The reduction in this proposal is based on the Governor's recommended aid payment percentage of 80% in the current year and 20% in the final year.

Key Goals and Measures

This program addresses the following Minnesota Department of Education goals: 1) improving student achievement/preparing students to compete in a global economy; 2) closing the achievement gap; and 3) improving teacher quality.

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$0	$2,036	$2,602	$2,504
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	$0	$2,036	$2,602	$2,504

Recommendation

The Governor recommends transitioning the Arts High School at the Perpich Center for Arts Education to charter school status. This initiative results in a $2 million increase in K-12 aid payments in FY 2010 -11 and a $4.1 million increase in FY 2012-13. These increases are offset by reductions in the Perpich Center budget. Overall, this proposal nets $2.2 million in savings in FY 2010-11 and $9 million in savings in FY 2012-13.

Background

Existing charter school law allows for the creation of schools that specialize in a specific subject matter. These laws did not exist at the time the Perpich Center for Arts Education was formed. Given the ability to create an arts centric charter school, the Governor recommends the state no longer operate the existing Arts High School as a state agency. This proposal also discontinues the arts outreach and professional development components of the Perpich Center for Arts Education.

During FY 2010, the Perpich Center will continue to operate as a state agency, while undergoing preparation for the transition to a charter school, including finding a partner organization to act as a sponsor. If the Perpich Center is unable to find an organization willing to sponsor the new charter school, the Minnesota Department of Education (MDE) will act as the sponsor.

Increases in K-12 aids resulting from this proposal are shown in this change item. Currently students at the Arts High School do not generate general education funding on the K-12 formula. These students will generate state K-12 funding if they attend the newly created charter school or if they return to their home districts. In addition, the newly created charter school will generate charter school lease aid and start up aid. Savings resulting from this proposal are shown in the Perpich Center budget. Total savings and costs are summarized below.

	FY 2011	FY 2012	FY 2013
Current Perpich Base Appropriation	$(7,087,000)	$(7,087,000)	$(7,087,000)
Severance Costs	2,825,000	0	0
General Education Aid	1,682,000	2,160,000	2,166,000
Charter Lease	250,000	312,000	312,000
Charter Start Up	104,000	130,000	26,000
Total Reduction	$(2,226,000)	$(4,485,000)	$(4,583,000)

Relationship to Base Budget

The base budget is unchanged for FY 2010. This initiative will increase the base for general education aid, charter school lease aid and charter school start up aid beginning in FY 2011.

Key Goals and Measures

This change item addresses the following Minnesota Milestone:

- Government in Minnesota will be cost-efficient, and services will be designed to meet the needs of the people who use them.

Statutory Change: Repeal M.S. 129C

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$(410)	$(410)	$(410)	$(410)
Revenues	0	0	0	0
Net Fiscal Impact	$(410)	$(410)	$(410)	$(410)

Recommendation

The Governor recommends a reduction of $410,000 in FY 2010 and $410,000 in FY 2011 to the Department of Education's agency operating budget. The Minnesota Department of Education will focus its operating funds on maintaining its highest priority services and maintaining the momentum that has been established to increase teacher quality and college and work ready students. To support the department in its work, the Governor proposes to provide as much flexibility as possible to the agency for the implementation of these reductions. The reductions will result in reduced staffing levels and general agency-wide reductions.

Background

Funding for operational activities of the Minnesota Department of Education (MDE) is provided to staff and support the mission, goals, and objectives of the agency and state and federal laws governing preK-12 education. The mission of the agency is to improve educational achievement by establishing clear standards, measuring performance, assisting educators and increasing opportunities for lifelong learning. This mission is accomplished through the goals of:

- Improving student achievement for all students;
- Enhancing teacher quality;
- Expanding education options for students and families; and
- Implementing education finance reform and enhancing accountability.

Agency operation funding provides the infrastructure for the department to reach the goals established so that Minnesota students are college and work ready and move from nation-leading to world-competing.

Relationship to Base Budget

This proposal represents a 2% base level reduction to the agency's operating budget.

Key Goals and Measures

The budget submitted by MDE seeks to safeguard core activities and reduce administrative overhead. The agency will manage budget reductions though operating expense reductions. The resulting budget will focus on continuing to operate the department's core functions as effectively and efficiently as possible.

Statutory Change: Not Applicable

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	$(676,451)	$(9,624)	$(10,823)	$(12,995)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	$(676,451)	$(9,624)	$(10,823)	$(12,995)

Recommendation

The Governor recommends that the payment schedule for state aids and property tax credits paid to school districts and charter schools on a 90% current, 10% final adjustment basis be changed to an 80% current, 20% final adjustment basis beginning in FY 2010. This would result in a total reduction of state expenditures of $683.2 million in FY 2010, $9.477 million in FY 2011, $10.712 million in FY 2012, and $12.892 million in FY 2013. The amounts detailed in the chart above include only the reductions in state aid payments. The property tax credit reductions are reflected in the property tax credit portion of the budget document.

Background

The aid payment percentage refers to the amount of the entitlement that will be paid out in the "current year" and the "final year." Under current law, for programs that are subject to the aid payment shift, 90% of the entitlement is paid to school districts in the "current year" and 10% is paid out in a final adjustment payment in the "final year." The final adjustment payment must include the amounts necessary to pay a district's full aid entitlement for the prior year based on actual data when actual data is available.

This proposal would change the percentage in the "current year" to 80% and the payment in the "final year" to 20%. Because school districts operate on an accrual basis rather than a cash basis, the reduction in cash paid during the school year allows the district to recognize the same level of revenue while allowing the state (operating on a cash basis) to defer the cost to the next fiscal year.

School districts have authority to borrow for a period of up to 13 months against receivable state aid, federal flow-through aid and local tax receipts, and to participate in a state credit enhancement plan that allows districts to qualify for the best interest rates with state guarantee of payment in the event of district default under M.S. 126C.50-56. For FY 2009, approximately 90 districts borrowed in anticipation of state and federal aid. The number of districts choosing to access additional cash by borrowing against taxes receivable is unknown at this time as the process begins in January and February after final certification of school district tax levies.

Fiscal Impact by Budget Activity ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Education	(566,668)	(3,924)	(5,520)	(7,058)
Abatement Revenue	(114)	13	5	(4)
Consolidition Transitition	(34)	(42)	16	15
Nonpublic Pupil	(1,715)	(53)	(88)	(93)
Nonpublic Transportation	(2,124)	(23)	(38)	(40)
Charter School Lease Aid	(4,107)	(448)	(462)	(473)
Chater School Start-Up	(148)	43	(30)	0
Integration Revenue	(6,591)	26	(16)	(41)
Success for the Future	(214)	0	0	0
Tribal Contract Schools	(198)	(18)	(16)	(16)
Special Education Regular	(73,569)	(5,090)	(4,298)	(4,819)
Special Ed-Excess Cost	(8,203)	(3)	(233)	(268)
Home Based Travel	(25)	(2)	(1)	0
Health and Safety	(17)	1	1	2
Debt Service Equalization	(801)	24	3	15
Alternative Facilities	(1,929)	0	0	0
Deferred Maintenance	(224)	46	9	27
Basic Support	(1,357)	0	0	0
MultiCounty Multitype	(130)	0	0	0
Electronic Library	(230)	0	0	0
Early Childhood Family Education	(2,223)	(48)	(44)	(44)
School Readiness	(1,010)	0	0	0
Health and Developmental Screening	(387)	(11)	18	0
Community Education	(57)	14	3	6
Adults with Disabilities	(71)	0	0	0
Adult Basic Education	(4,305)	(129)	(132)	(204)
Total K-12 Aid Payment Delay	**(676,451)**	**(9,624)**	**(10,823)**	**(12,995)**

Key Goals and Measures

Districts will not experience revenue loss as a result of the payment shift.

Statutory Change: M.S. 127A.45

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	(570,200)	(35,000)	(57,000)	(62,900)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	(570,200)	(35,000)	(57,000)	(62,900)

Recommendation

The Governor recommends implementation of an early recognition of property tax levies with a corresponding reduction to state aid payments beginning in FY 2010. Implementation of early recognition will result in a reduction in state expenditures of $570.2 million in FY 2010, $35.0 million in FY 2011, $57.0 million in FY 2012, and $62.9 million in FY 2013.

Background

This early recognition and corresponding aid reduction provides a savings in FY 2010 that will help to balance the state's budget and lessen appropriations reductions in education programs, while maintaining district revenues. Smaller budget savings in future years result from projected growth in district property tax levies.

There is currently an early recognition requirement in place for school districts. In each year, districts recognize specific levies identified in statute at 100% to match district revenue with district expenditures. In addition, districts recognize revenue equal to 31% of the referendum levy certified in 2000. For districts with early recognition amounts greater than cash receipts from property taxes, statute directs early recognition of the amount of general education aid that when added to tax receipts will equal the required early recognition amount. These provisions will remain in place and there will be no aid adjustments associated with the early levy recognition currently in place.

Under this recommendation, districts would recognize revenues equal to 48.6% of local property tax levies not currently subject to early recognition, including operating referendum levies, in the same year the levies are certified. State savings in FY 2010 are realized through reduction of state aid payments to school districts in an amount equal to the sum of 1) the difference between 48.6% of the pay 2010 operating referendum levies and 31% of the Pay 2001 referendum levy, and 2) 48.6% of other general and community service levies adjusted for levies currently recognized early. To lessen the negative effect on district cash flow, aid reduction will begin as late in the fiscal year as possible to coincide with district receipt for spring tax collections.

This recommendation will create cash flow issues for schools as total cash receipts for the first year are reduced. While districts are authorized by M.S. 126C.52 to resolve cash shortfalls through short-term borrowing based on property taxes or state aids receivable, they will incur costs for issuance and interest. Districts may also earn less interest on investments as cash reserves are drawn down.

Relationship to Base Budget

Aid savings resulting from this change equal approximately $626 per adjusted marginal cost pupil unit.

Statutory Changes: Amend M.S. 123B.75

Fiscal Impact ($000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	6,276	(14)	(14)	(7)
Revenues	0	0	0	0
Other Fund				
Expenditures				
Revenues	0	0	0	0
Net Fiscal Impact	6,276	(14)	(14)	(7)

Recommendation

The Governor recommends $6.276 million in FY 2010 for advance payments to districts in statutory operating debt as defined under 123B.83. For FY 2011 and later, the cost of the advance final payment is offset by savings from the smaller final payment made to statutory operating debt (SOD) districts for the prior year. The savings is $14,000 in FY 2011, $14,000 in FY 2012, and $7,000 in FY 2013.

Background

A district or charter school exceeding its expenditure limitations under section 123B.83 as of June 30 of the prior fiscal year may receive a portion of its final payment for the current fiscal year on June 20, if requested by the district. Districts or charter schools in SOD may receive up to 10% of the district or charter school's general education aid for the current fiscal year, not to exceed the amount by which the district is in SOD. This initiative would allow SOD districts to continue to receive up to 90% of general education aid in the current year when the aid payment percentage is changed to 80% in the current year and 20% in the final year.

Relationship to Base Budget

This is an increase to the general education base budget of $8.768 million in FY 2010.

Program Description

Funding for operational activities of the Minnesota Department of Education (MDE) is provided to staff and support the mission, goals, and objectives of MDE and state and federal laws governing preK-12 education. This program exists to fulfill the agency mission: to improve educational achievement by establishing clear standards, measuring performance, assisting educators, and increasing opportunities for life long learning.

Population Served

In FY 2008, this program directly serves 340 school districts, 143 charter schools, approximately 137,000 licensed teachers, and state public policymakers. All residents of the state are directly or indirectly impacted by services provided by this program. Services are provided to all children enrolled in preK-12 education programs. Parents are the beneficiaries of agency services provided to their children. Adult participants in education programs are also served.

Program at a Glance

FY 2008 general fund budget was approximately $35.9 million.

Operating divisions:

- Office of Teaching and Learning
- Office of School Improvement and Accountability
- Office of School Choice and Support Services
- School Finance and Program Accountability and Improvement
- Administration

Allocates the $7.4 billion spent annually in support of the pre-kindergarten through grade 12 education in Minnesota.

Services Provided

This program provides the infrastructure for services and assistance to students, teachers, parents, and school districts provided by MDE. Education services are provided by the following offices.

The Office of Teaching and Learning is responsible for academic standards development, high school improvement activities, early childhood education and development activities, library development, the Minnesota Braille and Talking Book Library located in Faribault, and licensing of school administrators and teachers.

The Office of Accountability and Improvement is responsible for statewide testing programs, administration of federal education programs (Elementary and Secondary Education Act), and research and evaluation of educational programs.

The Office of School Choice and Support Services is responsible for school choice programs, charter school activities, supplemental services, Indian education programs, food and nutrition services, adult basic education and GED programs, and special education services.

School Finance and Program Accountability and Improvement is responsible for distribution of formula and competitive grant and aid programs, fiscal and grant compliance monitoring, calculating state aid and distributing aid payments to school districts and charter schools, calculating school district property tax levy limitations, and managing and administering competitive and application grant programs.

Administration activities are provided in the area of providing leadership and policy direction for the agency, information technology services to all agency programs, agency fiscal (MAPS budget and spending plan), and human resource direction.

These offices and activities provide the following services to the preK-12 education community:

- Academic Standards
- Adult and Career Education
- Career and Technical Education
- Charter Schools
- Compliance and Assistance for Special Education Students
- Consolidated Federal Programs

- Early Learning Services
- Educator Licensing and Teacher Quality
- English Language Learners/Limited English Proficiency (LEP)
- Food and Nutrition Services
- High School Improvement
- Indian Education
- Library Development and Services
- Minnesota Braille and Talking Book Library
- Research and Assessment
- Safe and Healthy Learners
- School Choice
- School Finance
- School Improvement
- School Technology
- Special Education

Program Funding

This program is funded primarily by state and federal funds. Total operating (excluding all flow through) expenditures for MDE are approximately $82.389 million. The chart below summarizes the annual spending for operating accounts in FY 2009.

Fund	Amount	%
General	$35,906,400	43.6
Special Revenue	4,782,300	5.8
Federal	41,303,800	50.1
All Other	396,900	.5
Total	**$82,389,400**	**100.0%**

Contact

Additional information is available at http://education.state.mn.us or at 651-582-8200.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	22,169	21,811	21,811	21,811	43,622
Technical Adjustments					
One-time Appropriations			(50)	(50)	(100)
Pt Contract Base Reduction			(68)	(68)	(136)
Subtotal - Forecast Base	22,169	21,811	21,693	21,693	43,386
Governor's Recommendations					
College of Education Reforms		0	40	45	85
Rulemaking Principal Licensure Standards		0	125	0	125
Agency Operating Reduction		0	(410)	(410)	(820)
Total	**22,169**	**21,811**	**21,448**	**21,328**	**42,776**
Expenditures by Fund					
Direct Appropriations					
General	19,817	23,958	21,455	21,335	42,790
Miscellaneous Special Revenue	0	32	35	35	70
Statutory Appropriations					
Miscellaneous Special Revenue	6,406	6,676	6,717	6,825	13,542
Federal	37,265	47,138	47,676	47,149	94,825
Miscellaneous Agency	576	2,023	1,429	1,429	2,858
Gift	192	76	43	43	86
Total	**64,256**	**79,903**	**77,355**	**76,816**	**154,171**
Expenditures by Category					
Total Compensation	34,164	37,836	38,985	39,956	78,941
Other Operating Expenses	18,864	26,761	23,633	22,669	46,302
Payments To Individuals	35	38	35	35	70
Local Assistance	10,786	14,996	14,437	13,891	28,328
Other Financial Transactions	407	272	265	265	530
Total	**64,256**	**79,903**	**77,355**	**76,816**	**154,171**
Expenditures by Activity					
Improvement & Accountibility	17,219	20,650	21,403	20,741	42,144
Student Support Services	15,180	20,089	20,007	20,195	40,202
Academic Excellence	10,511	10,850	10,038	10,013	20,051
Finance	5,505	6,032	6,358	6,518	12,876
Administration	14,902	21,247	18,399	18,326	36,725
Pass Through Programs	939	1,035	1,150	1,023	2,173
Total	**64,256**	**79,903**	**77,355**	**76,816**	**154,171**
Full-Time Equivalents (FTE)	**421.9**	**440.0**	**439.0**	**434.9**	

Budget Activities

- General Education
- K-12 Education Shifts (information only)

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	5,592,142	5,675,902	5,675,902	5,675,902	11,351,804
Technical Adjustments					
End-of-session Estimate			(5,912)	13,236	7,324
November Forecast Adjustment		(27,531)	(19,304)	(8,485)	(27,789)
Subtotal - Forecast Base	5,592,142	5,648,371	5,650,686	5,680,653	11,331,339
Governor's Recommendations					
Q Comp Expansion		0	0	41,452	41,452
Pay for Performance Plan		0	40,460	50,658	91,118
Repeal Contract Penalty		0	400	100	500
Modify Extended Time Revenue		0	(5)	(5)	(10)
Convert Perpich to Charter School		0	0	1,682	1,682
Aid Payments Shift		0	(566,668)	(3,924)	(570,592)
Property Tax Shift		0	(570,200)	(35,000)	(605,200)
SOD Advance Payment		0	6,276	(14)	6,262
Total	**5,592,142**	**5,648,371**	**4,560,949**	**5,735,602**	**10,296,551**
Expenditures by Fund					
Direct Appropriations					
General	5,591,015	5,648,357	4,560,949	5,735,602	10,296,551
Statutory Appropriations					
Endowment School	27,847	28,222	29,845	31,467	61,312
Total	**5,618,862**	**5,676,579**	**4,590,794**	**5,767,069**	**10,357,863**
Expenditures by Category					
Other Operating Expenses	1	0	0	0	0
Local Assistance	5,618,861	5,676,579	4,590,794	5,767,069	10,357,863
Total	**5,618,862**	**5,676,579**	**4,590,794**	**5,767,069**	**10,357,863**
Expenditures by Activity					
General Education	5,618,862	5,676,579	4,590,794	5,767,069	10,357,863
Total	**5,618,862**	**5,676,579**	**4,590,794**	**5,767,069**	**10,357,863**

Activity Description

Citation: M.S. 122A.415; 122A.61; 123A.27; 123B.05; 126C; 127A.51; 127A.47

General education is the largest single item of state general fund spending and also the largest resource available to school districts. The following is a description of the purposes, uses, history, and measures of general education as a funding source for school finance, as well as a detailed explanation of the component parts that make up total funding.

The purpose of this activity is to promote a general and uniform, thorough and efficient system of public schools throughout the state by providing the following:

Activity at a Glance

Estimates for FY 2007

- 827,197 pre-kindergarten through grade 12 students average daily membership (ADM)
- 340 school districts and 132 charter schools
- $5.5 billion in state aid and $0.7 billion in levies
- $7,556 average general education revenue per student
- $4,974 basic education formula allowance per adjusted marginal cost pupil unit

- **Adequate and equitable core funding for students** – General education revenue provides sufficient funding to ensure that each student receives an adequate education (excluding unique needs funded through categorical programs). This includes a large base of funding on a uniform per pupil basis and additional revenues for variations in
  - ⇒ the cost of delivering equivalent educational programs and services to students; and
  - ⇒ the cost of programs to meet the unique needs of different student populations.
- **Equity for taxpayers** – Core educational programs are funded primarily by the state with proceeds from uniform statewide taxes. Discretionary programs and services are funded with local operating referendum levies, which are equalized by the state to enable participation by districts with low tax base.
- **Efficient use of resources** – This program encourages school districts to provide programs and services efficiently by allocating resources based on uniform formulas applied to demographic and economic factors that are beyond local control and by giving districts flexibility in the use of funds.
- **Limited local control** – The referendum levy permits local school districts to raise limited additional revenues, with voter approval, to supplement state allocations.
- **Facilitate state priorities** – This program encourages the development of programs and services identified as priorities by the state, such as class size reduction, alternative teacher compensation, staff development, gifted and talented programs, and basic skills.
- **Stability** – This program provides stable funding to ensure continuity of programs for students and stability in tax rates for taxpayers.

Population Served

General education revenue is provided for all public school students in kindergarten through grade 12 and for pre-kindergarten students with disabilities. In addition to students attending schools operated by school districts, this includes charter school students, students in grades 11 and 12 attending Minnesota higher education institutions under the Post-Secondary Enrollment Options (PSEO) program, students enrolled in private, nonsectarian schools that have contracted with a public school district to provide educational services (contract alternative), and students attending public schools on a part-time basis while also attending nonpublic schools (shared time).

The following table shows the estimated state total number of students served in FY 2009 by grade level grouping and program type. The student counts shown are average daily membership (ADM) or the average number of students enrolled throughout the school year.

	Regular District	Charter School	PSEO College	Contract Alternative	Shared Time	Total ADM
Disabled Pre-K	7,030	5	0	0	6	7,041
Disabled Kndgrtn	5,055	55	0	2	28	5,140
Regular Kndgrtn	53,161	2,972	0	29	18	56,180
Grades 1-3	176,029	8,069	0	65	147	184,310
Grades 4-6	174,665	6,517	0	46	197	181,425
Grades 7-12	374,607	14,181	3,168	1,559	253	393,768
TOTAL ADM	790,547	31,799	3,168	1,701	649	827,864

Historical and projected ADM state totals and historical ADM by school district are available on the Division of Program Finance Website.

Services Provided

General education revenue is the primary source of general operating funds for school districts and charter schools. In FY 2007, it accounts for 84% of school district general fund state aid and levy revenues.

- Programs supported by general education revenue include regular instruction, vocational instruction, special education, instructional support services, pupil support services, operations and maintenance of school facilities, pupil transportation, district and school administration, district support services, and capital expenditures.
- The School District Profiles report, available on the Minnesota Department of Education (MDE) website, provides a breakdown of FY 2007 operating expenditures for each school district and charter school, as well as regional and state totals.

Most general education revenue is unrestricted, and can be used for any school operating purpose. Exceptions are as follows:

- *Class-size reduction* (M.S. 126C.12). The additional basic revenue generated by the portion of the pupil unit weight for regular kindergarten students exceeding 0.5 and the portion of the pupil unit weight for students in grades 1 – 6 exceeding 1.0 is reserved for class-size reduction, beginning with kindergarten through grade three.
- *Staff development* (M.S. 122A.61). An amount equal to 2% of basic revenue ($102.48 per pupil unit in FY 2009) must be reserved for staff development. This requirement is waived for school districts in statutory operating debt and may be waived by a majority vote of the school board and the teachers in any district.
- *Gifted and talented* (M.S. 126C.10, Subd. 2b). This revenue must be used for gifted and talented programs.
- *Basic skills* (M.S. 126C.15). This revenue, which includes compensatory education revenue and limited English proficiency (LEP) revenue, must be used to meet the educational needs of students who enroll under-prepared to learn and whose progress toward meeting state or local content or achievement standards is below the level that is appropriate for learners of their age. Compensatory revenue must be allocated to the buildings where the children generating the revenue are served; however, an amount up to 5% of the prior year's revenue may be allocated according to a local plan approved by the commissioner.
- *Operating capital* (M.S. 126C.10, Subd. 13, 14). This revenue must be used for facilities, equipment, or for personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and software.

Historical Perspective

The general education program has undergone several changes since its inception in the late 1980s, including the following:

- Initiated in FY 1989, the general education program replaced the foundation program and numerous categorical programs, including teacher retirement aid, summer program aid and levy, gifted and talented aid, arts education aid, chemical dependency aid, programs of excellence grants, and the liability insurance levy.
- In FY 1994, FY 1995, and FY 2000 the pupil weighting factors for regular kindergarten and elementary students were increased to provide additional funding for elementary class-size reduction. In FY 2008 the weighting factor for regular kindergarten was increased from 0.557 to 0.612.
- Beginning in FY 1997, funding for regular transportation and operating capital is included in the general education program.
- Beginning in FY 1998, compensatory education revenue is computed using building-level free and reduced-price lunch counts, instead of district-level Aid to Families with Dependent Children (AFDC) counts.
- Beginning in FY 2000, additional funding is provided for districts with declining enrollments through the use of "marginal cost" pupil units, which reflect a mix of current and prior-year data. Also beginning in FY 2000, LEP program revenue is included in the general education program.
- Beginning in FY 2001, district cooperation revenue was rolled into the general education formula, increasing the formula allowance by $67. Also beginning in FY 2001, LEP revenue was converted from an expenditure-based to an enrollment-based formula.
- Beginning in FY 2003, the general education levy was eliminated and the general education formula is fully funded by the state. In addition, $415 per pupil unit was transferred from referendum revenue to the general education formula.
- Beginning in FY 2004, two new components were added to general education revenue; extended time revenue and transition revenue. Except for the computation of extended time revenue, ADM is limited to 1.0 for each pupil.
- Beginning in FY 2005, levy components were added to operating capital revenue, equity revenue, and transition revenue.
- Beginning in FY 2006, two new components were added to general education revenue: alternative teacher compensation (Q Comp) revenue and gifted and talented revenue.

Additional information on the history of Minnesota school finance is available on the Division of Program Finance website.

Key Activity Goals

This program, as the single largest state source of education funding, addresses the key department goals of improving student achievement and preparing students to compete in a global economy. The program also supports the following Minnesota Milestones goals:

- Minnesotans will excel in basic and academic skills and knowledge; and
- Minnesota's workforce will have the education and training to make the state a leader in the global economy.

Key Measures

Indicators of the adequacy and equity of general education revenue include the following:

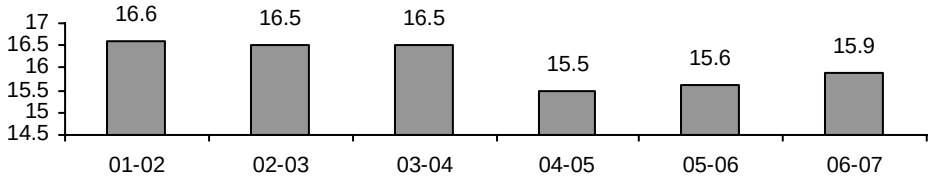
- *Growth in revenue per ADM*. The following table shows the change in general education revenue per ADM from FY 2002 through FY 2009 in current and constant (2008) dollars based on end of session 2008 estimates. Between FY 2002 and FY 2009, general education revenue per ADM increased by 30.1%. After adjusting for inflation using the consumer price index (CPI), the increase was 6.4%.

General Education Revenue per ADM, FY 2002 - 2009
Including Operating Referendum Revenue

Fiscal Year	Revenue per ADM Current Dollars		Revenue per ADM Constant (2008) Dollars	
	Amount	Cumulative % Change	Amount	Cumulative % Change
2002	6,135	N/A	7,282	N/A
2003	6,484	5.7%	7,529	3.4%
2004	6,633	8.1%	7,537	3.5%
2005	6,776	10.4%	7,475	2.7%
2006	7,085	15.5%	7,530	3.4%
2007	7,507	22.4%	7,777	6.8%
2008	7,745	26.2%	7,745	6.4%
2009	7,979	30.1%	7,750	6.4%

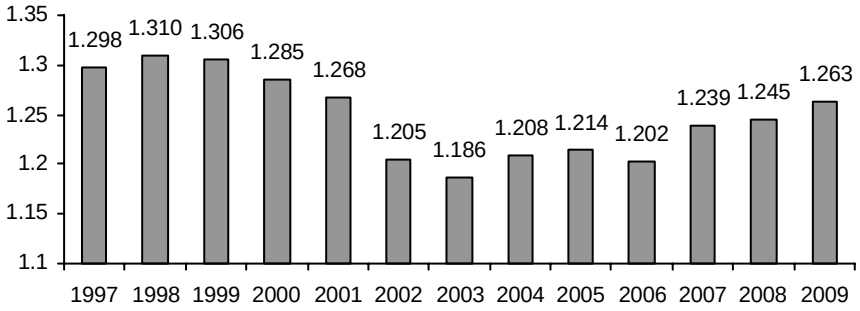
- *Pupil – staff ratios*. Compensation for teachers and other district staff constitutes the districts' largest operating cost. The graph from the School District Financial Profiles shows the ratio of ADM pupils to licensed instructional staff. From 2002 to FY 2007, the ratio has decreased slightly.

Pupils : Instructional Staff



- *Disparity in revenue per pupil unit.* M.S. 127A.51 requires the department to report annually on the disparity in general education revenue per pupil unit, as measured by the ratio of the 95th percentile to the 5th percentile of general education revenue per pupil unit. According to this measure, the disparity in general education revenue per pupil unit has decreased significantly since the late 1990s, although now it seems to be trending upward again.

Ratio of 95th to 5th Percentile of General Education Revenue Per Pupil, Excluding Cost Differentials



- *Student achievement.* State assessments provide teachers and school administrators with information about the academic status of all students. Information is available on the department's website for all state assessments given on a regular basis to students in Minnesota. For a summary of the results of the Minnesota comprehensive assessments see the budget narrative for statewide testing.

- *Other measures.* Except for the portion of revenue attributable to compensatory revenue, which must be passed through to each school site, each local school board determines how to allocate the general education revenue among school sites and programs subject to certain legislative restrictions. Information on school performance and school district spending can be found on the department's website.

Activity Funding

- Funding is based primarily on the ADM of students in pre-kindergarten through grade 12. ADM is computed by dividing the sum of the number of students enrolled each school day (student membership) by the number of days school is in session.
- Except for the computation of extended time revenue, ADM is limited to 1.0 for each pupil beginning FY 2004.
- ADM in excess of 1.0, not to exceed an additional 0.2 ADM per pupil, is used only to compute extended time revenue for students in learning year programs.
- To reflect cost differences, the ADM is weighted by grade level to determine the number of pupil units:

Disabled Pre-K	1.250	Grades 1 – 3	1.115
Disabled Kindergarten	1.000	Grades 4 - 6	1.060
Regular Kindergarten	0.612	Grades 7 – 12	1.300

- Most revenues are computed using adjusted marginal cost pupil units (AMCPU). "Adjusted" means that the resident pupil units have been adjusted by adding the pupil units generated by nonresident students served in the district under alternative attendance programs such as open enrollment and subtracting the pupil units generated by resident students served in another district under an alternative attendance program. "Marginal cost" means that pupil units are computed using a mix of current and prior year data, recognizing that school districts have fixed costs that do not decline in direct proportion to enrollment decline. AMCPU equals the greater of the adjusted pupil units for the current year or 77% of the adjusted pupil units for the current year plus 23% of the adjusted pupil units for the prior year.

General education revenue includes several components, as shown in the table below. Referendum revenue is funded with a mix of local property taxes, state referendum equalization aid, and state tax base replacement aid. Operating capital revenue, alternative teacher compensation revenue, equity revenue, and transition revenue are also funded with a mix of state aid and local property taxes. All other components are funded entirely with state aid.

Spreadsheets showing general education revenue by component for FY 2002 through FY 2009 for individual districts and the state are available on the Division of Program Finance website at district revenue FY 2002 through FY 2009. Detailed spreadsheets showing the calculation of each revenue component for each school district and charter school for each fiscal year are also available on the Division of Program Finance website.

FY 2009 General Education Revenue by Component - FY 2009 (est.)

Component	Number of Districts	Number of Charter Schools	Amount (millions)	Percent of Total
Formula Based Revenues:				
1. Basic	339	143	$ 4,886.8	74.0%
2. Additional $51	339	143	48.6	0.7%
3. Gifted & Talented	339	143	11.4	0.2%
4. Extended Time	120	6	55.6	0.8%
5. Basic Skills:				
a) Compensatory	339	136	346.7	5.2%
b) LEP	216	59	32.0	0.5%
c) LEP Concentration	216	59	8.4	0.1%
6. Sparsity	94	143	22.6	0.3%
7. Transportation Sparsity	339	143	61.0	0.9%
8. Training & Experience	62	143	1.8	0.0%
9. Operating Capital	339	143	194.8	2.9%
10. Equity	339	143	94.9	1.4%
11. Transition	201	45	29.7	0.4%
12. Q Comp	41	21	80.6	1.2%
13. Alternative Attendance Adjust.	285	132	1.1	0.0%
14. Misc. Adjustments				
a) Pension Adjustment	339	143	(30.7)	-0.5%
b) PSEO-College	n/a	n/a	21.8	0.3%
c) Shared Time	n/a	n/a	3.8	0.1%
d) Contract Alternative	n/a	n/a	12.0	0.2%
Subtotal	340	143	$ 5,882.9	89.0%
Referendum-Based Revenues:				
15. Oper. Referendum	306	0	$ 724.2	11.0%
Grand Total Revenue	340	143	$ 6,607.1	100.0%

DETAIL OF REVENUE COMPONENTS. For FY 2009 and later, the components of general education revenue are as follows:

Basic Revenue

- Basic revenue provides all districts with a uniform allocation per pupil unit.
- Basic revenue for a district equals the product of the district's AMCPU times the formula allowance established in law.
- The formula allowance for FY 2009 and later is $5,124.
- The change in the formula allowance is not a reliable indicator of the growth in school district revenue per student over time because of several factors, including changes in pupil weights, changes in formulas for allocating additional pupil units to districts with declining enrollment, transfers of various funding programs into or out of the general education formula, offsets to the formula for changes in other funding components, and changes in other funding components.

Extended Time Revenue

- Extended time revenue provides districts with additional revenue to fund extended day, extended week, summer school, and other programming authorized under the learning year program.
- Extended time revenue for a district equals the product of the district's extended time marginal cost pupil units times $4,601. The extended time allowance does not automatically increase with increases to the basic formula allowance.

Gifted and Talented

- Gifted and talented revenue provides school districts and charter schools with $12 per pupil unit for FY 2009 and later for identifying gifted and talented students, providing education programs for these students or providing staff development for teachers to best meet the needs of these students.

Basic Skills Revenue

Basic skills revenue includes compensatory revenue and LEP revenue:

Compensatory Revenue is based on the concentration of poverty in a school building.

- A site's compensatory revenue for each eligible pupil increases as the concentration of eligible pupils at the site increases. The maximum compensatory funding per free-lunch pupil is 60% of the formula allowance minus $415 in sites where the free lunch count plus 1/2 of the reduced-price lunch count is 80% or more of the total enrollment. Funding is based on the October 1 count for the prior school year.

LEP Revenue is based on the number and concentration of LEP students enrolled in the district. There are two components to LEP revenue: regular LEP revenue and concentration aid.

- For districts and charter schools with at least one LEP ADM student, regular LEP revenue equals $700 times the greater of 20 or the marginal cost number of LEP ADM pupils enrolled in the district (greater of current year count or 77% of current year plus 23% of prior year).
- LEP concentration aid provides additional funding of $250 times the LEP ADM, times the lesser of one or the ratio of the district's LEP concentration percent to 11.5%.

To be eligible for LEP funding, a student must have generated fewer than five years of ADM in Minnesota public schools and must be served in an LEP program during the current fiscal year. An LEP pupil ceases to generate revenue in the school year following the school year in which the pupil attains the state cut-off score on the Test of Emerging Academic English (TEAE). This test is designed to provide information about how well students with limited English language proficiency are learning academic English required for achievement of the high state standards in reading and writing.

Sparsity Revenue

- This revenue funds the added costs of operating 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. Sparsity revenue is calculated on a school-by-school basis.
- Separate formulas are used for elementary schools and secondary schools.

  For a secondary school to generate sparsity revenue, it must have a secondary ADM (grades 7-12) less than 400, and an isolation index greater than 23. The isolation index equals the square root of 55% of the attendance area of the school district, plus the distance to the nearest other high school. The isolation index approximates the longest travel distance that would be necessary after consolidation.

  For an elementary school to generate sparsity revenue, it must have an elementary ADM (grades K-6) less than 140 and be located at least 19 miles from the nearest other elementary school.

Transportation Sparsity Revenue

- This revenue funds the added cost of pupil transportation in areas with low population density, supplementing the 4.85% of basic revenue ($248.5 per pupil unit in FY 2009), provided to all districts for transportation purposes. The transportation sparsity allowance for a district increases as the number of pupil units per square mile decreases.

Training and Experience (T & E) Revenue

- This revenue adjusts for cost variations associated with differences in the training and experience of the faculty. Faculty employed by the district in 1996-97 and the current year are counted at their 1996-97 levy of training and experience. Faculty hired by the district after 1996-97 are counted at the lowest step on the salary schedule. The revenue phases out as faculty employed by the district in 1996-97 retire or otherwise leave the employment of the district.

Operating Capital Revenue

- This revenue, which is reserved for facilities and equipment purposes, equals $173 per pupil unit, plus an adjustment of up to $50 per pupil unit, based on the average age of the district's buildings.
- In order to receive operating capital revenue, school districts must levy for this purpose beginning in FY 2005. The levy is spread based on the net tax capacity (NTC) of the district.
- The local levy share of operating capital revenue equals the lesser of the revenue or the product of the revenue times the ratio of the district's adjusted net tax capacity (ANTC) per AMCPU to $10,700.

Alternative Teacher Compensation (Q Comp) Revenue

- School districts, charter schools, the Perpich Center for Arts Education, and multi-district integration collaboratives with an approved alternative teacher professional pay system are eligible to receive up to $260 per pupil enrolled at participating sites for implementation of the alternative teacher professional pay system. Participating school districts receive basic state aid of $190 per pupil and are authorized to make an equalized levy of up to $70 per pupil. Beginning in FY 2010, the basic state aid will be $169 per pupil, and the equalized levy will be $91 per pupil. Other participating units receive an amount equal to the average per pupil revenue of participating school districts, all in the form of state aid.

Equity Revenue

- This formula provides additional revenue targeted primarily to districts with referendum revenue per pupil unit below the 95th percentile for the region where the district is located (metro or rural).
- For qualifying districts with no referendum levy, the initial revenue allowance is $13 per pupil unit.
- For qualifying districts with a referendum levy, the initial revenue allowance is $13 plus an amount up to $75 per pupil unit, depending on how far the district's referendum revenue per pupil unit is below the 95th percentile (sliding scale).
- Districts with referendum revenue per pupil unit below 10% of the state average receive additional equity revenue equal to the difference between 10% of the state average and the district's referendum revenue per pupil unit.
- For districts in the seven-county metro area, the equity revenue as computed above is increased by 25%.
- Minneapolis, St. Paul, and Duluth are not eligible for the components of equity revenue described above.
- Beginning in FY 2009, all districts (including Minneapolis, St. Paul, and Duluth) are eligible for an additional $46 per pupil unit of equity revenue.
- School districts must levy to receive equity revenue. The levy is spread based on the referendum market value (RMV) of property, which excludes seasonal recreational cabin property and agriculture land (the house, garage, and one acre of farm properties are taxable).
- Equity revenue is equalized by state aid at the same rate as Tier 1 referendum equalization.
- The local levy share of equity revenue equals the lesser of the revenue or the product of the revenue times the ratio of the district's RMV per resident marginal costs pupil unit to $476,000.

Transition Revenue

- Transition revenue was added in FY 2004 to mitigate the loss of general education revenue that districts experienced from changes enacted by the 2003 legislature. The transition allowance is not recalculated after FY 2004.
- Beginning in FY 2006, districts that received general education revenue in FY 2004 for pupils enrolled in pre-kindergarten programs receive additional transition revenue based on 4% of the revenue generated by the enrollment of those students in FY 2004. The additional revenue must be reserved for pre-kindergarten programs.
- Beginning FY 2010, districts that lose revenue from a tuition reciprocity agreement with an adjoining state receive additional transition revenue if the sum of the general education revenue and net tuition revenue for FY 2010 is less than the amount the district would have received if the agreement had not been in effect.
- School districts must levy to receive transition revenue. The levy is also spread based on the RMV of property.
- Transition revenue is equalized by state aid at the same rate as Tier 1 referendum equalization and equity revenue.

Alternative Attendance Adjustment

- Referendum equalization aid follows the student to the nonresident district or charter school the student attends. The resident district loses the aid generated by the student.
- If the student enrolls in another school district, that district's aid is increased by the nonresident district's referendum equalization aid per pupil unit. Beginning in FY 2008, districts with a high concentration of nonresident students that are not enrolled solely in on-line learning receive an alternative attendance adjustment based on a sliding scale tied to the first tier referendum equalization limit (currently $700).
- If the student enrolls in a charter school, the charter school's aid is increased by the amount subtracted from the aid paid to the resident district.

Miscellaneous Adjustments to General Education Revenue

- *Post-Secondary Enrollment Options (PSEO) Aid* is paid to Minnesota higher education institutions for courses taken by 11th and 12th grade students for high school credit. For institutions granting quarter credit, the reimbursement per credit hour is 88% of the formula allowance minus $415 times 1.3 and divided by 45. For institutions granting semester credit, the reimbursement per credit hour is 88% of the formula allowance minus $415 times 1.3 and divided by 30. Additional information on this program can be found on the department's website.
- *Contract Alternative Aid* is paid to districts for students eligible to participate in the graduation incentives program who enroll in nonpublic, nonsectarian schools that have contracted with the serving school district to provide education services.
- *Shared Time Aid* is paid to districts for students who attend public schools on a part-time basis while also attending private schools. Revenue for shared time pupils equals their full-time equivalent pupil units times the formula allowance.
- *Pension Adjustment* is an adjustment to general education aid to offset the impact of certain changes in employer contribution rates for members of the Teachers Retirement Association (TRA) and the Public Employees Retirement Association (PERA). General education aid is reduced by an amount equal to 2.34% of the FY 1997 salaries for TRA members and is increased by an amount equal to 0.7% of FY 1997 salaries for PERA members. In addition to these adjustments, an adjustment is made for a 1984 PERA rate change. The adjustment is reduced beginning in FY 2008 by 0.5% of FY 2007 TRA salaries to offset an increase in the TRA employer contribution rate.

Referendum Revenue

- A school board may increase its revenue for general education, beyond the level otherwise provided by state law, by obtaining approval from district voters for a referendum levy.
- A district's gross referendum revenue equals the allowance per resident marginal cost pupil unit specified on the ballot times the school district's resident marginal cost pupil units. Beginning in FY 2009, the amount on the ballot can include an automatic annual increase based on the rate of inflation.
- A district's referendum allowance per pupil unit may not exceed the greater of:
  - ⇒ 26% of the formula allowance adjusted for inflation ($1,558 in FY 2009), or
  - ⇒ 117.7% of the district's referendum allowance in FY 1994 adjusted for inflation minus $215 times a statutory inflation factor. The referendum allowance cap does not apply to districts receiving sparsity revenue.
- School districts receiving referendum revenue make an additional levy for this purpose. The levy is spread based on the referendum market value of property, which excludes seasonal recreational cabin property and agricultural land (the house, garage and one acre of farm properties are taxable).
- The state funds a portion of referendum revenue with referendum equalization aid and tax base replacement aid. Beginning in FY 2003, a two-tiered referendum equalization formula is used. For the first $700 of revenue per pupil unit, the local levy share equals the lesser of the revenue or the product of the revenue times the ratio of the district's RMV per resident marginal cost pupil unit to $476,000. For revenue over $700 per pupil unit, up to 26% of the formula allowance ($1,332 in FY 2009), the local levy share equals the lesser of the revenue or the product of the revenue times the ratio of the district's RMV per resident marginal cost pupil unit to $270,000. For districts qualifying for sparsity revenue, the cap does not apply and the full referendum revenue over $700 per pupil unit is eligible for equalization using the $270,000 equalizing factor.
- For districts with an FY 2002 referendum allowance levy exceeding $415, the state pays tax base replacement aid equal to the portion of the district's referendum levy for taxes payable in 2002 attributable to the portion of the referendum allowance exceeding $415 levied against seasonal recreational cabin property and agricultural land. Because tax base replacement aid is subtracted from referendum equalization aid, in FY 2009, it provides a net reduction in taxes only for 41 school districts where the tax base replacement aid exceeds the referendum equalization aid. Tax base replacement aid remains in effect each year that a district's current referendum authority exceeds its FY 2002 referendum authority over $415 per pupil unit.

Replacements of General Education Revenue

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

- *County Apportionment Deduction*. School districts receive revenue from the apportionment of certain county receipts (M.S. 127A.34). This revenue is derived from penalties on real estate taxes, taxes on transmission and distribution lines, liquor license fees, wind energy tax receipts, fines, and other sources.
- *Taconite Aid*. Certain districts may receive a small portion of their general education revenue from various taconite taxes (M.S. 294.21-294.28; M.S. Chapter 298). Taconite receipts of a school district for a fiscal year exceeding the amount needed to offset the taconite levy limitation reduction recognized for that fiscal year are subtracted from general education aid under M.S. 126C.21, Subd. 4.

Endowment Fund

- *School Endowment Fund.* This fund is apportioned twice a year to all districts on the basis of the previous year's ADM (M.S.127A.33). The school endowment fund distributes investment earnings transferred to it from the permanent school fund. The principal of the permanent school fund, which must remain perpetual and inviolate, has been generated by land sales, mining royalties, timber sales, lakeshore and other leases, and other miscellaneous sources.

  Beginning in FY 2010, the general education aid subtraction for school endowment fund distributions is repealed (Laws 2008 Chapter 363, Article 2, Sec. 52 subdivision 1). The state general fund appropriation required to fund the general education program is increased by the amount of the earnings from the permanent school fund in FY 2010 and later.

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8868, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: GENERAL EDUCATION

Activity: General Education Revenue — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
	1 Current Program Appropriation	5,601,508	5,675,902	5,675,902	5,675,902	11,351,804
	2 Technical Adjustments					
	a. End of Session Estimate			(5,912)	13,236	7,324
	b. Open Appropriation					
	c. November Forecast		(21,756)	(19,304)	(8,485)	(27,789)
	d. Transfer to Education Aids Reserve	(1,143)				
	e. Cancellation	(9,350)	(5,789)			
	3 **Forecast Base**	**5,591,015**	**5,648,357**	**5,650,686**	**5,680,653**	**11,331,339**
	4 Governor's Recommendation					
	a. Aid Payment Shift			(566,668)	(3,924)	(570,592)
	b. Convert Perpich to Charter School			-	1,682	1,682
	c. Modify Extended Time Revenue			(5)	(5)	(10)
	d. Pay for Performance Plan			40,460	50,658	91,118
	e. Property Tax Shift			(570,200)	(35,000)	(605,200)
	f. Q Comp Expansion				41,452	41,452
	g. Repeal Contract Penalty			400	100	500
	h. SOD Advance Payment			6,276	(14)	6,262
	5 **Governor's Recommended Appropriation**			**4,560,949**	**5,735,602**	**10,296,551**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
	6 Statutory Formula Aid	5,671,672	5,741,996	5,693,292	5,732,146	11,425,438
	7 Statutory Excess/(Shortfall)	16,162				
	8 Appropriated Entitlement	5,687,834	5,741,996	5,693,292	5,732,146	11,425,438
	9 Adjustments					
	a. Cancellation	(15,019)				
	b. Transfer to Education Aids Reserve	(1,143)				
	d. TRA Adjustment	(30,634)	(30,789)	(30,917)	(31,061)	(61,978)
	e. Endowment Adjustment	(27,847)	(28,222)			-
	f. County Apportionment	(19,456)	(14,900)	(14,900)	(14,900)	(29,800)
	g. Other Adjustments including Taconite	(1,749)	(1,633)	(1,609)	(1,140)	(2,749)
	10 **State Aid Current Law**	**5,591,986**	**5,666,453**	**5,645,866**	**5,685,045**	**11,330,911**
	11 Governor's Recommendation					
	a. Convert Perpich to Charter School for State Aid				2,103	2,103
	b. Modify Extended Time Revenue			(5)	(5)	(10)
	c. Pay for Performance Plan			50,574	50,678	101,252
	d. Q Comp Expansion				51,813	51,813
	e. Repeal Contract Penalty			500	-	500
plus	f. SOD Advance Payment			-	-	-
	12 **Governor's Aid Recommendation**			**5,696,935**	**5,789,634**	**11,486,569**
LEVY	**Levy**					
	13 Local Levy Current Law	759,048	870,412	961,961	1,082,585	2,044,546
	14 Governor's Recommendation					
	a. Convert Perpich to Charter School				202	202
equals	b. Q Comp Expansion				15,296	15,296
	15 **Governor's Recommended Levy**			**961,961**	**1,098,083**	**2,044,748**
REVENUE	16 **Governor's Rec Revenue (State Aid & Levy)**	6,351,034	6,536,865	**6,658,896**	**6,887,717**	**13,546,613**
	Other Funding Sources					
	17 State School Endowment Fund	27,847	28,222	29,845	31,467	61,312
	18 Other Local Revenue					
	a. County Apportionment (local)	19,456	14,900	14,900	14,900	29,800
	b. Taconite (local)	664	554	530	61	591
	19 **Total All Sources Current Law**	6,399,001	6,580,541	6,704,171	6,934,145	13,638,316
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	537,112	543,752	556,059	1,121,845	1,677,904
	Cancellation - Prior Year	(120)	(5,789)			
	Current Year (90%/80%)	5,064,396	5,110,394	4,004,890	4,613,757	8,618,647
	Cancellation - Current Year	(9,230)				
	Transfer to Education Aids Reserve	(1,143)				
	Total State Aid - General Fund	**5,591,015**	**5,648,357**	**4,560,949**	**5,735,602**	**10,296,551**

Activity Description

Citation: M.S. 123B.75, Subd.5; M.S. 16A.152, Subd. 2

These accounting mechanisms have helped balance the state's budget and lessen cuts in education programs during periods of state budget crisis.

Activity at a Glance

- Most recent Aid Payment Shift yielded $629.1 million in state budget savings.
- Most recent Property Tax Recognition Shift yielded $251.5 million in state budget savings.
- Both shifts were fully bought back with appropriations totaling nearly $1.1 billion in FY 2005-06.

Population Served

This activity benefits the state and its citizens by allowing the state to balance the state budget without making severe cuts in education aid. Districts benefit from certain provisions of the law that allow districts to preserve fund balances created by historic early recognition of the specific levies including referendum, health benefits, reemployment, and career-technical levies.

History

Aid Payment Shift

Since most school revenue is tied to the number and characteristics of students served by the district, there is general agreement that a portion of the funding should be held back until final student data is available.

90% Current Year Entitlement + 10% Adjusted Prior Year Entitlement = School District Appropriation

The consensus is that a 10% hold back is prudent. However, during FY 2004 this hold back (or shift) reached 20% in order to help the state balance its budget.

Recent Use of Aid Payment Shift

Time Period	Changes in Aid Payment Percentages	State Budget (Savings)/Costs[1] $ in millions
2002 Legislative Session	90/10 to 83/17	($438.0)
2003 Legislative Session	83/17 to 80/20	($191.1)
November 2004 Forecast	80/20 to 81.9/18.1	$117.9
February 2005 Forecast	81.9/18.1 to 84.3/17.4	$150.1
November 2005 Forecast	84.3/17.4 to 90/10	$370.4

Property Tax Recognition Shift

While property taxes are paid on a calendar year basis, school districts operate on a fiscal year that runs from July 1 to June 30. The first half of the property taxes payable for the calendar year are due in May and the second half are due in October or November.

May 15th Payment + October 15th Payment = Levy

Prior to FY 1983, all of the school districts' May property tax collections were held and recognized as revenue in the following fiscal year, beginning July 1. Beginning in FY 1983, the revenue recognition policy was changed so that a portion of the spring proceeds was recognized as revenue in the fiscal year of collection. The shift provision was structured to be revenue neutral to school districts by adjusting state aid payments by the difference between the current year's early levy recognition amount and the previous year's early levy recognition amount. This accounting change provided the state with one-time savings in state aid appropriations, without reducing the overall revenue recognized by a school district.

[1] Savings do not equal costs because underlying funding formulas were increased beginning in FY 2006. This made the aid payment shift buy back more expensive.

In the period FY 1983-1993, the state experienced savings of $775.7 million resulting from this revenue shift. This amount was appropriated by the state over a 6-year period beginning in FY 1994 to repay school districts the revenue neutral portion of the shift that had previously been reduced from state aid payments.

Beginning in FY 2004, the revenue recognition policy was reinstated to again provide the state with one-time appropriation savings. To emphasize the importance of buying back the shift when the state's financial health improved, a statute was adopted that automatically appropriated positive forecast balances to shift repayment (M.S. 16A.152, Subd. 2). In FY 2006, the state again repaid the revenue neutral portion of the tax shift with appropriations totaling $424.2 million.

Recent Use of Property Tax Recognition Shift

Time Period	Changes in Early Recognition Percentages	State Budget (Savings)/Costs[2] $ in millions
2003 Legislative Session	0[3] to 48.6	($251.5)
November 2005 Forecast	48.6 to 10.8	$330.7
February 2006 Forecast	10.8[4] to 0	$93.5

Key Activity Goals

This activity supports MDE's goal of improving achievement for all students by lessening cuts in education programs during the periods of state budget crisis.

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8566, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

[2] Savings do not equal costs because property tax levies grew significantly while the shift was in place. This generated additional savings for the state, but also increased the cost of the property tax recognition shift buy back.

[3] This number does not include the historical 31% shift in referendum levies or those levies subject to 100% shift. An amount equal to 31% of the referendum levy certified in 2000 is recognized early each year to prevent school district revenue and fund balance losses that would have occurred when the state bought back $415 in referendum levy for FY 2003. The continued early recognition of other specified levies such as reemployment, health benefits and insurance, and career and technical levies matches the timing of revenue recognition to district expenditures.

[4] This figure was subsequently adjusted to 15.1% because the November 2005 Forecast assumed a referendum growth recapture rate that was too high. The 15.1% shift was never actually implemented because the February 2006 Forecast provided enough funding to fully buy back the shift.

Budget Activities

This program includes the following budget activities:

- Enrollment Options Transportation
- Abatement Revenue
- Consolidation Transition
- Nonpublic Pupil Aid
- Nonpublic Transportation
- Compensatory Pilot Grants
- Special Provisions for Selected Districts
- Miscellaneous Levies
- State Paid Property Tax Credits (information only)

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	40,306	42,131	42,131	42,131	84,262
Technical Adjustments					
End-of-session Estimate			(13)	553	540
November Forecast Adjustment		(424)	236	686	922
One-time Appropriations			0	(158)	(158)
Subtotal - Forecast Base	40,306	41,707	42,354	43,212	85,566
Governor's Recommendations					
Aid Payments Shift		0	(3,987)	(105)	(4,092)
Total	**40,306**	**41,707**	**38,367**	**43,107**	**81,474**
Expenditures by Fund					
Direct Appropriations					
General	40,376	41,715	38,367	43,107	81,474
Total	**40,376**	**41,715**	**38,367**	**43,107**	**81,474**
Expenditures by Category					
Local Assistance	40,376	41,715	38,367	43,107	81,474
Total	**40,376**	**41,715**	**38,367**	**43,107**	**81,474**
Expenditures by Activity					
Enrollment Options Transport	48	45	48	52	100
Abatement Revenue	1,333	1,407	1,052	1,039	2,091
Consolidation Transition	237	21	270	677	947
Nonpublic Pupil	15,601	16,608	15,390	17,575	32,965
Nonpublic Transportation	20,828	21,136	19,109	21,424	40,533
Compensatory Pilot Grants	2,175	2,175	2,175	2,175	4,350
Spec Prov For Select Districts	154	323	323	165	488
Total	**40,376**	**41,715**	**38,367**	**43,107**	**81,474**

Activity Description

Citation: M.S. 124D.03; 124D.09; 124D.10

This state aid program helps low-income students participate in the postsecondary enrollment options (PSEO), school district enrollment options (SDEO), and charter schools (CS) programs by providing state aid to school districts that reimburse families for transportation expenses associated with these programs (see Student Choice/Tax Incentives narrative for more information).

Activity at a Glance

FY 2007
- 61 students served
- $658 average reimbursement per family per year

Population Served

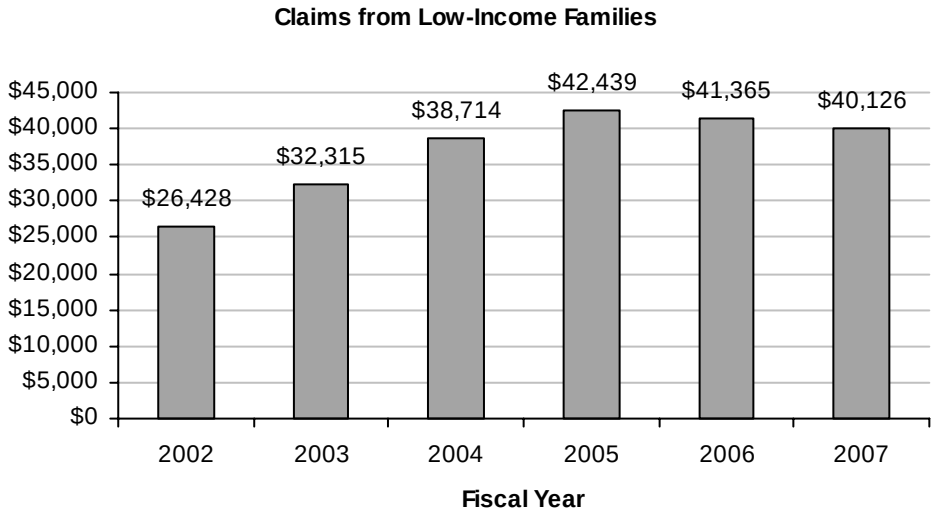
Low-income students participating in PSEO, SDEO, and CS programs are served by this program.

Services Provided

State aid is paid to school districts to reimburse transportation costs for qualifying low-income families with students participating in the postsecondary enrollment options program (M.S. 124D.09) or the open enrollment program (M.S. 125D.03). Charter schools that choose to provide out-of-district transportation on a fee basis are reimbursed for the transportation costs of qualifying low-income students.

Historical Perspective

Beginning in FY 1999, the program was expanded to allow PSEO mileage reimbursement to students attending nonpublic schools (including home schools).



The graph above represents the total amount of claims in PSEO, SDEO, and CS mileage reimbursement programs over the last six years. The total amount of claims steadily increased until FY 2005 and then a slightly decreased in FY 2006 and FY 2007.

Key Activity Goals

This program is part of the Minnesota Department of Education's goal to expand education options for students and families.

Key Measures

All families of students meeting eligibility are reimbursed by school districts.

Activity Funding

The mileage reimbursement rate is set at $0.15 per mile and is limited to 250 miles per week. There is an exception to the 250 miles per week limit in the PSEO program if the nearest postsecondary institution is more than 25 miles from the student's home or high school. School districts and postsecondary institutions receive notification of this program on an annual basis. Students/families provide their own transportation in this program. PSEO students apply for reimbursement through their resident districts (or the postsecondary institutions, if nonpublic). Open enrollment students submit their applications to the enrolling districts. Charter school students apply to their charter schools.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8855, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: OTHER GENERAL EDUCATION

Activity: Enrollment Options Transportation

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Current Appropriation	48	50	50	50	100
	a. End of Session Estimate			2	5	7
	b. November Forecast Adjustment		(5)	(4)	(3)	(7)
2	**Governor's Recommended Appropriation**	**48**	**45**	**48**	**52**	**100**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	48	45	48	52	100
4	Statutory Excess/(Shortfall)		5			0
5	Appropriated Entitlement	48	50	48	52	100
6	Adjustments					
	a. Appropriation reduction		(5)			
7	**State Aid Entitlement Current Law**	48	45	48	52	100
	Appropriations Basis for State Aid					
	Current Year	48	45	48	52	100
	Total State Aid - General Fund	**48**	**45**	**48**	**52**	**100**

Activity Description

Citation: M.S. 126C.46; 127A.49, Subd.2

This state aid and local levy program maintains equity for students and taxpayers by replacing revenue to which the district was entitled but did not receive due to abatements.[1] The objective is to replace the revenue in the same proportion of aid and levy as the original entitlement.

Activity at a Glance

In calendar year 2007, the following occurred in this program:

♦ Taxes Abated	$5.0 million
♦ Abatement Aid	$1.4 million
♦ Abatement Levy	$3.6 million
♦ Number of Districts Impacted	248

Population Served

All eligible school districts in Minnesota participate in this program.

Services Provided

Abatement revenue is provided to school districts to prevent permanent revenue losses. The amount of abatement revenue for a school district is determined from data on net revenue losses as certified by the county auditors.

Historical Perspective

Funding for abatement revenue began in the late 1970s and was expanded in 1993 to include interest paid by the district on abatement refunds.

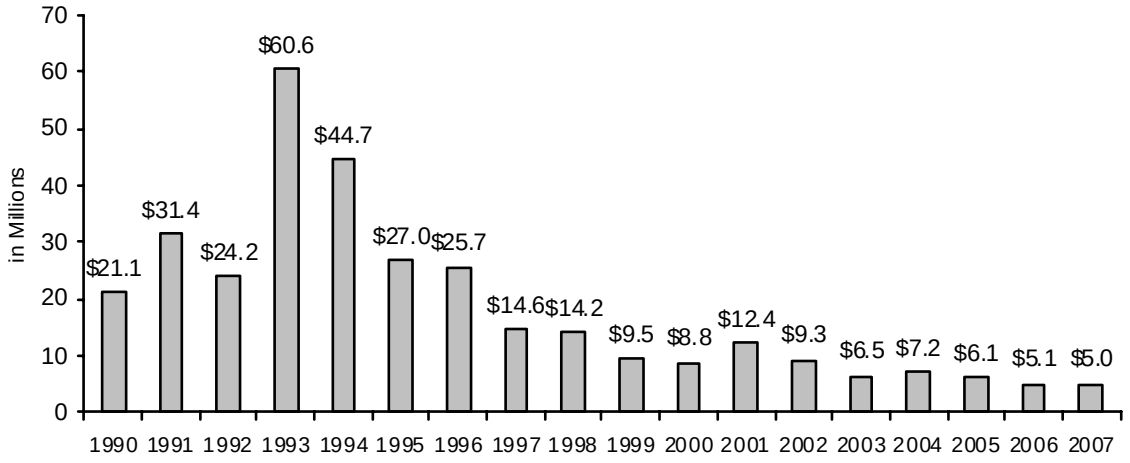
Key Activity Goals

This activity supports the Minnesota Department of Education's (MDE) goal of expanding education options for students and families by replacing revenue that would be otherwise have been lost to school districts.

Key Measures

- A total of 248 school districts receive abatement aid in FY 2009 and/or abatement levy in FY 2010 for taxes abated in calendar 2007.
- The following graph shows the amount of school taxes abated each year since 1990. These amounts would be permanent losses to school district budgets without the abatement revenue formula.

Net Schools Taxes Abated



[1] Court-ordered net reductions in the tax capacity of the district after taxes have been spread by the county auditor.

In the early 1990s due to economic conditions and a large unanticipated increase in commercial and industrial court ordered tax abatements, dramatic increases in net school taxes abated occurred.

Activity Funding

Net revenue loss due to abatements is replaced with state aid and 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 and other equalized aids if the adjusted net tax capacity could have been adjusted to the lower level.

In general, school taxes abated in one calendar year are reported to the state in the following spring. Abatement aid is paid in the following fiscal year and the abatement levy is included in the taxes payable in the next calendar year. For example, school taxes abated in 2007 are reported in the spring of 2008, with the abatement aid paid in FY 2009 and the levy included on the 2008 payable 2009 levy.

A district may levy a year early for the net revenue loss incurred during the first six months of the calendar year (advance abatement levy) or choose to spread the levy over two years (three years with approval of the commissioner).

A district's aid entitlement is equal to its revenue loss multiplied by the ratio of: 1) the amount certified by the district in equalized referendum, operating capital, equity, transition, alternative teacher compensation, health and safety, community education, early childhood family education, school age care, and debt service levies for which the district received corresponding state aid in the second preceding year, to 2) the district's total certified levy in the third preceding fall, plus or minus auditor's adjustments.

Abatement levy authority is the total of the three following components:

- the net revenue loss minus abatement aid after any proration is deducted,
- 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
- the amount for any interest paid by the district on abatement refunds.

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8566, http://education.state.mn.us/MDE/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: OTHER GENERAL EDUCATION

Activity: Abatement

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	1,333	1,629	1,629	1,629	3,258
	a. End of Session Estimate			(429)	(655)	(1,084)
	b. November Forecast Adjustment		(222)	(34)	52	18
2	**Forecast Base**	**1,333**	**1,407**	**1,166**	**1,026**	**2,192**
3	**Governor's Recommendation**					
	a. Aid Payment Shift			(114)	13	(101)
4	**Governor's Recommended Appropriation**			**1,052**	**1,039**	**2,091**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	1,396	1,408	1,140	1,013	2,153
6	Statutory Excess/(Shortfall)		247			0
7	Appropriated Entitlement	1,396	1,655	1,140	1,013	2,153
8	Adjustments					
	a. Appropriation Reduction		(247)			
	b. Supplemental Appropriation					
9	**State Aid Entitlement Current Law**	1,396	1,408	1,140	1,013	2,153
plus						
LEVY	**Levy**					
10	Local Levy Current Law	3,724	3,696	3,393	3,760	7,153
equals						
REVENUE 11	Current Law Revenue (State Aid & Levy)	5,120	5,104	4,533	4,773	9,306
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	76	139	140	228	368
	Current Year (90%/80%)	1,257	1,268	912	811	1,723
	Total State Aid - General Fund	**1,333**	**1,407**	**1,052**	**1,039**	**2,091**

Activity Description

Citation: M.S. 123A.485

This state aid program supports districts that have recently consolidated by providing funds for one-time reorganization costs.

Activity at a Glance

- There are no district consolidations for FY 2008 or FY 2009.

Population Served

Students and communities in eligible districts are served by this activity.

Services Provided

Voluntary school district reorganizations help to expand programs and services to students and families in greater Minnesota at a lower cost. This program provides an incentive for district consolidation and addresses some of the one-time costs associated with district consolidation. This program provides an alternative means of dealing with fiscal issues, such as staff reduction and operational debt reduction that often prevent permanent school district reorganization. Revenue may be used to cover district costs for early retirement incentives granted by the district under M.S. 123A.48, Subd. 23; to reduce operating debt as defined in M.S. 123B.82; to enhance learning opportunities; and to cover reorganization expenses.

A school district is eligible for revenue if it has reorganized under M.S. 123A.48 after 06-04-94 and has not received cooperation and combination revenue for at least six years. M.S. 123A.48 provides for the process of school consolidation, including approval procedures and timelines.

Historical Perspective

This program was enacted by the 1994 legislature. This revenue replaced the cooperation and combination (C & C) revenue and transition and severance levies for consolidating districts.

Key Activity Goals

This program addresses the following Minnesota Milestones:

- Minnesotans will excel in basic and challenging skills and knowledge;
- Minnesota's workforce will have the education and training to make the state a leader in the global economy and
- Government in Minnesota will be cost-efficient and services will be designed to meet the needs of the people who use them.

Key Measures

While there are financial implications to consolidation, the primary reason for districts to consolidate is to address the academic needs of students. School districts that have consolidated through this program have reported that the consolidation has provided additional opportunities to meet student academic needs, has increased efficiency in district operations, and has improved the likelihood of long-term financial health of the newly formed district. The potential cost efficiencies that could be attributed to this program vary by district due to the unique financial, operating, and facility characteristics of the combining districts.

For FY 2007, District 2899 was the result of the consolidation of District 806, Elgin-Millville and District 810, Plainview; and District 2902 was the result of the consolidation of District 409, Tyler, District 418, Russell, and District 584, Ruthton. So far there is no change in the total facility space being used. For District 2899, there is some current benefit in a more efficient utilization of staff. The primary benefit of District 2902 consolidation should be in a future year, with the potential reduction of facility space.

Activity Funding

This program is funded with state aid and a local property tax levy. State aid is equal to $200 times the resident pupil units in the first year after consolidation and $100 times the resident pupil units in the second year after consolidation. A maximum of 1,500 pupil units may be counted for the purpose of aid calculation. If consolidation transition aid is not sufficient to cover the eligible district costs, school districts may levy the difference, spreading the levy over up to three years.

School District Consolidations

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
First Year of Consolidation	2	0	0	0	0	2	0	0
Second Year of Consolidations	3	2	0	0	0	0	2	0

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8757, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: OTHER GENERAL EDUCATION

Activity: Consolidation Transition

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	240	339	339	339	678
	a. End of Session Estimate			(150)	(52)	(202)
	b. Cancellation	(3)				
	c. November Forecast Adjustment		(318)	115	432	547
2	**Forecast Base**	**237**	**21**	**304**	**719**	**1,023**
3	**Governor's Recommendation**					
	a. Aid Payment Shift			(34)	(42)	(76)
4	**Governor's Recommended Appropriation**			**270**	**677**	**947**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	215	0	337	762	1,099
6	Statutory Excess/(Shortfall)		353			0
7	Appropriated Entitlement	215	353	337	762	1,099
8	Adjustments					
	a. Appropriation Reduction		(318)			
	b. Cancellation					
	c. Supplemental Appropriation					
9	**State Aid Entitlement Current Law**	215	35	337	762	1,099
Appropriations Basis for State Aid						
	Prior Year (10%20%)	43	21	0	67	67
	Cancellation (90%)	(3)				
	Current Year (90%80%)	197	0	270	610	880
	Total State Aid - General Fund	**237**	**21**	**270**	**677**	**947**

Activity Description

Citation: M.S. 123B.40; 123B.41; 123B.42; 123B.43; 123B.44; 123B.445; 123B.45; 123B.46; 123B.47; 123B.48.

This state aid program provides every pupil in the state with equitable access to secular study materials and pupil support services.

Population Served

Services are provided to Minnesota students attending nonpublic schools including home schools.

Services Provided

Funding is allocated to public school districts for the benefit of nonpublic school students and not directly to nonpublic schools.

School districts are reimbursed for the costs of the educational materials loaned to the nonpublic pupil (textbooks, individualized instructional materials, and standardized tests) or for the costs of providing support services (health services and secondary guidance and counseling services) to the nonpublic pupil. School districts receive additional funds to cover administrative costs. This amount is equal to 5% of their total aid reimbursement amount.

Activity at a Glance

- Number of students participating (FY 2007)

Text Book/Materials	82,718
Health Services	77,885
Guidance and Counseling	28,687

- Percentage of nonpublic students participating in program (FY 2007)

Text Book/Materials	87%
Health Services	83%
Guidance and Counseling (grades 7-12)	90%

- FY 2007 rates per nonpublic pupil

Text Book/Materials	$72.89
Health Services	$51.73
Guidance and Counseling	$179.68

- All nonpublic students requesting materials and/or services by the statutory deadline have been and are being accommodated.

There are three basic categories of nonpublic pupil aid supporting the following services.

Textbooks, Individualized Instructional Materials, and Standardized Tests

- Public school districts, upon formal request, must provide nonpublic pupils with instructional materials that are secular, neutral, nonideological, and not able to be diverted to religious use. These items are loaned to the nonpublic pupil and remain the property of the district.

Health Services

- Public school districts, upon formal request, provide nonpublic pupils with 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.

Guidance and Counseling Services

- Public school districts, upon formal request, provide nonpublic secondary pupils with guidance and counseling services provided to public secondary pupils. This does not include 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, the nonpublic school, or a neutral site.

Key Activity Goals

By providing nonpublic students with equitable access to secular study materials and pupil support services, the nonpublic pupil aid program improves student achievement and helps prepare nonpublic students to compete in a global economy.

Key Measures

Textbooks, Individualized Instructional Materials, and Standardized Tests

- The percentage of nonpublic school pupils participating in this category decreased slightly from 89% in FY 1990 to 87% in FY 2007.

Health Services

- The percentage of nonpublic school pupils participating in this category decreased from 88% in FY 1990 to 83% in FY 2007.

Guidance and Counseling Services

- The percentage of nonpublic secondary school pupils participating in this category increased from 76% in FY 1990 to 90% in FY 2007.

Activity Funding

Nonpublic pupil aid is funded exclusively with state funds.

Textbooks, Individualized Instructional Materials, and Standardized Tests

- The districts are reimbursed for the cost of purchasing and distributing eligible materials. This is calculated as 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. For purposes of this formula, kindergarten pupils are weighted at 0.5. For FY 2009, the maximum per pupil rate for textbooks is $77.23.

Health Services

- 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.
- For FY 2009, the maximum per pupil rate for health services is $58.23.

Guidance and Counseling Services

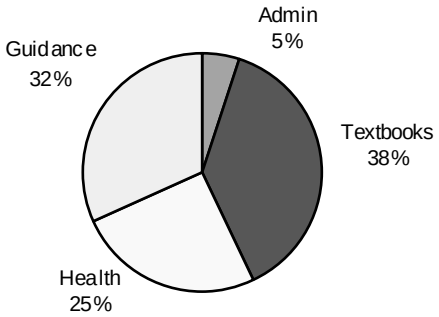
- Each participating district is reimbursed for the cost incurred in providing eligible services up to an amount equal to the statewide average expenditure per public secondary pupil for similar services in the second preceding school year, times the number of nonpublic secondary pupils served.
- For FY 2009, the maximum per pupil rate for guidance and counseling is $185.38.

Administration

- A district may claim and receive an additional amount equal to 5% of the district's aid for administrative costs.

The chart below provides a breakdown of estimated nonpublic pupil aid for FY 2008. Money is allocated based on the number of participating nonpublic students and actual program expenditures.

Fiscal Year 2008



Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8858,
http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/Miscellaneous_Revenue/index.html.

DEPT OF EDUCATION

Program: OTHER GENERAL EDUCATION

Activity: Nonpublic Pupil Aid

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	15,601	16,608	16,608	16,608	33,216
	a. End of Session Estimate			497	1,020	1,517
	b. Transfer per M.S. 127A.41					
2	**Forecast Base**	**15,601**	**16,608**	**17,105**	**17,628**	**34,733**
	Governor's Recommendation					
	a. Aid Payment Shift			(1,715)	(53)	(1,768)
3	**Governor's Recommended Appropriation**			**15,390**	**17,575**	**32,965**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
4	Statutory Formula Aid	15,985	16,677	17,153	17,681	34,834
5	Statutory Excess/(Shortfall)					0
6	Appropriated Entitlement	15,985	16,677	17,153	17,681	34,834
7	Adjustments					
	a. Transfer per M.S. 127A.41					
8	**State Aid Entitlement Current Law**	15,985	16,677	17,153	17,681	34,834
	Appropriations Basis for State Aid					
	Prior Year (10%20%)	1,214	1,599	1,667	3,430	5,097
	Current Year (90%80%)	14,387	15,009	13,723	14,145	27,868
	Transfer per M.S. 127A.41					0
	Total State Aid - General Fund	**15,601**	**16,608**	**15,390**	**17,575**	**32,965**

Activity Description

Citation: M.S. 123B.92, Subd. 9, 123B.84, 123B.85, 123B.86 and 123B.87

This program ensures that nonpublic school students receive the same level of transportation services as public school students receive and that the school districts are able to provide this transportation without significant cross-subsidy from the district's general fund.

Activity at a Glance

FY 2007

- 61,320 nonpublic students were transported to and from schools
- 213 districts transported students

Population Served

Minnesota students attending nonpublic schools are provided transportation services.

Services Provided

School districts must provide equal transportation within the district for public and nonpublic school students. This means that the district where a nonpublic 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. If the district transports nonpublic students to a school in another district because there is not a suitable nonpublic school located within the district, the nonpublic school or the parents pay the cost of transportation outside the district boundaries.

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 health and secondary guidance and counseling services provided to nonpublic school pupils. The public school district must also transport nonpublic school students on late activity bus routes if it provides that service for public school students.

Key Activity Goals

By providing nonpublic students with the same level of transportation services to public students, nonpublic students arrive at their nonpublic school ready to improve their academic achievement.

Key Measures

Since FY 1997, funding for the transportation of nonpublic students has been calculated using a separate formula based on average second prior year costs and the number of current year nonpublic students transported. The following table shows the number of nonpublic students transported to and from school.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Nonpublic Enrollment	91,682	89,944	88,203	86,914	83,909	81,163
Percentage Transported	78.82%	76.36%	77.45%	75.01%	76.00%	75.55%
Nonpublic Students Transported	72,266	68,677	68,315	65,192	63,775	61,320

Activity Funding

Nonpublic transportation aid equals the sum of the following two items:

- 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.
- For non-regular (e.g., shared time, support services) and late activity transportation, an 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.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8480, at http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: OTHER GENERAL EDUCATION

Activity: Nonpublic Pupil Transportation

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	20,755	21,007	21,007	21,007	42,014
	a. End of Session Estimate			67	235	302
	b. November Forecast Adjustment		121	159	205	364
	c. Cancellation					
	d. Transfer per M.S. 127A.41	73	8			0
2	**Forecast Base**	**20,828**	**21,136**	**21,233**	**21,447**	**42,680**
3	**Governor's Recommendation**					
	a. Aid Payment Shift			(2,124)	(23)	(2,147)
	Governor's Recommended Appropriation			**19,109**	**21,424**	**40,533**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
4	Statutory Formula Aid	20,782	21,175	21,240	21,470	42,710
5	Statutory Excess/(Shortfall)	(81)	(134)			0
6	Appropriated Entitlement	20,701	21,041	21,240	21,470	42,710
7	Adjustments					
	a. Cancellation					
	b. Supplemental Appropriation		134			
	c. Transfer per M.S. 127A.41	81				
8	**State Aid Entitlement Current Law**	20,782	21,175	21,240	21,470	42,710
Appropriations Basis for State Aid						
	Prior Year (10%20%)	2,124	2,070	2,117	4,248	6,365
	Current Year (90/80%)	18,631	19,058	16,992	17,176	34,168
	Transfer per M.S. 127A.41	73	8			
	Total State Aid - General Fund	**20,828**	**21,136**	**19,109**	**21,424**	**40,533**

Activity Description

Citation: Laws 2005 1st Special Session, Chapter 5, Article 1, Section 50, as amended by Laws 2007, chapter 146, Article 1, Section 24

This pilot program provides grant funding and allows school districts to allocate compensatory revenue received under M.S. 126C.10, Subd. 3, and the grants among their school buildings according to each building's school performance measures. Other districts must allocate at least 95% of their compensatory revenue to the building where the students generating the revenue are served.

Activity at a Glance

Districts that received grants in FY 2007

♦ Anoka Hennepin	$1,500,000
♦ Osseo	$210,000
♦ Robbinsdale	$160,000
♦ Rochester	$165,000
♦ South Washington	$65,000

Population Served

This pilot program is limited to five school districts listed in law, plus the addition of Brooklyn Center at $75,000 beginning in FY 2008.

Services Provided

School districts participating are required to submit to the commissioner an application and board-approved plan that includes the following information.

- Identification of the test results that will be used to assess student performance
- Description of the method the district will use to distribute the compensatory revenue
- Summarization of the evaluation procedure the district will use to determine if the redistribution of compensatory revenue results in an improvement of measurable student performance

If any of the funds are not awarded the commissioner is allowed to increase the grant amounts to any of the remaining districts.

Key Activity Goals

This program addresses the following Minnesota Milestones:

- Minnesotans will excel in basic and challenging skills and knowledge; and
- Minnesota's workforce will have the education and training to make the state a leader in the global economy.

Key Measures

The Minnesota Department of Education submitted a report to the legislature on the effectiveness of the pilot projects. The report findings were inconclusive as to the impact the pilot projects have had on student achievement. While some of the participating schools have experienced a positive impact as a result of their efforts, results of the test data used to assess the effectiveness of program initiatives are inconsistent. At the conclusion of the 2009 school year, participating districts will have further trend data to inform future decisions in their efforts to improve the academic performance for all students.

Contact

Additional information is available from the Minnesota Department of Education, School Improvement, (651) 582-8655, http://education.state.mn.us/MDE/Accountability_Programs/School_Improvement/index.html.

DEPT OF EDUCATION
Program: OTHER GENERAL EDUCATION
Activity: COMPENSATORY PILOT GRANTS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	2,175	2,175	2,175	2,175	4,350
Subtotal - Forecast Base	2,175	2,175	2,175	2,175	4,350
Total	**2,175**	**2,175**	**2,175**	**2,175**	**4,350**
Expenditures by Fund					
Direct Appropriations					
General	2,175	2,175	2,175	2,175	4,350
Total	**2,175**	**2,175**	**2,175**	**2,175**	**4,350**
Expenditures by Category					
Local Assistance	2,175	2,175	2,175	2,175	4,350
Total	**2,175**	**2,175**	**2,175**	**2,175**	**4,350**

Activity Description
These programs address specific and unique financial circumstances for the impacted district.

Population Served
All students and communities in selected school districts benefit from this funding.

Activity at a Glance

- Warroad School District Independent School District 660 – Angle Inlet
- Lancaster Sparsity Aid
- Rushford-Peterson Pupil Aid

One-Room Schoolhouse
Citation: Laws 2005 1st Special Session, Chapter 5, Article 1, Section 54, Subd. 9

This program provides additional revenue to the Warroad school district to assist with expenses related to the Angle Inlet school. This program was implemented in FY 1995 for the Warroad school district to open and operate a one-room schoolhouse at Angle Inlet. This program provides aid of $50,000 in each year.

Lancaster Sparsity Aid
Citation: Laws 2008, Chapter 363, Article 2, Section 51, Subd. 4

Sparsity revenue, a component of the general education formula, provides additional money to geographically isolated school districts. Because eligibility for sparsity revenue is based on the location of neighboring schools, a school closure or relocation in a neighboring district can affect a school district's eligibility for sparsity revenue.

The Lancaster School District was facing a loss of sparsity revenue due to the relocation of an elementary school in a neighboring district. This program provides aid of $100,000 per year for FY 2009-2011 to replace the lost sparsity revenue.

Rushford-Peterson Pupil Aid
Citation: Laws 2008, Chapter 363, Article 2, Section 51, Subd. 2

The Rushford-Peterson School District receives funding to offset general education revenue lost as a result of students who left the district and increased transportation costs due to the floods of August 2007. The base appropriation is $158,000 per year for FY 2009 and FY 2010 only.

Contact
Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8851.

DEPT OF EDUCATION
Program: OTHER GENERAL EDUCATION
Activity: SPEC PROV FOR SELECT DISTRICTS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	154	323	323	323	646
Technical Adjustments					
One-time Appropriations			0	(158)	(158)
Subtotal - Forecast Base	154	323	323	165	488
Total	**154**	**323**	**323**	**165**	**488**
Expenditures by Fund					
Direct Appropriations					
General	154	323	323	165	488
Total	**154**	**323**	**323**	**165**	**488**
Expenditures by Category					
Local Assistance	154	323	323	165	488
Total	**154**	**323**	**323**	**165**	**488**

Activity Description

Citation: See individual activities.

Activity at a Glance

- Number of current levy programs 18

The following state programs currently exist to provide additional local property tax levy revenue to school districts to fund specific obligations of the district's general fund. School districts must meet statutory requirements for each levy program. Local school boards must annually approve each levy authority.

- *Reemployment Insurance Levy* (M.S. 126C.43, Subd. 2). A school district may levy for the district's obligations for unemployment insurance under M.S. 268.052, Subd. 1 and for job placement services offered to employees who may become eligible for benefits under M.S. 268.085. For taxes payable in 2004 and 2005, this levy was limited to 90% of costs exceeding $10 times the district's adjusted marginal cost pupil units.
- *Judgment Levy* (M.S. 126C.43, Subd. 3). A school district may levy for the district's obligations for judgments against the district, including interest costs.
- *Health Benefit Levy* (M.S. 126C.41, Subd. 2). A school district may levy for the district's obligations under the collective bargaining agreement in effect on 3-30-92 for health insurance and unreimbursed medical expenses of employees who retired before 7-1-92. The district levy authority may not exceed $600,000. The levy is limited to the costs for the current fiscal year. Starting with taxes payable 2009, levy authority is expanded to include retirees from 7-1-92 through 6-30-98, if the district's collective bargaining agreement contains a sunset clause regarding the payment of health benefits for retired employees.
- *Additional Retirement Levy* (M.S. 126C.41 Subd. 3). Beginning in 1991, the Minneapolis school district may levy an additional amount required for contributions to the Teacher Retirement Association fund as a result of the maximum dollar amount limitation on state contributions to the fund. The Minneapolis and St. Paul school districts may also levy for the increased costs of Teachers Retirement Association contributions due to changes in the contribution rates since 1992 and for supplemental contributions they have been required to make since 1998.
- *Minneapolis Health Insurance Subsidy Levy* (M.S. 126C.41, 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 5-1-74, and who are not eligible to receive the hospital insurance benefits of the federal Medicare program without payment of a monthly premium.
- *St. Paul Severance Levy* (M.S. 126C.41, Subd. 5). The St. Paul school district may levy 0.34% of the district's adjusted net tax capacity to pay for severance costs.
- *Safe Schools Levy* (M.S. 126C.44). A school district may levy up to $30 times the district's adjusted marginal cost pupil units to provide a drug abuse prevention program in the elementary schools, to provide police liaison services in the schools, to provide a gang resistance education program in the schools, to pay the costs for security on school property, and/or pay for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district, including costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. Starting with taxes payable 2006, authority of up to $10 per adjusted marginal cost pupil unit for intermediate districts was added. Effective for FY 2010, districts are required to set aside $3 per adjusted marginal cost pupil unit for school counselors, nurses, psychologists, social workers, and/or chemical dependency counselors. Also, effective for FY 2010, a school district must annually certify that its total spending on these activities is not less than the sum of its expenditures for these purposes in the previous year (adjusted for the safe school levy expenditures). Districts will be required to maintain effort in this area between FY 2009 and FY 2010 and thereafter.
- *Ice Arena Levy* (M.S. 126C.45). A school district that operates and maintains an ice arena may levy for the net operational costs of the ice arena for the previous fiscal year. For taxes payable 2004 through 2008, this levy was limited to 90% of net operational costs. The school district must demonstrate that it will offer equal access for male and female students.
- *Reorganization Operating Debt Levy* (M.S. 123A.73, Subd. 9 and M.S. 123B.82). A school district that reorganizes under consolidation or dissolution and attachment may levy to retire the net negative

undesignated fund balance in the operating funds. The levy may be spread over a period up to five years. Starting for taxes payable 2008, a district that participated in the cooperative secondary facilities program, consolidated with at least two other school districts, and has unfunded severance or retirement costs may annually levy up to $150,000 for unfunded severance or retirement costs.

- *Severance Levies* (M.S. 123A.30, Subd. 6; M.S. 123A.73, Subd. 12; M.S. 123A.444; M.S. 124D.05, Subd. 3; M.S. 126C.41, Subd. 6). A school district that reorganizes under dissolution and attachment may levy the costs of severance pay or early retirement incentives for licensed and non-licensed employees who resign or retire early as a result of the reorganization. A school district with a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses.
- *Consolidation Retirement Levies* (M.S. 123A.485, Subd. 2). For a school district that consolidates under 123A.48, consolidation transition aid is equal to a maximum of $200 per resident pupil unit for the first year of consolidation and $100 per resident pupil unit for the second year of consolidation. If the cost of the early retirement incentives offered by the district under M.S. 123A.48, Subd. 23, exceeds the amount of consolidation transition aid, the district may levy for the difference for a period not to exceed three years.
- *Consolidation/Transition Levies* (M.S. 123A.41, Subd. 4, M.S. 123A.76). The board(s) of districts combining or combined under M.S. 123.37, Subd. 2, may levy over three years or less for costs directly related to the transition from cooperation to combination. These costs must be approved by the commissioner and may be costs of negotiations, administrative expenses, and new athletic or band uniforms. The board of a school district that has had all or a portion of a dissolved district attached to previous district boundaries may levy in the year the dissolution and attachment are effective for commissioner approved costs of negotiations and administrative expenses.
- *Swimming Pool Levy* (M.S. 126C.455). Each year, a school district with its home office located in a county that has (i) a population density of ten or fewer persons per square mile according to the 2000 census of population; (ii) an international border; and (iii) more than one school district within its boundaries, may levy for the net operational costs of a swimming pool. The levy may not exceed the net actual costs of operation of the swimming pool for the previous year.
- *Career and Technical Education Levy* (M.S. 126C.457 and M.S. 124D.4531). Through the Pay 2007 levy cycle, a district could levy an amount equal to the district's FY 2001 entitlement for Career and Technical Education or $10,000, whichever was greater. The 2005 legislature reestablished a formula-based career and technical education levy beginning in the Pay 2008 levy certification process. Districts with programs and budgets approved by MDE qualify for a levy equal to the lesser of $80 times district ADM in grades 10-12 or 25% of approved expenditures. A hold harmless provision guarantees the levy limit will not be less than the lesser of previous year levy or 100% of approved expenditures. Districts recognize the entire levy in the same fiscal year it is certified.
- *Economic Development Abatement Levy* (M.S. 469.1812 through M.S. 469.1815). The governing body of a political subdivision may grant an abatement of the taxes imposed by the political subdivision on a parcel of property, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:
  - ⇒ it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement or intends the abatement to phase in a property tax increase; and
  - ⇒ it finds that doing so is in the public interest. The political subdivision must add to its levy amount for the current year the total estimated amount of all current year abatements granted. No abatement aid is generated for these abatements.
- *Tree Growth Replacement Levy* (M.S. 126C.445). Districts may levy an amount not to exceed its tree growth revenue for taxes payable in 2001.
- *Administrative Services* (M.S. 123A.12). If an administrative position is discontinued in a district as a result of the purchase of administrative services from another district, the district may levy for costs of retirement incentives or severance pay or other costs related to the discontinuance of that position.
- *Carpenter Bus* (Laws of Minnesota, 2005 First Special Session, Chapter 5, Article 1, Section 49). A school district may levy $30,000 times the number of Carpenter school buses in its fleet as of 01-01 03, that have been determined to have potentially defective welds and are subject to limitations imposed by the Department of Public Safety. The levy authority may be spread over five years, taxes payable 2006 through 2010.

- *Lost Interest Earnings Levy* (Laws of 2001, First Special Session, Chapter 6, Article 1, Section 53, as amended by Laws of 2002, Chapter 377, Article 5, Section 5). For taxes payable in 2003-2006, districts could levy for the reduction in estimated net interest earnings attributable to the repeal of the general education levy, as calculated by the Minnesota Department of Education. This levy expired after taxes payable 2006.
- *Operating Debt Levy* (Laws of 1984, Chapter 463, Article 6, Section 15 and Laws of 1999, Chapter 241, Article 1, Section 2). Under special legislation, certain districts had authority to levy for past operating debt. No districts qualify after taxes payable 2007 levy.

Minnesota school districts will generate revenue to the extent needed for various general fund obligations, thereby contributing to their overall financial health. School districts will not need to allocate general education formula funding to these identified costs.

Activity Funding

The following table shows certified levy amounts and number of school districts participating in each program.

	FY 2004 02 PAY 03	FY 2005 03 PAY 04	FY 2006 04 PAY 05	FY 2007 05 PAY 06	FY 2008 06 PAY 07	FY 2009 07 PAY 08
1. Reemployment Ins.	$8,251.1	$3,333.5	$3,201.6	$9,420.6	$8,483.4	$859.0
# of Districts	184	92	123	282	291	287
2. Judgment Levy	185.7	87.0	85.5	1,740.8	1,691.6	837.2
# of Districts	8	4	3	17	13	22
3. Health Benefit	4,278.7	3,319.9	2,674.8	3,338.8	3,166.9	3,053.9
# of Districts	30	25	19	21	21	20
4. Additional Retirement	9,649.4	9,885.0	10,354.4	10,735.1	11,762.2	11,352.9
# of Districts	2	2	2	2	2	2
5. Mpls. Health Ins.	291.5	323.3	355.1	389.8	430.3	452.7
6. St. Paul Severance	662.2	777.9	834.3	911.9	951.1	1,009.6
7. Safe Schools Levy (1)	27,615.2	24,395.1	24,196.1	24,055.1	24,135.2	28,362.2
# of Districts	309	309	315	314	313	318
8. Ice Arena Levy	840.1	747.2	742.5	895.2	902.0	943.8
# of Districts	10	9	11	10	10	9
9. Reorg. Oper. Debt	378.1	212.4	196.1	-0-	-0-	-0-
# of Districts	5	3	2	-0-	-0-	-0-
10. Severance Levies	621.3	630.1	668.3	316.8	481.1	1,225.6
# of Districts	6	6	7	4	4	9
11. Consol/Retirement	-0-	-0-	-0-	-0-	-0-	-0-
# of Districts	-0-	-0-	-0-	-0-	-0-	-0-
12. Consol/Transition	-0-	-0-	-0-	-0-	-0-	-0-
# of Districts	-0-	-0-	-0-	-0-	-0-	-0-
13. Swimming Pool	383.4	424.2	457.0	508.5	561.2	558.2
# of Districts	4	4	4	4	4	4
14. Career and Technical	12,620.3	12,505.7	12,678.2	12,689.2	12,773.7	14,420.6
# of Districts	312	305	308	310	309	310
15. Econ. Dev. Abatement	299.6	395.5	413.7	491.6	740.9	942.6
# of Districts	5	8	7	7	10	10
16. Tree Growth (3)	631.5	630.2	618.0	620.8	622.1	631.5
# of Districts	48	47	46	46	47	49
17. Adm. Services(2)	-0-	-0-	-0-	-0-	19.1	19.1
# of Districts	-0-	-0-	-0-	-0-	1	1
18. Carpenter Buses (2)	-0-	-0-	-0-	3,205.4	781.6	592.3
# of Districts	-0-	-0-	-0-	36	16	11
19. Lost Interest Earnings (3)	2,994.2	2,992.8	2,987.7	2,975.1	-0-	-0-
# of Districts	337	339	336	333	-0-	-0-
20. Operating Debt	525.4	174.1	175.7	187.7	103.7	-0-
# of Districts	11	2	1	1	1	-0-

(1) Authority of up to $10 per AMCPUfor intermediate districts added for Pay 2006
(2) New levy for pay 2006
(3) Levy authority authorized for Pay 2003-Pay 2006 only

Key Activity Goals

This activity supports MDE's goal of expanding education options for students and families by providing revenue for districts with unique circumstances.

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Division, (651) 582-8566, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

Activity Description

Citation: M.S. 273.123; M.S. 273.1398; M.S. 273.1384; M.S 469.170; M.S. 469.171;

Information Only

Property tax credits and aids calculated by the Department of Revenue provide a vehicle for property tax reform or relief for targeted real property classes. The effect of these state paid property tax credits and aids is to shift a portion of property tax burden for education from property owners to the state.

Activity at a Glance

- Six credit programs in FY 2009
- $68 million total credits FY 2009

Population Served

All school districts in the state receive some form of state paid property tax credits. The number and the amount of state paid tax credits that districts and property tax owners in the district receive is dependent upon the local conditions.

Activity Funding

Current property tax credit and aid programs paid to school districts by the Minnesota Department of Education (MDE) reduce property taxes paid by property owners in one of two ways:

Programs reducing the property tax rate applied to the property value to calculate property tax.

- *Disparity Reduction Aid* provides relief to high tax rate areas. The Department of Revenue calculates a reduction to the initial tax rate to reduce the rate as much as 10%.

Programs providing a reduction to the calculated property tax (listed in the order applied to the tax).

- *Disaster Credit* provides relief to homesteads located in declared disaster or emergency areas.
- *Agricultural Preserves Credit* provides relief to owners of agricultural property in the seven county metropolitan area.
- *Disparity Reduction Credit* provides relief to apartments, commercial, industrial, and public utilities in economically depressed areas located at Minnesota borders designated as enterprise zones.
- *Residential Homestead Market Value Credit*, implemented in 2002, provides relief to residential homestead property, including the house, garage, one acre of land for farm homesteads, and certain resort homesteads. The credit is computed as 0.4% of the first $76,000 market value of each homestead property. The maximum credit is $304 and is phased out at a rate of .09% of the value over $76,000.
- *Agricultural Land Market Value Credit*, implemented in 2002, provides relief to agricultural homestead property, excluding the house, garage, and one acre. The credit is computed as 0.3% of the first $115,000 market value of each homestead property. The maximum credit is $345 and is phased out at a rate of .05% of the value over $115,000 with a maximum reduction of $115.

In addition to the property tax relief aids and credits listed above, school districts may receive others paid by the county, including power line credit, county conservation credit, and taconite homestead credit. Taconite homestead credit targets Iron Range homeowners with a credit of either 66% or 57%, depending on characteristics of the mining industry within the school district. The 66% credit has a maximum of $315.10 per property. The 57% credit has a maximum of $289.80 per property.

Activity Funding

Open appropriations are provided for the following aids and credits paid to school districts by MDE. The amounts include credits and aids for mobile home properties. The property tax credit expenditures are reported in the Department of Revenue budget.

State Paid Property Tax Credits

	Dollars in Thousands					
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
	02 Pay 03	03 Pay 04	04 Pay 05	05 Pay 06	06 Pay 07	07 Pay 08
Disparity Reduction Aid	$8,432	$8,927	$8,127	$7,983	$8,066	$8,704
Disaster Credit	19	-0-	-0-	-0-	27	105
Agricultural Preserves Credit	110	-0-	-0-	-0-	-0-	-0-
Disparity Reduction Credit	439	710	644	798	819	890
Homestead Market Value Credit	69,007	64,741	59,208	59,647	56,605	52,361
Agric Homestead Market Value Credit	5,879	5,209	5,296	5,597	5,769	5,646
TOTAL	$83,886	$79,587	$73,275	$74,025	$71,286	$67,706
Prior Year Adjustment	239	95	125	750	273	273
Adjusted TOTAL	$84,125	$79,682	$73,400	$74,775	$71,559	$67,979

Source: Tax Research Division, Department of Revenue, 01-25-08

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

Key Activity Goals

This activity supports the Minnesota Milestone that all Minnesotans will have decent, safe, and affordable housing by providing targeted property tax relief.

Contact

Additional information is available the Minnesota Department of Education, Division of Program Finance, (651) 582-8566, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

Budget Activities

This program includes the following budget activities:

- Charter School Lease Aid
- Charter School Start-Up Aid
- Integration Revenue
- Magnet School Grants
- Magnet School Start-Up Aid
- Interdistrict Desegregation Transportation

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	104,305	114,593	114,593	114,593	229,186
Technical Adjustments					
End-of-session Estimate			6,706	14,300	21,006
November Forecast Adjustment		(1,048)	2,790	2,555	5,345
Subtotal - Forecast Base	104,305	113,545	124,089	131,448	255,537
Governor's Recommendations					
Cap Integration Revenue at FY 2009 Level		0	(3,491)	(4,411)	(7,902)
Convert Perpich to Charter School		0	0	354	354
Aid Payments Shift		0	(10,846)	(379)	(11,225)
Total	**104,305**	**113,545**	**109,752**	**127,012**	**236,764**
Expenditures by Fund					
Direct Appropriations					
General	104,850	113,542	109,752	127,012	236,764
Statutory Appropriations					
Federal	13,361	15,034	7,500	7,500	15,000
Total	**118,211**	**128,576**	**117,252**	**134,512**	**251,764**
Expenditures by Category					
Local Assistance	118,211	128,576	117,252	134,512	251,764
Total	**118,211**	**128,576**	**117,252**	**134,512**	**251,764**
Expenditures by Activity					
Charter School Lease Aid	38,958	44,806	36,575	44,905	81,480
Charter School Start Up	8,576	9,028	8,889	8,737	17,626
Integration Revenue	59,036	60,905	55,345	61,289	116,634
Magnet Schools	741	759	750	750	1,500
Interdis Deseg Transportation	10,900	13,078	15,693	18,831	34,524
Total	**118,211**	**128,576**	**117,252**	**134,512**	**251,764**

Activity Description

Citation: M.S. 124D.11, Subd. 4;
Federal Citation: Elementary and Secondary Education Act of 1965, as amended, Title V Part B, Subpart 1.20, U.S.C. 8061-8067

This program provides funding to charter schools to access appropriate facilities for instructional purposes.

Activity at a Glance

- In FY 2008 there were 143 charter schools in Minnesota.

Estimated FY 2008 Activity

Pupil units (PU) served	31,807
Lease aid per PU (max)	$1,200
Average gross aid per PU	$1,036

Population Served

Charter schools and enrolled students are served by the aid program.

Services Provided

This program provides funding to charter schools to access appropriate facilities for instructional purposes. Charter schools may apply to the commissioner to receive additional funding for lease costs, after having determined that the total operating capital revenue under M.S. 126C.10, Subd. 13, is insufficient for their capital financial needs.

Federal funding is available to eligible charter schools. Minnesota Department of Education (MDE) received a five-year competitive grant through Title V, Part B of the Elementary Secondary Education Act-State Charter School Facilities Incentives Grant Program. MDE may award sub-grants to eligible charter schools, including one Minnesota Facilities Incentive Grant (MFIG)-Renovation. This project's funds are intended to assist charter school is facilities renovations.

Historical Perspective

This program began in FY 1998 with 25 of 27 charter schools receiving aid; 138 of 143 schools received lease aid in FY 2008.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging skills and knowledge; and 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy. The program also addresses the key department goal of expanding education options for students and families.

Key Measures

Charter School Lease Aid Statistics

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Estimate FY 2008
Eligible Lease Cost	$14,275,979	$17,833,442	$21,120,184	$23,589,096	$28,173,665	$32,764,300	$39,491,368
PU Served	11,480	13,856	15,889	19,524	23,028	26,766	31,807
Average Lease Cost Per PU	$1,244	$1,287	$1,329	$1,208	$1,223	$1,224	$1,242
Max Aid Per PU	$1,500	$1,500	$1,200	$1,200	$1,200	$1,200	$1,200
Total Gross Aid	$12,620,780	$15,625,004	$17,542,645	$20,634,020	$24,203,68	$27,792,863	$32,940,021
Average Aid/PU	1,099	1,127	1,104	1,057	1,051.07	1,038	1,036

Activity Funding

The commissioner reviews lease aid applications and denies or approves based on

- the reasonableness of the price based on current market conditions;
- the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school; and
- conformity of the lease to the laws and rules of the state of Minnesota.

Aid is limited to the lesser of

- 90% of actual net lease costs, or
- the product of the charter school's pupil units served for the current year times the greater of $1,200 or the charter school's building lease aid per pupil unit served for FY 2003 (30 charter schools have a grandfather allowance for FY 2008 greater than $1,200).[1]

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8801, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html. Information about charter school laws, school formation, and operation is available at http://education.state.mn.us/mde/Academic_Excellence/School_Choice/Public_School_Choice/Charter_Schools/index.html.

[1] Because M.S. 126C.05, Subd. 14, requires that pupil units be adjusted to reflect any change for the relative weighting by grade level or category of special assistance, the grandfather allowance based on FY 2003 was calculated to reflect the change in pupil unit weighting that occurred in FY 2004.

DEPT OF EDUCATION

Program: Ed Ex Choice Programs

Activity: Charter School Lease

Budget Activity Summary

			Dollars in Thousands				
			Current		Governor's Rec		Biennium
		Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
		General Fund					
	1	Total Current Appropriation	32,817	37,527	37,527	37,527	
		a. End of Session Estimate			4,890	10,008	
		b. November Forecast Adjustment		(755)	(1,735)	(2,432)	(4,167)
		c. Cancellation	(336)				
	2	**Forecast Base**	**32,481**	**36,772**	40,682	**45,103**	**(4,167)**
		Governor's Recommendation					
		a. Aid Payment Shift			(4,107)	(448)	(4,555)
		b. Convert Perpich to Charter School				250	
	3	**Governor's Recommended Appropriation**			**36,575**	**44,905**	**81,480**
District Revenue Summary (Entitlement Basis)							
AID		**State Aid**					
	3	Statutory Formula Aid	32,963	37,195	41,069	45,552	86,621
	4	Statutory Excess/(Shortfall)	373	798			0
	5	Appropriated Entitlement	33,336	37,993	41,069	45,552	86,621
	6	Adjustments					
		a. Cancellation	(373)				
		c. Appropriation Reduction		(798)			0
	7	**State Aid Entitlement Current Law**	32,963	37,195	41,069	45,552	86,621
plus	8	Governor Recommendation					
		a. Convert Perpich to Charter School				312	
	9	**Governor's Recommended Aid**			41,069	45,864	
	10	Current Law Revenue (State Aid & Levy)	32,963	37,195	41,069	45,864	86,621
REVENUE							
	11	**Other Revenue**					
		a. Federal	6,477	8,034			0
		b. Dedicated Receipts					
	12	**Total All Sources Current Law**	39,440	45,229	41,069	45,864	86,621
Appropriations Basis for State Aid							
		Prior Year (10%/20%)	2,814	3,296	3,719	8,213	11,932
		Current Year (90%80%)	30,003	33,476	32,856	36,692	69,548
		Cancellation Prior Year Account					
		Cancellation Current Year Account	(336)				
		Total State Aid - General Fund	**32,481**	**36,772**	**36,575**	**44,905**	**81,480**

Activity Description

State Citation: M.S. 124D.11, Subd. 8
Federal Citation: Elementary and Secondary Education Act of 1965; Title V, Part B, Subpart 1 –Charter Schools Program (CSP); CFDA 84.282A

The state and federal funded programs provide start-up funding for charter schools. State funding is available for the first two years of operation and federal funding is available for three years (typically one year for planning and the first two years of operation). Federal funding is provided as grants to assist charter schools in specific start-up activities.

Activity at a Glance

- There are currently 143 charter schools in Minnesota (FY 2008)
- Number of charter schools receiving funding (FY 2007 data)

State start-up	33
Federal start-up	69

Population Served

This program serves charter school organizers, charter schools, students, and their parents.

Services Provided

State funds for start-up of charter schools provide funding for the costs associated with start-up.

Federal funds may be used for the following purposes.

- Planning and Implementation
  - ⇒ For planning, program design, and initial implementation of new charter schools.
- Dissemination
  - ⇒ To fund proposals from eligible high quality charter schools that will support activities to open new public schools, including public charter schools, or share charter schools' best practices with other public schools.

Key Activity Goals

This activity supports the Minnesota Department of Education's (MDA) goal of expanding education options for students and families by providing start-up funding for new charter schools.

Key Measures

This table represents charter schools receiving state and federal funding. Since federal funding is available for three years and state funding is available for two years, the schools are counted more than once.

Charter Schools Receiving Start-Up Revenue

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
State	11	20	28	32	26	20	11	-0-*	23	33
Federal	39	47	53	48	40	37	54	70	65	69

*No appropriation for state start-up aid was provided for schools opening in FY 2005.

Activity Funding

The state funded start-up aid is available for two years and for each year equals the greater of $50,000 per charter school or $500 times the charter school's pupil units for that year. All charter schools receive this funding for their first two years of operation.

To qualify for federal start-up awards, schools must meet the following eligibility requirements.

- Planning and implementation grants: Newly approved public charter schools.
- Dissemination grants: Successful charter schools that have been in operation for three consecutive years. Demonstration of a successful charter school includes substantial improvement of student achievement, high

levels of parent satisfaction and the management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school.

Subgrants are awarded for a total period of up to 36 months; up to 18 months of the period may be used for planning and program design, and up to 24 months of which may be used for the initial implementation of a charter school. High-quality charter schools in their fourth or subsequent year of operation are eligible to receive one dissemination grant for a period of up to two years.

Federal planning and implementation maximum amount per school is $540,000, distributed over 36 months. This is usually divided into three periods:

- pre-operational planning - $180,000
- first year of implementation - $180,000
- second year of implementation - $180,000

Minnesota's dissemination grants have ranged from $50,000 to $300,000 per year. There is no specified maximum amount.

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

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs & Services Division, (651) 582-8217. Information about charter school laws, school formation, and operation is available at http://education.state.mn.us/mde/Academic_Excellence/School_Choice/Public_School_Choice/Charter_Schools/index.html.

DEPT OF EDUCATION

Program: ED EX CHOICE PROGRAMS

Activity: Charter School Start Up Aid

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	1,801	1,987	1,987	1,987	3,974
	a. End of Session Estimate			(484)	(541)	(1,025)
	b. November Forecast Adjustment		53	34	(356)	(322)
	c. Cancellation	(109)	(12)			
2	**Forecast Base**	**1,692**	**2,028**	**1,537**	**1,090**	**2,627**
3	Governor's Recommendation					
	a. Aid Payment Shift			**(148)**	43	(105)
	b. Convert Perpich to Charter School				104	104
4	**Governor's Recommended Appropriation**			**1,389**	**1,237**	**2,626**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	1,614	2,074	1,477	1,047	2,524
6	Statutory Excess/(Shortfall)	121	(59)			0
7	Appropriated Entitlement	1,735	2,015	1,477	1,047	2,524
8	Adjustments					
	a. Cancellation	(121)				
	b. Appropriation Reduction	0				
	c. Supplemental Appropriation		59			
9	**State Aid Entitlement Current Law**	1,614	2,074	1,477	1,047	2,524
10	Governor's Recommendation					
	a. Convert Perpich to Charter School				130	130
11	**Governor's Recommended Aid**				**1,177**	**1,177**
REVENUE						
12	**Other Revenue**					
	a. Federal	6,884	7,000	7,500	7,500	15,000
13	**Total All Sources Current Law**	8,498	9,074	8,977	8,547	**15,000**
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	239	172	207	295	502
	Cancellation (10%)		(11)			
	Current Year (90%/80%)	1,562	1,867	1,182	942	2,124
	Cancellation	(109)				
	Total State Aid - General Fund	**1,692**	**2,028**	**1,389**	**1,237**	**2,626**

Activity Description

Citation: M.S. 124D.86

The purpose of this state aid and local levy program is to promote voluntary racial integration, prevent segregation, and increase cross-cultural learning opportunities through programs established under an integration plan mandated by state rules.

Population Served

All students attending public schools receiving integration revenue are served by this program.

Activity at a Glance

- District participation has increased from 53 districts in FY 2003 to 113 districts in FY 2009.
- Integration plans are designed to provide voluntary strategies to reduce the racial isolation of school districts from their neighboring districts or to reduce racial isolation across schools within a single district.

Minnesota's minority population is projected to increase 52% between the years 2000 and 2015. Minnesota's public schools invest in integration programs and activities to meet the needs of their increasingly diverse students but also to prepare both majority and minority students to succeed in a global marketplace.

Services Provided

In conjunction with other programs focused on preparing integrated educational environments, this program helps achieve these goals:

- to increase the number of students enrolled in schools that offer an integrated educational environment;
- to create welcoming and encouraging school environments for children and families of color; and
- to increase experience and exposure to racial, ethnic, and cultural diversity for students, staff, and communities.

Integration revenue may be used for

- additional operating costs for magnet/specialty schools or other methods used to achieve school district integration;
- integration transportation costs (see Interdistrict Desegregation Transportation budget narrative);
- staff development costs for preparing teachers to work with diverse populations in an integrated setting;
- development and implementation of strategies to meet the needs of diverse populations of students in an integrated setting; and
- supplemental support services for unique student needs in integrated schools.

Under State Board of Education Rule 3535 (Desegregation Rule), an integration plan is required in two instances.
Racially identified school within a district.

- When the percentage of protected students in a school exceeds the percent of protected students in the district and grade levels served by the school by 20 percentage points or more. In this case, the integration plan must specify how the district will increase opportunities for interracial contact between students in the building with other students in the same district.

Racially identified school district.

- When the percentage of protected students in a district exceeds the percent of protected students in any contiguous district by 20 percentage points or more. In this case, the integration plan must specify how the district will increase opportunities for interracial contact between students in the district and, students in the contiguous districts.

Protected students means students are identified in the general racial categories of African/Black Americans, Asia/Pacific Americans, Chicano/Latino Americans, American Indian/Alaskan Native. Multiracial students self-identify or are identified as having origins in more than one of the categories or as having origins in one of the categories and in the category of Caucasian.

Historical Perspective

The Duluth, Minneapolis, and St. Paul school districts currently operate under authority of Rule 3535 and have had approved integration plans in place since the 1970s. In FY 2000, 19 more districts operated under authority of Rule 3535. Effective FY 2002, districts that were not required to implement a integration plan under the State Board of Education Rule are eligible for integration revenue if they voluntarily participate in a multidistrict integration collaborative.

School District Participation

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Minneapolis, St. Paul, Duluth	3	3	3	3	3	3	3
Racially isolated districts (excluding Minneapolis and St. Paul)	11	13	17	19	22	27	29
Districts with greater than 15%[1]	9	10	11	12	13	16	17
Districts with less than 15%[2]	30	36	49	57	55	52	64
Total	53	62	80	91	93	98	113
Pupil Units (adjusted)	412,493	399,689	465,955	459,553	*502,881	*529,696	*534,212

*Estimated
1 – protected class but not isolated or with racially identified schools
2 – protected class who are required to implement an integration plan per rule or are a member of an interdistrict integration collaborative

It is anticipated that growing concentrations of students of color in both urban core districts and in southwestern Minnesota will continue. The desegregation rule requires greater collaboration among more districts in addressing integration issues.

Key Activity Goals

This program addresses the following Minnesota Department of Education goals: 1) improving student achievement/preparing students to compete in a global economy; 2) closing the achievement gap; and 3) improving teacher quality.

Key Measures

- Students and parents in racially identified school districts and school sites have a variety of school choice options that provide opportunities for increased interracial interaction and improved educational opportunities.
- School districts and school sites participating in the integration program create educational programs and services that address specific educational needs of protected students in the context of an integrated learning environment and that contribute towards increased student achievement and success.
- School districts and school sites participating in the integration program create educational programs and services that increase cultural and racial understanding.
- School districts and school sites participating in the integration program provide professional development activities to licensed and non-licensed staff that support the implementation of educational programs that provide for increased student achievement and interracial interaction.

Activity Funding

This program is funded with a combination of state aid and a local property tax levy. The percent of revenue from state aid has ranged from 54% in FY 1999 to 78% for several of the years covered, with the balance coming from local taxpayers. Currently, state aid is 70% of revenue. Unlike most levies, for cities of the first class and for FY 2001 the entire amount levied is recognized as revenue in the fiscal year in which the levy is certified. Effective FY 2002 for other than cities of the first class, the revenue is recognized in the fiscal year following the levy.

Each eligible district must submit a proposed budget for approval by the Minnesota Department of Education (MDE) detailing the costs of implementing the integration plan. At the end of the school year the district reports

the actual expenditures related to implementation of the plan. For FY 2000 and later years, the maximum integration revenue for eligible districts other than Minneapolis, St. Paul, and Duluth (and for increases over the FY 2000 funding level for these three districts) is the lesser of the cost of implementing the district's plan or the statutorily-defined rate times the adjusted pupil units. Current statutory rates are provided below.

Minneapolis

- $445 plus an additional levy amount of $35 per adjusted pupil unit

St. Paul

- $445

Duluth

- $206

Other eligible districts

- $92/$129 per adjusted pupil unit for districts, other than Minneapolis, St. Paul, or Duluth, that must implement a plan under State Rule 3535.0100 to 3535.0180. Districts with more than 15% protected student enrollment are eligible for $129 per adjusted pupil unit. Other districts, including noncontiguous districts and voluntary districts are eligible for $92 per adjusted pupil units. Districts receive the lesser of the actual cost of implementation of the approved plan or $129 per adjusted pupil unit.

Effective FY 2001, districts other than cities of the first class may generate alternative attendance integration aid by providing a budget for approval and reporting related expenditures. The state aid is equal to the lesser of the cost of the plan or the state aid portion of the revenue amount generated by residents of Minneapolis, St. Paul, or Duluth.

The following table summarizes the trends in integration revenue since FY 2002.

Total Integration Revenue By District

Dollars in Thousands

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Duluth	$ 2,841	$ 2,722	$ 2,593	$ 2,444	$ 2,416	$ 2,347	$ 2,299
Minneapolis	30,259	23,906	22,645	24,465	20,477	19,511	18,657
St. Paul	23,282	23,136	21,533	20,983	20,931	20,493	20,386
Other Districts	24,147	27,393	30,946	29,063	43,121	48,776	51,811
STATE TOTALS	$80,529	$77,157	$77,717	$76,955	$86,945	$91,127	$93,153

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Choice Programs and Services, (651) 582-8586, http://education.state.mn.us/mde/Academic_Excellence/School_Choice/index.html.

DEPT OF EDUCATION

Program: ED EX CHOICE PROGRAMS

Activity: Integration Revenue

Budget Activity Summary

			Dollars in Thousands				
			Current		Governor's Rec		Biennium
		Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
		General Fund					
	1	Total Current Appropriation	59,036	62,448	62,448	62,448	124,896
		a. End of Session Estimate			(76)	(394)	(470)
		b. November Forecast Adjustment		(1,543)	3,055	3,620	6,675
		c. Transfer per M.S. 127A.41					
	2	**Forecast Base**	**59,036**	**60,905**	**65,427**	**65,674**	**131,101**
	3	Governor's Recommendation					
		a. Aid Payment Shift			(6,591)	26	(6,565)
		b. Cap Integration Revenue at FY 2009 Level			(3,491)	(4,411)	(7,902)
	4	**Governor's Recommended Appropriation**			**55,345**	**61,289**	**116,634**
District Revenue Summary (Entitlement Basis)							
AID		**State Aid**					
	5	Statutory Formula Aid	59,124	61,103	65,907	65,648	131,555
	6	Statutory Excess/(Shortfall)		1,714			0
	7	Appropriated Entitlement	59,124	62,817	65,907	65,648	131,555
	8	Adjustments					
		a. Transfer per M.S. 127A.41					
		b. Supplemental Appropriation					
		c. Appropriation Reduction		(1,714)			
	9	**State Aid Entitlement Current Law**	59,124	61,103	65,907	65,648	131,555
plus	10	Governor's Recommendation					
		a. Cap Integration Revenue at FY 2009 Level			(4,363)	(4,423)	(8,786)
	11	**Governor's Recommended Aid**			**61,544**	**61,225**	**122,769**
LEVY		**Levy**					
	12	Local Levy Current Law	26,283	27,032	29,134	29,006	58,140
equals	13	Governor's Recommendation					
		a. Cap Integration Revenue at FY 2009 Level			(1,870	(1,896)	(3,766)
	14	**Governor's Recommended Levy**			**27,264**	**27,110**	**54,374**
REVENUE	15	Current Law Revenue (State Aid & Levy)	85,407	88,135	95,041	94,654	189,695
	16	**Governor's Recommended Revenue**			**88,808**	**88,335**	**177,143**
Appropriations Basis for State Aid							
		Prior Year (10%/20%)	5,824	5,912	6,110	12,309	18,419
		Current Year (90%/80%)	53,212	54,993	49,235	48,980	98,215
		Transfer per M.S. 127A.41					
		Total State Aid - General Fund	**59,036**	**60,905**	**55,345**	**61,289**	**116,634**

Activity Description

Citation: M.S. 123B.04, M.S. 124D.871

The purpose of this state grant program is to provide funding for school districts and charter schools to establish or continue implementation of magnet school or programs. This grant also allows schools to increase learning opportunities within integrated educational settings and establish voluntary desegregation efforts across district efforts. Additionally, this grant will fund a site-based decision-making grant, up to $100,000 each year, for innovative program oversight.

Activity at a Glance

- 10 projects were funded in FY 2007 and FY 2008 (six in the Twin Cities, four in greater Minnesota).
- Communities and school districts statewide wishing to provide integrated learning opportunities to students are able to apply for this competitive grant.

Population Served

Districts, students, and parents in participating programs or projects are the primary population served.

Minnesota's minority population is projected to increase 52% between the years 2000 and 2015. Minnesota's public schools invest in integration programs and activities to meet the needs of their increasingly diverse students but also to prepare both majority and minority students to succeed in a global marketplace.

Services Provided

Magnet schools and program grants are competitively available statewide for the development of integrated learning environments. Following is a list of costs eligible for the funding.

- salaries for teachers who provide instruction or services to students in a magnet school or magnet program
- salaries for education paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program
- equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program
- minor remodeling needed to operate a magnet school or magnet program
- transportation for all field trips that are part of a magnet school or magnet program curriculum
- program planning and staff curriculum development for a magnet school or magnet program
- disseminating information on magnet schools and magnet programs
- indirect costs calculated according to the state statutory formula governing indirect costs

Key Activity Goals

This program addresses the following Minnesota Department of Education goals: 1) improve student achievement/prepare students to compete in a global economy; and 2) closing the achievement gap.

Key Measures

- Development and implementation of magnet schools and programs that attract students through added learning opportunities in high interest areas.
- Development and implementation of magnet schools and programs that promote cultural/racial understanding and provide greater racial balance.
- Development and implementation of magnet schools and programs that provide rigorous preparation in math, science, and language arts, and are aligned with state and national standards ensuring increased student achievement and success.

Activity Funding

Magnet schools and program grants are awarded for planning, developing, and operating magnet school programs that provide integrated learning environments. Public schools, charter schools, and joint powers boards are eligible recipients.

Funding History

	Dollars in Thousands					
District	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005**	**FY 2006**	**FY 2007**
WMEP FAIR School				100.0		
St Louis Park	102.0				41.6	
Willmar Area Project	202.0	150.0				
Chisholm	46.0					
Waseca		100.0				
WMEP Education Program		100.0				
Twin Cities International Elementary		8.4	16.0	13.0	12.6	10.0
Osseo		73.6				
NW Suburban Desegregation		27.2				
Ely		31.6	90.0			
East Metro		144.1				
Anoka Hennepin Magnet School		99.5	85.4	70.0		
West St. Paul ISD 197			70.0	47.0	100.0	100.0
Bemidi-Central					80.0	90.0
Duluth-Lincoln Park				94.0	50.0	
Duluth-Lowell					90.0	
Robbinsdale			63.0	70.0	60.0	
Minneapolis-Edison & Northup			97.0	239.0	215.2	167.0
High School for the Recording Arts			30.0			
White Bear Lake			27.0			
Bemidji-J.W. Smith						60.0
Duluth-Woodland MS						60.0
South Washington County-Spanish Immersion						90.0
Richfield-Spanish Immersion Magnet						78.0
Duluth-Nettleton						90.00
St Paul			100.0	117.0	100.0	
Totals	**$ 350.0**	**$ 734.4**	**$ 578.4**	**$ 750.0**	**$ 749.4**	**$ 745.0**

Contact

Additional information is available from the Minnesota Department of Education, Division of Choice Programs and Services, (651) 582-8586, http://education.state.mn.us/mde/Academic_Excellence/School_Choice/index.html.

DEPT OF EDUCATION
Program: ED EX CHOICE PROGRAMS
Activity: MAGNET SCHOOLS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	750	750	750	750	1,500
Subtotal - Forecast Base	750	750	750	750	1,500
Total	**750**	**750**	**750**	**750**	**1,500**
Expenditures by Fund					
Direct Appropriations					
General	741	759	750	750	1,500
Total	**741**	**759**	**750**	**750**	**1,500**
Expenditures by Category					
Local Assistance	741	759	750	750	1,500
Total	**741**	**759**	**750**	**750**	**1,500**

Activity Description

Citation: M.S. 124D.88, Subd. 4

The purpose of this aid program is to provide additional funds for magnet schools for their first two years of operation to address expenses associated with start-up activities.

Activity at a Glance

- Two magnet schools have received this grant since FY 2001; no new schools have started since FY 2002
- The funds help magnet schools with start-up costs for two years

Population Served

Magnet schools in their first two years of operation are eligible to participate in this program. During the first two years of a metropolitan magnet school's operation, the school is eligible for aid to pay for start-up costs and additional operating costs.

Services Provided

In conjunction with other programs focused on preparing integrated educational environments, this program helps achieve these goals:

- to increase the number of students enrolled in schools that offer an integrated education environment;
- to promote opportunities to close achievement gaps; and
- to increase experience and exposure to racial, ethnic, and cultural diversity for students, staff, and communities.

Metropolitan magnet schools have strategies to

- close achievement gaps between learners from economically disadvantaged families and their peers;
- create a sense of belonging for students and families in diverse school settings;
- create multicultural exchanges for teachers and students;
- create prototype schools that model interdistrict cooperation and collaboration;
- create curricula expertise and delivery system improvements;
- provide professional development related to understanding diversity;
- create a community of learners whose achievements are enhanced by diversity; and
- provide programming themes such as environmental sciences or the arts to attract students.

Key Activity Goals

To establish or continue implementation of magnet schools or programs and to assist in the integration of public schools by supporting the elimination, reduction, and prevention of minority group isolation in public schools. In order to meet the purpose of the program, the project must establish or operate a magnet school or a program and provide all students with equitable education opportunities.

Key Measures

Two schools received start-up funding in FY 2001-03

- **Fine Arts Interdisciplinary Resource (FAIR) Magnet School** is for students in grades 4-8. FAIR school is one of two schools created by the West Metro Education Program (WMEP) to provide intercultural learning opportunities for students from Minneapolis and surrounding suburban school districts. The learning opportunities at FAIR school focus on three major areas: intercultural learning, fine arts performance, and academic excellence.
- **Crosswinds Arts and Science Magnet School** is a program of the East Metro Integration District. The school supports a year round 45/15 calendar. The Crosswinds academic program integrates arts and science into all subject areas and emphasizes hands-on, group work to help students understand the connections between what they are learning and the real world.

The two collaborative districts that have received magnet school start-up grants show an increasingly diverse population. The Crosswinds Arts and Science Magnet School has a racial mix of 52% white and 48%

minority/protected students. The FAIR Magnet School has a racial mix of 69% white and 31% minority/protected students. Comparatively, the percentage of minority/protected students in the two magnet schools is less than Minneapolis or St. Paul that exceed 73%. However, the two schools have a greater percentage of protected students than most of the member districts in the collaboratives. This shows that the schools are meeting the intent of the law.

Magnet schools or programs funded under this grant have demonstrated success by continuing programs beyond the funded period. This includes, 1) the district ability to sustain a magnet school and maintain quality of programs and services for students and 2) the district ability to replicate the piloted program to implement it district wide. For example, St. Paul implementation of the AVID program after the third year of the magnet grant period; Garlough Environmental Magnet School sustaining the magnet school after the third year of the grant.

Activity Funding

Metropolitan magnet school start-up cost grant formula is based on $500 times the magnet school's pupil units served for that year. In the last seven years, two schools have qualified for aid in the first two years of operation.

	Dollars in Thousands				
	FY 2002	FY 2003	FY 2004*	FY 2005*	FY 2006*
WMEP FAIR School	$324	-0-	-0-	-0-	-0-
East Metro Crosswinds Middle	$129	$212	-0-	-0-	-0-

*No schools qualified in FY 2004-08.

In addition to the start-up funding, M.S. 124D.88 provides authority for a metropolitan magnet school capital facility grant program for the purpose of promoting integrated education for students in prekindergarten through grade 12, for the seven-county metropolitan area. The grant money must be used only to design, acquire, construct, expand, remodel, improve, furnish, or equip the building or site of a magnet school facility. Application processes and procedures are stated in statute. No school districts or collaboratives have applied for this grant program in recent years.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8811, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: EDUCATION EXCELLENCE CHOICE PROGRAMS

Activity: Magnet School Startup Grants

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	0	0	0	0	0
	a. End of Session Estimate					0
	b. November Forecast Adjustment					0
	c. February Forecast Adjustment					0
2	**Governor's Recommended Appropriation**	**0**	**0**	**0**	**0**	**0**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	0	0	0	0	0
4	Statutory Excess/(Shortfall)		0			0
5	Appropriated Entitlement	0	0	0	0	0
6	Adjustments					
7	**State Aid Entitlement Current Law**	0	0	0	0	0
	Appropriations Basis for State Aid					
	Prior Year (10%/20%)	0	0	0	0	0
	Current Year (90%/80%)	0	0	0	0	0
	Total State Aid - General Fund	**0**	**0**	**0**	**0**	**0**

Activity Description

Citation: M.S. 124D.87

The purpose of this state aid program is to promote interdistrict desegregation and integration programs among school districts by providing state aid to cover unreimbursed student transportation costs. This program helps achieve these goals:

- to provide transportation services so that more children and families are able to participate in schools and/or programs that offer an integrated educational environment;
- to provide access to schools and programs that help close achievement gaps between learners from economically disadvantaged families and their peers;
- to create welcoming and encouraging school environments for children and families of color; and
- to increase experience and exposure to racial, ethnic, and cultural diversity for students, staff, and communities.

Activity at a Glance

- In FY 2007, over 5,000 students were transported to and from interdistrict desegregation or integration schools and the choice is yours (CIY) program at a cost of $9.1 million.
- Other students were transported to a program or event at a cost of $287,356 in FY 2007.

Population Served

This program serves public school students attending interdistrict desegregation or integration schools or programs and low-income Minneapolis students attending suburban districts under the CIY program.

Services Provided

Transportation is provided between the student's home or school and the interdistrict program or school. School districts have entered into joint powers agreements to develop desegregation/integration programs and/or schools. Existing programs include the East Metro Integration District (6067), West Metropolitan Education Program District (WMEP) (6069), and the North West Suburban Integration School District (6078). Other programs exist to promote desegregation/integration experiences in more than 100 school districts.

Key Activity Goals

By providing transportation services that enable more students to participate in an integrated educational environment, this program addresses the key agency goals of expanding education options for students and families and closing the achievement gap.

Key Measures

Both the number of districts and the number of students participating has increased over time as shown in the table below. A large portion of the increase is attributable to the collaborative choice is yours program, which is a part of the overall desegregation program. Students transported under this program numbered 1,900 in FY 2006 and are expected to increase to 2,200 in FY 2008.

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Number of Districts	17	19	23	23	28	33	44	49
Number of Students Transported	1,232	1,527	2,206	3,322	3,725	4,036	4,341	5,067

Activity Funding

The state aid equals the difference between the transportation costs and the portion of general education revenue attributable to transportation generated by the participating students.

From FY 1996 through FY 2001, the state aids were first directed to districts providing transportation for interdistrict integration programs. Excess funds were available to fund costs of providing transportation of open-

enrolled students whose enrollment contributed to integration. Beginning in FY 2002, funding is available on an equal basis for both interdistrict magnet programs and open enrolled students contributing to integration.

Effective with FY 2002 expenditures, the formula for this program is changed from a current funding basis formula to a reimbursement basis formula. Districts receive the reimbursement for actual costs. Districts qualifying for aid in the prior year are required to recognize the revenue in the year earned.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8855, http://education.state.mn.us/MDE/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: ED EX CHOICE PROGRAMS

Activity: Interdistrict Desegregation Transportation — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	9,901	11,881	11,881	11,881	23,762
	a. End of Session Estimate			2,376	5,227	7,603
	b. Transfer per M.S. 127A.41	999				
	c. November Forecast Adjustment		1,197	1,436	1,723	3,159
2	**Governor's Recommended Appropriation**	**10,900**	**13,078**	**15,693**	**18,831**	**34,524**

District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	10,900	13,078	15,693	18,831	34,524
4	Statutory Excess/(Shortfall)	(999)	(1,197)			0
5	Appropriated Entitlement	9,901	11,881	15,693	18,831	34,524
6	Adjustments					
	a Supplemental Appropriation		1,197			
	b. Transfer per M.S. 127A.41	999				
7	**State Aid Entitlement Current Law**	10,900	13,078	15,693	18,831	34,524
Appropriations Basis for State Aid						
	Transfer per M.S. 127A.41	999				
	Current Year	9,901	13,078	15,693	18,831	34,524
	Total State Aid - General Fund	**10,900**	**13,078**	**15,693**	**18,831**	**34,524**

Budget Activities

- Success for the Future
- Indian Teacher Preparation Grants
- Tribal Contract Schools
- Early Childhood Programs at Tribal Schools

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	4,602	4,787	4,787	4,787	9,574
Technical Adjustments					
End-of-session Estimate			138	274	412
November Forecast Adjustment		(511)	(568)	(521)	(1,089)
Subtotal - Forecast Base	4,602	4,276	4,357	4,540	8,897
Governor's Recommendations					
Aid Payments Shift		0	(412)	(18)	(430)
Total	**4,602**	**4,276**	**3,945**	**4,522**	**8,467**
Expenditures by Fund					
Direct Appropriations					
General	4,244	4,241	3,945	4,522	8,467
Total	**4,244**	**4,241**	**3,945**	**4,522**	**8,467**
Expenditures by Category					
Local Assistance	4,244	4,241	3,945	4,522	8,467
Total	**4,244**	**4,241**	**3,945**	**4,522**	**8,467**
Expenditures by Activity					
Success For The Future	2,137	2,137	1,923	2,137	4,060
Indian Teacher Preparation	186	194	190	190	380
Tribal Contract Schools	1,853	1,842	1,764	2,127	3,891
Tribal Early Childhood Program	68	68	68	68	136
Total	**4,244**	**4,241**	**3,945**	**4,522**	**8,467**

Activity Description

Citation: 124D.81

Success for the future is a state grant program that combines and expands the best features of three discontinued grant programs. This grant program provides funding to grantees that develop comprehensive and collaborative plans to support academic achievement, decrease the dropout rate and improve the school climate in a culturally appropriate manner for American Indian students.

Activity at a Glance

- 32 grants funded for six years (2007-13) with annual renewal of funds
- 8,850 American Indian students served

Population Served

- Twenty-six public school districts, four tribal schools, and two charter schools were awarded success for the future grant funds.
- American Indian student population served (urban – 4,850; rural/urban 4,000).

Services Provided

Success for the future collaborative programs provide the following program services to increase student achievement and lower the dropout rates:

- targeted retention programs,
- academic and counseling services,
- advocacy and liaison services,
- innovative curriculum based on technology, and
- best practices in teaching for American Indian students.

Key Activity Goals

The key measures are consistent with MDE goals of improving student achievement and closing the achievement gap.

Key Measures

- Increase the literacy/reasoning (math, science, critical thinking, etc.) skills of American Indian students through the use of culturally infused curriculum that supplements and does not supplant schools/district curriculum or programs. This will be shown by a 5% increase of identified students as shown by the MCAAII.
- Increase by 5% the number of American Indian student's grades 7-12 who participate in extra/co-curricular activities, international baccalaureate, advanced placement, postsecondary options, and who take the SAT, ACT, CLEP, PSAT, PLAN, or EXPLORE.

Activity Funding

The grants are awarded for a six-year period with a biennial renewal process.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Number of Grants Funded	30	30	30	31	31	32
Number of Applicants	46	46	46	46	46	48
Percent of Applicants Funded	65%	65%	65%	67%	67%	66%
Number of Participating Indian Students	9,454	7,778	10,527	8,950	8,950	8,850
Number of Indian Students in /Districts Statewide	17,145	17,479	17,667	17,574	17,397	17,000
Percent Served	55.1%	44.5%	59.6%	50.9%	51.4%	47.0%

The amounts in the narrative may differ when compared to the fiscal summary due to the timing of the state fiscal year-end close and forecast changes. Numbers of students served has declined because programs have chosen to work with a smaller group of students so they can better focus on the activities.

Contact

Additional information is available from the Minnesota Department of Education, Office of Indian Education, (651) 582-8862, http://education.state.mn.us/mde/Academic_Excellence/Indian_Education/index.html.

DEPT OF EDUCATION

Program: ED EX INDIAN PROGRAMS

Activity: Success for the Future

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	2,137	2,137	2,137	2,137	4,274
	a. Cancellation					
2	**Forecast Base**	**2,137**	**2,137**	**2,137**	**2,137**	**4,274**
	Governor's Recommendation					
	a. Aid Payment Shift			(214)	0	(214)
3	**Governor's Recommended Appropriation**			**1,923**	**2,137**	**4,060**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
4	Statutory Formula Aid	2,137	2,137	2,137	2,137	4,274
5	Statutory Excess/(Shortfall)					0
6	Appropriated Entitlement	2,137	2,137	2,137	2,137	4,274
7	Adjustments					
	a. Cancellation					
8	**State Aid Entitlement Current Law**	2,137	2,137	2,137	2,137	4,274
Appropriations Basis for State Aid						
	Prior Year (10%)	213	213	213	427	640
	Current Year (90%)	1,924	1,924	1,710	1,710	3,420
	Total State Aid - General Fund	**2,137**	**2,137**	**1,923**	**2,137**	**4,060**

Activity Description

Citation: M.S. 122A.63

The state-funded Indian Teacher Preparation Grant program assists American Indian people to become teachers and provides additional education for American Indian teachers. This program provides a source of certified American Indian teachers to specific school districts with significant concentrations of American Indian students.

Activity at a Glance

These grants assist American Indian students to become teachers and assist American Indian teachers to gain additional education or certification.

- Grants are awarded to Augsburg College in collaboration with Minneapolis and St. Paul Public Schools, Bemidji State University in collaboration with Red Lake Public School, Moorhead Public Schools, and the University of Minnesota-Duluth in collaboration with Duluth Public Schools.
- The grants support approximately 29 students per year.

Population Served

Eligible American Indian students attending one of the four colleges or universities eligible to receive grants can apply for assistance through this program.

An American Indian person who meets one of the following criteria is eligible to participate in the program:

- a student who intends to become a teacher and is enrolled in one of the postsecondary institutions receiving grants;
- a teacher aide who intends to become a teacher and who is employed by a district receiving a joint grant; or
- a licensed employee of a district receiving a joint grant who is enrolled in a master of education degree program.

Services Provided

This program provides grants and loans to American Indian students who have the potential to complete a teacher-training program and have demonstrated a financial need. The student receives funding in the form of grants and loans. Loans are forgiven through service at the participating school district.

Historical Perspective

This program began in 1979 as a result of a collaborative effort between the state, tribal governments, public school districts, and postsecondary institutions.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Number of Eligible Institutions	4	4	4	4	4	4
Number of New Participants	21	25	25	23	24	29
Number of Graduates	4	7	8	3	2	8

Individuals participating in the program range from teachers working on additional licensure programs to undergraduate students ranging from sophomore second-semester students through seniors. Typical education students require four and half to five years to complete postsecondary programs and receive licensure. In addition, because of financial and other issues, it is not uncommon for many students to take longer to complete their postsecondary education.

Key Activity Goals

The measures are reflective of the Minnesota Department of Education's goal of improving teacher quality.

Key Measures

In conjunction with other programs focused on preparing a multicultural teacher workforce, this program helps achieve these goals:

- To diversify Minnesota's teaching staff to better reflect the children and families in our public schools;
- To increase cultural awareness among teaching staff and administration;

- To create a welcoming and understanding school environment for minority children and families; and
- To increase experience and exposure to a diversity of teachers for all of Minnesota's students.
- There have been 60 graduates of the program since its inception in 1979.
- A total of 90 American Indians have participated or are participating in the program to date.

Activity Funding

Grant awards are made by the agency based on applications from project sites specified in the legislation. Payments are made either to the school district or the postsecondary institution, as determined by agreement.

Grant Summary:
Funding to each of these partnerships is constant through FY 2008.

Indian Teacher Preparation Grants

	Dollars in Thousands FY 2008
Bemidji State University and Red Lake School District sites	$ 40
Moorhead State University and White Earth Nation sites	40
U of M-Duluth and Duluth School District sites	70
Augsburg College and Minneapolis and St. Paul School Districts' sites	40
TOTAL	$190

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

Contact

Additional information is available from the Minnesota Department of Education, Office of Indian Education, (651) http://education.state.mn.us/MDE/Academic_Excellence/Indian_Education/index.html.

DEPT OF EDUCATION
Program: ED EX INDIAN PROGRAMS
Activity: INDIAN TEACHER PREPARATION

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	190	190	190	190	380
Subtotal - Forecast Base	190	190	190	190	380
Total	**190**	**190**	**190**	**190**	**380**
Expenditures by Fund					
Direct Appropriations					
General	186	194	190	190	380
Total	**186**	**194**	**190**	**190**	**380**
Expenditures by Category					
Local Assistance	186	194	190	190	380
Total	**186**	**194**	**190**	**190**	**380**

Activity Description

Citation: M.S. 124D.83

This state aid program provides funding 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.

Activity at a Glance

FY 2007

- 820 American Indian students attend the four contract/grant schools in Minnesota.

Population Served

Annually, 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 aid provided that the school

- plans, conducts, and administers 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
- complies with all other state statutes governing independent school districts or their equivalent in the Code of Federal Regulations, Title 25.

Eligibility is limited to the 4 tribal schools in the state.

- Bug-O-Nay-Ge-Shig School, Leech Lake
- Circle of Life School, White Earth
- Nay Ah Shing School, Mille Lacs
- Ojibwe School, Fond du Lac

Services Provided

The funds are placed in the schools' operating budget to provide general education services and are not specifically set aside to meet any legislated goals.

The tribal schools report student data on Minnesota Automated Reporting Student System (MARSS) and have adopted graduation standards and state testing according to their comprehensive education plans. They also test students to be in compliance with No Child Left Behind, Title I and Bureau of Indian Affairs regulations.

Key Activity Goals

While promoting equal education opportunities for students enrolled in tribal contract schools, this funding helps improve student achievement and prepares the students to compete in a global economy. It also addresses two of the MDE goals: Improving student achievement and closing the achievement gap.

Key Measures

The appropriation is for the schools' general fund for educational services. In October 2004, yearly report cards for each school were collected and baseline data compiled regarding graduation standards, retention rate, and test scores.

Activity Funding

State aid is calculated by

1. **multiplying** the formula allowance under M.S. 126C.10, Subd. 2 minus $170 times the actual pupil units in average daily membership and the number of pupils for the current school year;
2. **adding** compensatory revenue based on compensation revenue pupil units times the formula allowance minus $300;
3. **subtracting** the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs;

4. **dividing** the result in clause (3) by the sum of the actual pupil units in average daily membership plus the tribal contract compensation revenue pupil units; then,
5. **multiplying** the sum of the actual pupil units in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of $1,500 or the result in clause (4).

Funding Per School

Dollars in Thousands

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Bug-O-Nay-Ge-Shig	$702.9	$712.3	$721.9	$727.8	$759.6	$695.7
Circle of Life	306.3	307.1	280.9	282.3	274.8	278.0
Nay Ah Shing	315.3	584.7	425.9	495.1	214.6	116.4
Fond du Lac	-0-	-0-	-0-	-0-	-0-	-0-
Total	$1,324.5	$1,604.1	$1,428.7	$1,505.2	$1,2,49.0	$1,090.1

Federal aid to the tribal schools is based on school attendance during the fall count week; therefore, the schools do not receive federal funding for students transferring to the tribal school after that time. Although the schools receive state aid for students transferring midyear based on average daily membership, the amount does not make up for federal funding lost.

Fond du Lac has not participated in recent years because of a service agreement with the Cloquet School District that is annually negotiated. It is possible in future years that Fond du Lac would choose to participate in this program.

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

Contact

Additional information is available from the Minnesota Department of Education, Indian Education Division, (651)582-8831, http://education.state.mn.us/mde/Academic_Excellence/Indian_Education/index.html.

DEPT OF EDUCATION

Program: ED EX INDIAN PROGRAMS

Activity: Tribal Contract Schools

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	2,207	2,392	2,392	2,392	4,784
	a. End of Session Estimate			138	274	412
	b. November Forecast Adjustment		(511)	(568)	(521)	(1,089)
	c. Cancellation	(354)	(39)			
2	**Forecast Base**	**1,853**	**1,842**	**1,962**	**2,145**	**4,107**
3	Governor's Recommendation					
	a. Aid Payment Shift			(198)	(18)	(216)
4	**Governor's Recommended Appropriation**			**1,764**	**2,127**	**3,891**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	1,832	1,843	1,975	2,164	4,139
6	Statutory Excess/(Shortfall)	393	568			0
7	Appropriated Entitlement	2,225	2,411	1,975	2,164	4,139
8	Adjustments					
	a. Cancellation	(393)				
	b. Appropriation Reduction		(568)			
9	**State Aid Entitlement Current Law**	1,832	1,843	1,975	2,164	4,139
Appropriations Basis for State Aid						
	Prior Year (10%20%)	204	222	184	395	579
	Current Year (90%/80%)	2,003	1,659	1,580	1,732	3,312
	Cancellation	(354)	(39)			
	Total State Aid - General Fund	**1,853**	**1,842**	**1,764**	**2,127**	**3,891**

Activity Description
Citation: M.S. 124D.83, Subd. 4

This state aid program provides funding to four eligible tribal schools to enhance the ability of American Indian parents to provide for their children's optimal learning and development through education and support that emphasizes cultural values and learning from birth to kindergarten age.

Activity at a Glance

These programs provide support to four tribal early childhood family education (ECFE) programs to promote parental involvement using culturally-based curriculum to support families and achieve program goals.

- 2,200 students served
- Program sites: Bug-O-Nay-Ge-Shig School in Leech Lake, Circle of Life in White Earth, Fond du Lac Ojibwa in Cloquet, and Nay Ah Shing in Mille Lacs

Population Served
Parents and children in the communities served by the Bug-O-Nay-Ge-Shig School in Leech Lake, Circle of Life School in White Earth, Fond du Lac Ojibwa School in Cloquet, and Nay Ah Shing School in Mille Lacs participate in this program.

The program provides an opportunity for tribal contract schools to establish and maintain early childhood family development programming that emphasizes cultural values and learning.

Services Provided
The programs use culturally appropriate materials and strategies to deliver the basic ECFE program, with an added emphasis on preserving American Indian culture.

The programs require the direct presence and substantial involvement of the children's parents and may include any or all of the following education services:

- programs to educate parents about the physical and mental development of the children;
- programs to enhance parents' skills in providing for their children's learning and development;
- 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; and
- other programs or activities to improve the health, development, and school-readiness of children.

Key Activity Goals
The funding provided for the tribal early childhood education programs helps the participating children be healthy and prepared to learn when they start attending school. It also contributes to the Minnesota Department of Education's (MDE) goal of closing the achievement gap.

Key Measures
Increase educational opportunities for American Indian children and their families.
The Indian Education office will provide one training per school using the "Positive Indian Parenting" curriculum and will collect student and family data on the sites implementation of the curriculum. MDE is currently working with the U.S. Department of Interior, Bureau of Indian Affairs, and the four tribal governments regarding assessment and data distribution.

Activity Funding

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Fond du Lac	$ 9,584	$ 9,584	$ 9,584	$ 9,584	$ 9,584	$ 9,584
Circle of Life	18,233	18,233	18,233	18,233	18,233	18,233
Bug-O-Nay-Ge-Shig	26,271	26,271	26,271	26,271	26,271	26,271
Nay Ah Shing	13,909	13,909	13,909	13,909	13,909	13,909
TOTAL	$67,997	$67,997	$67,997	$ 67,997	$ 67,997	$ 67,997

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

Contact

Additional information is available from the Minnesota Department of Education, Indian Education Division, (651) 582-8831, http://education.state.mn.us/mde/Academic_Excellence/Indian_Education/index.html.

DEPT OF EDUCATION
Program: ED EX INDIAN PROGRAMS
Activity: TRIBAL EARLY CHILDHOOD PROGRAM

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	68	68	68	68	136
Subtotal - Forecast Base	68	68	68	68	136
Total	**68**	**68**	**68**	**68**	**136**
Expenditures by Fund					
Direct Appropriations					
General	68	68	68	68	136
Total	**68**	**68**	**68**	**68**	**136**
Expenditures by Category					
Local Assistance	68	68	68	68	136
Total	**68**	**68**	**68**	**68**	**136**

Budget Activities

- Statewide Testing
- Gov Rec – Summer of Success

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	15,150	15,150	15,150	15,150	30,300
Subtotal - Forecast Base	15,150	15,150	15,150	15,150	30,300
Governor's Recommendations					
Assessment Policy and Schedule Revision		0	3,318	4,218	7,536
Summer of Success		0	3,204	6,258	9,462
Total	**15,150**	**15,150**	**21,672**	**25,626**	**47,298**
Expenditures by Fund					
Direct Appropriations					
General	15,150	15,150	21,672	25,626	47,298
Statutory Appropriations					
Federal	10,051	10,409	9,954	9,954	19,908
Total	**25,201**	**25,559**	**31,626**	**35,580**	**67,206**
Expenditures by Category					
Total Compensation	0	0	100	100	200
Other Operating Expenses	25,201	25,559	28,622	29,472	58,094
Local Assistance	0	0	2,904	6,008	8,912
Total	**25,201**	**25,559**	**31,626**	**35,580**	**67,206**
Expenditures by Activity					
Statewide Testing	25,201	25,559	28,422	29,322	57,744
Summer Of Success	0	0	3,204	6,258	9,462
Total	**25,201**	**25,559**	**31,626**	**35,580**	**67,206**
Full-Time Equivalents (FTE)	**0.0**	**0.0**	**1.0**	**1.0**	

Activity Description

Citation: M.S.120B.30, M.S. 120B.31, M.S. 124D.59
Federal Citations: ESEA 1965, Title VI, Part A, Subpart I, Section 6111, P.L. 107-110 and Section 6112, P.L. 107-220

These programs support improvements in teaching and learning with statewide testing in reading and mathematics in grades three through eight, grade 10 (reading); and grade 11 (mathematics); grade 9 (writing), science in grades five, eight, and high school; limited English proficiency (LEP) in grades K-12; and special education in grades three through eight and high school.

Activity at a Glance

- Serves approximately 64,000 students per grade, grades 3-12.
- Serves approximately 60,000 English language learners (ELLs), grades K-12.
- Serves approximately 6,000 students with cognitive disabilities, graded 3-12.
- Administers, scores, and reports on 61 different tests for various grade levels and content areas specialized to student need.
- Develops math, reading, science, and special education assessments.
- Coordinates TIMSS and EPAS participation.
- Oversees NAEP participation.

Population Served

These programs serve all citizens of Minnesota and other interested parties by providing test results of students in grades three through eight, 10, and 11 in reading and mathematics, as well as specialized assessments for LEP students in grades K-12, and special education students in grades three through eight, 10, and 11. All students attending public schools in Minnesota must participate in this program. Private schools may choose to participate.

Services Provided

Statewide testing provides information across all schools in order to inform parents, teachers, and the public on the achievement of students against the Minnesota Academic Standards, or other standards for special populations, as measured by the following.

- **Minnesota Comprehensive Assessments-Series II (MCA-II)**, designed to measure students achievement in reading, mathematics, and science of the Minnesota Academic Standards.
- **Graduation Required Assessment for Diploma (GRAD),** designated to serve as the retest opportunity for students who do not pass on their first attempt of the high school MCA-II in reading or math, as well as serve as the writing assessment.
- **Basic Skills Test (BST),** graduation tests in reading, mathematics, and writing which are now being retired in place of the more rigorous MCA-II in high school, but continue to be offered to students who began under that assessment.
- **Test of Emerging Academic English (TEAE),** designed to provide information about how well students with limited English proficiency are learning academic English in reading and writing as described in the state's English language learner (ELL) standards.
- **Mathematics Test for English Language Learners (MTELL),** a sheltered-English mathematics test for English language learners to make valid inferences about the math skills of this special population.
- **Minnesota Student Oral Language Observation Matrix (MN SOLOM),** a listening and speaking evaluation that classroom teachers complete for K-12 ELLs.
- **Minnesota Test of Academic Skills (MTAS),** an assessment based on the Minnesota Academic Standards in reading, mathematics, and science for students who are most severely cognitively challenged.
- **National Assessment of Education Progress (NAEP),** a nationally representative and continuing assessment of what America's students know and can do in various subject areas as required by the federal government.
- **Trends in International Mathematics and Science Study (TIMSS),** which provides reliable and timely data on the mathematics and science achievement of U.S. students compared to that of students in other countries. Minnesota participated as a separate "country" in 2007 with state funding. TIMSS 2007 results are scheduled for release on December 9, 2008.
- **Educational Planning and Assessment System (EPAS)** is a group of tests developed by ACT to assess student preparation for post-secondary education. As funds allow, Minnesota pays for the participation when

public school districts give the EXPLORE to eighth-graders and/or PLAN to tenth-graders. For more information, see the "Get Ready, Get Credit-EPAS" budget narrative.

All of these tests are required assessments under No Child Left Behind (NCLB) or Minnesota statute.

To comply with the *Standards for Educational and Psychological Testing* and to fulfill federal and state requirements, statewide testing also conducts the following activities with additional assessment vendors.

- **Quality Control Review,** an analysis of test results by an independent, third-party audit vendor to confirm that scores and results have been correctly assigned;
- **Standard Setting,** an industry standard practice used for tests like the MCA-II to determine the passing scores for students; and
- **Alignment Studies,** an NCLB-required, independent review of the state's assessments to ensure that the tests are measuring the content and skills of the standards.

Historical Perspective

In FY 1997, the legislature enacted the Statewide Testing Law that required comprehensive assessments correlated with the Graduation Rule's High Standards in 3rd, 5th, and 8th grades, and an unspecified high school grade. The 3rd and 5th grade MCA tests were first given in all public schools in the spring of 1998. The 10th grade MCA reading test and 11th grade MCA mathematics test were first given in all public schools in the spring of 2004. Districts administer the tests during a three-week window each spring.

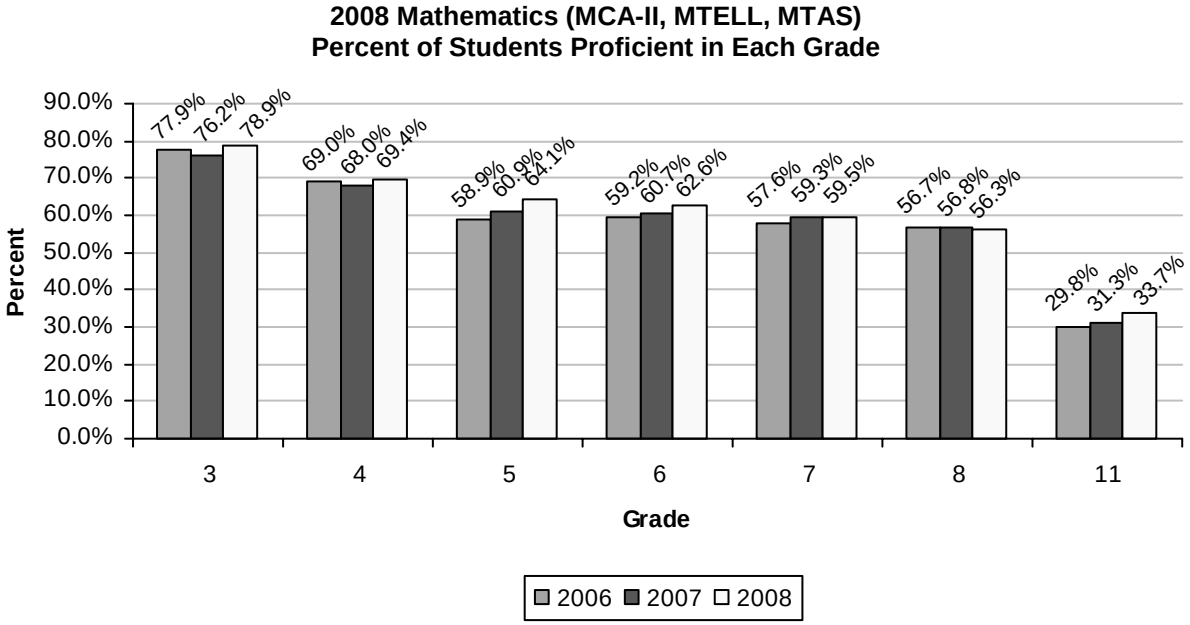
Beginning with the 2005-06 school year, all students are tested in grades three through eight and high school in reading and mathematics. Students who entered grade eight in 2005 or after must pass the MCA-II or GRAD in reading or mathematics in high school to satisfy their state-level graduation assessment. They must also pass the writing GRAD. Students in grade 8 prior to 2005 satisfy this requirement using the BST. Other specialized assessments fulfill other federal requirements and supplement the assessment system for special populations.

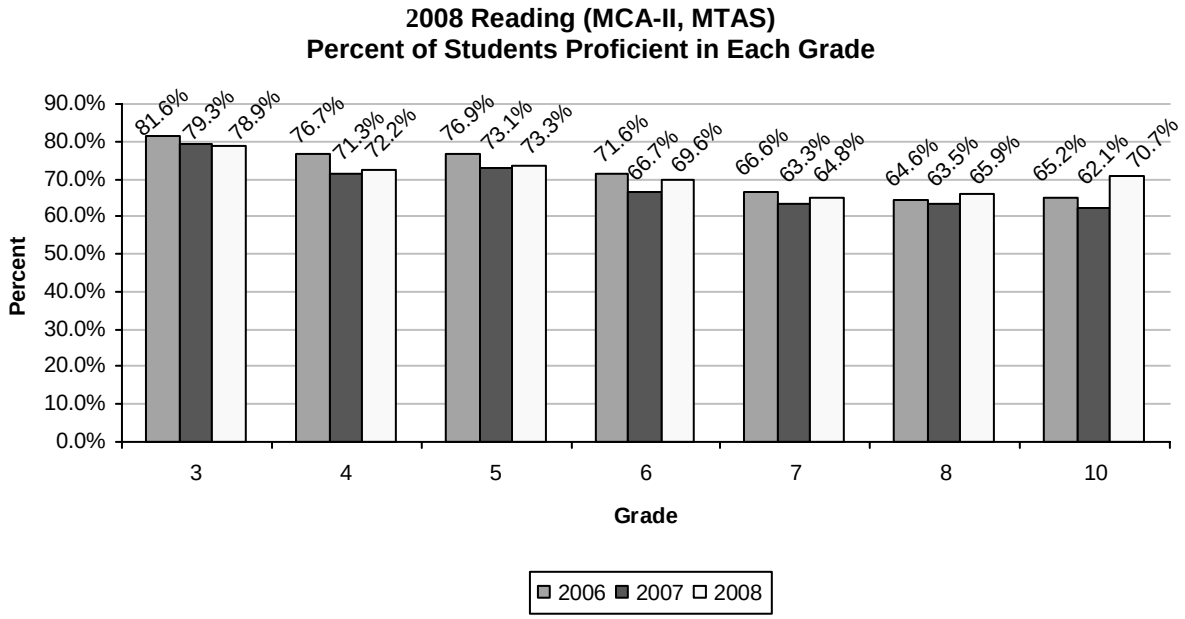
Key Activity Goals

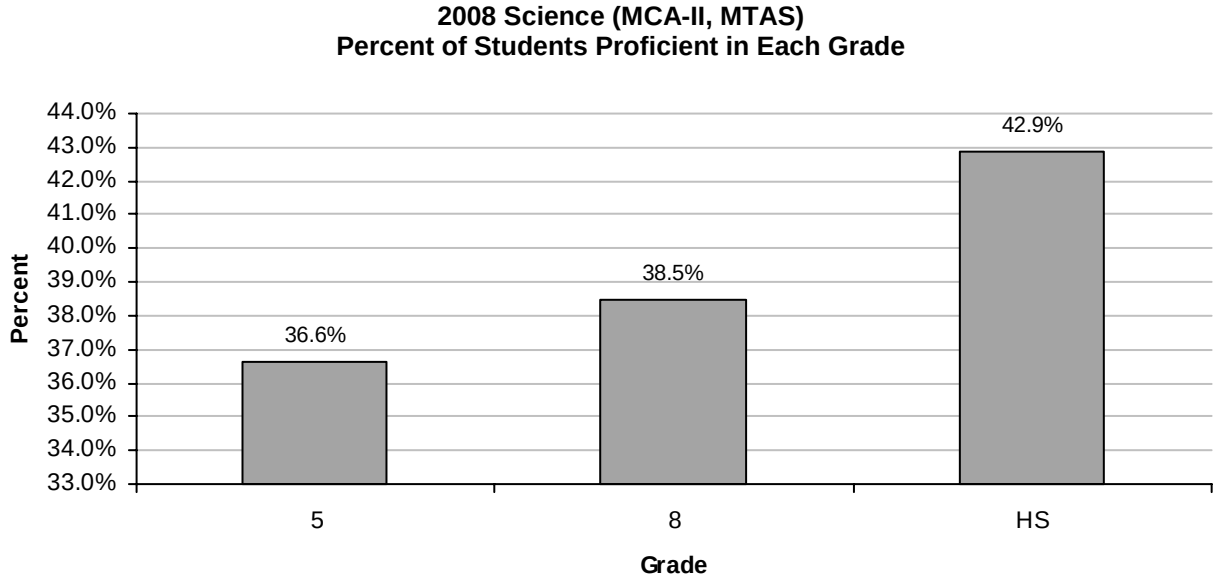
This program addresses the Department of Education goals of improving student achievement and preparing students to compete in a global economy. This program is also aligned with the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging skills and knowledge; and 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy.

Key Measures

- The results of MCA-II are used in the statewide accountability program to provide information about the progress of all students, including LEP students. Test results, together with other quantitative and qualitative indicators, are used to identify schools in need of improvement and schools that are distinguished in their use of best curricular and instructional practices.
- Additional information regarding test data is available on the Minnesota Department of Education (MDE) Website. Individual district and school data is available through the school report cards on the MDE Website.
- State assessments provide teachers and school administrators with information about the academic status of all students. Information is available on the department's Website for all state assessments given on a regular basis to students in Minnesota. The charts below shows the percentage of students exhibiting proficiency in reading and math based on Minnesota assessments since 2006.


2008 Mathematics (MCA-II, MTELL, MTAS)
Percent of Students Proficient in Each Grade
Percent
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
77.9% 76.2% 78.9%
69.0% 68.0% 69.4%
58.9% 60.9% 64.1%
59.2% 60.7% 62.6%
57.6% 59.3% 59.5%
56.7% 56.8% 56.3%
29.8% 31.3% 33.7%
3 4 5 6 7 8 11
Grade
2006 2007 2008


2008 Reading (MCA-II, MTAS)
Percent of Students Proficient in Each Grade
Percent
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
81.6% 79.3% 78.9%
76.7% 71.3% 72.2%
76.9% 73.1% 73.3%
71.6% 66.7% 69.6%
66.6% 63.3% 64.8%
64.6% 63.5% 65.9%
65.2% 62.1% 70.7%
3 4 5 6 7 8 10
Grade
2006 2007 2008



Activity Funding

The funding supports contract vendors to supply test development, administration, test scoring, performance level indicators, quality control review, and alignment studies. To meet all the current requirements of the state's testing statutes and federal regulations under NCLB, there are 61 different tests, testing approximately 828,303 students. Both state and federal funds are being used to fulfill these requirements.

- *State Funds – All Assessments:* All assessments for general education students including graduation assessments.
- *Federal Funds – Title I Assessments:* Math, reading, and science assessments administered to general education students.
- *Federal Funds – Title III Assessments:* English language proficiency assessments administered to English language learners.
- *Federal Funds – Special Education Assessments:* Alternate assessments to the general education assessment for students with disabilities as appropriate.

Contact

Additional information is available from the Minnesota Department of Education, Assessment and Testing, (651) 582-1611, http://education.state.mn.us/mde/Accountability_Programs/Assessment_and_Testing/index.html.

DEPT OF EDUCATION
Program: ED EX INNOVATION & ACCOUNTABIL
Activity: STATEWIDE TESTING

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	15,150	15,150	15,150	15,150	30,300
Subtotal - Forecast Base	15,150	15,150	15,150	15,150	30,300
Governor's Recommendations					
Assessment Policy and Schedule Revision		0	3,318	4,218	7,536
Total	**15,150**	**15,150**	**18,468**	**19,368**	**37,836**
Expenditures by Fund					
Direct Appropriations					
General	15,150	15,150	18,468	19,368	37,836
Statutory Appropriations					
Federal	10,051	10,409	9,954	9,954	19,908
Total	**25,201**	**25,559**	**28,422**	**29,322**	**57,744**
Expenditures by Category					
Other Operating Expenses	25,201	25,559	28,422	29,322	57,744
Total	**25,201**	**25,559**	**28,422**	**29,322**	**57,744**

DEPT OF EDUCATION
Program: ED EX INNOVATION & ACCOUNTABIL
Activity: SUMMER OF SUCCESS

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Summer of Success		0	3,204	6,258	9,462
Total	**0**	**0**	**3,204**	**6,258**	**9,462**
Expenditures by Fund					
Direct Appropriations					
General	0	0	3,204	6,258	9,462
Total	**0**	**0**	**3,204**	**6,258**	**9,462**
Expenditures by Category					
Total Compensation	0	0	100	100	200
Other Operating Expenses	0	0	200	150	350
Local Assistance	0	0	2,904	6,008	8,912
Total	**0**	**0**	**3,204**	**6,258**	**9,462**
Full-Time Equivalents (FTE)	**0.0**	**0.0**	**1.0**	**1.0**	

Budget Activities

- Advanced Placement/International Baccalaureate (AP/IB)
- AP/IB Expansion and Concurrent Enrollment
- Collaborative Urban Educator
- Youthworks
- Student Organizations
- Get Ready, Get Credit – EPAS
- Early Childhood Literacy
- Student Choice/Tax Incentives (information only)
- No Child Left Behind Programs
- Miscellaneous Federal Programs
- Gov. Rec. – U Teach
- Gov. Rec. – SMART
- Gov. Rec. – Principal's Leadership Institute
- Gov. Rec. – MVEP
- Gov. Rec. - Math & Science Teacher Academies

DEPT OF EDUCATION

Program: ED EX SPEC STUDNT & TEACHER

Program Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	15,482	15,482	15,482	15,482	30,964
Technical Adjustments					
Current Law Base Change			(500)	(500)	(1,000)
One-time Appropriations			(4,500)	(4,500)	(9,000)
Subtotal - Forecast Base	15,482	15,482	10,482	10,482	20,964
Governor's Recommendations					
Direct Concurrent Enrollment Base to AP/IB			0	0	0
U Teach		0	500	500	1,000
SMART		0	500	500	1,000
Principals' Leadership Institute		0	400	400	800
MVEP		0	1,000	1,000	2,000
Math & Science Teacher Academies		0	1,500	1,500	3,000
Total	**15,482**	**15,482**	**14,382**	**14,382**	**28,764**
Expenditures by Fund					
Direct Appropriations					
General	13,555	17,408	14,382	14,382	28,764
Statutory Appropriations					
Federal	176,432	188,179	191,292	193,943	385,235
Total	**189,987**	**205,587**	**205,674**	**208,325**	**413,999**
Expenditures by Category					
Total Compensation	14	53	474	475	949
Other Operating Expenses	1,004	1,838	2,538	2,538	5,076
Payments To Individuals	675	804	700	700	1,400
Local Assistance	188,294	202,892	201,962	204,612	406,574
Total	**189,987**	**205,587**	**205,674**	**208,325**	**413,999**
Expenditures by Activity					
Ap/Ib	3,533	5,467	4,500	4,500	9,000
Ap/Ib Expansion	5,899	7,101	2,000	2,000	4,000
Collaborative Urban Educator	442	614	528	528	1,056
Youthworks	900	900	900	900	1,800
Student Organizations	733	773	754	754	1,508
Epas	755	903	829	829	1,658
Early Childhood Literacy	1,321	1,679	1,000	1,000	2,000
No Child Left Behind Programs	168,147	180,801	184,018	186,669	370,687
Misc. Federal Programs	8,257	7,349	7,245	7,245	14,490
Math Science Teacher Center	0	0	1,500	1,500	3,000
U Teach	0	0	500	500	1,000
Mn Virtual Education Program	0	0	1,000	1,000	2,000
Smart Program	0	0	500	500	1,000
Principals' Leadership Inst	0	0	400	400	800
Total	**189,987**	**205,587**	**205,674**	**208,325**	**413,999**
Full-Time Equivalents (FTE)	**0.2**	**0.7**	**4.4**	**4.4**	

Activity Description

Citation: M.S. 120B.13.

This state program provides financial incentives for schools to begin or expand their Advanced Placement (AP) and International Baccalaureate (IB) programs and to promote rigorous, challenging courses of study as part of the regular offerings for students in secondary schools by providing funding for teacher training and student exam fees.

Activity at a Glance

FY 2007

- 284 AP schools, including 49 nonpublic schools participated
- 29 IB schools participated
- 25,988 AP students took 41,763 exams
- 1,642 IB students took 3,410 exams
- 1,352 low-income students took 1,995 exams
- 490 AP teachers attended in-depth training
- 531 IB teachers attended in-depth training

Population Served

Public and nonpublic schools and students participating in the AP and IB programs are served by these programs. In FY 2007, 284 public schools and 43 nonpublic schools participated in AP programs and 29 secondary schools provided the IB programs.

Services Provided

These programs provide an opportunity for high school students to be better prepared for college and to earn college credit and/or advanced standing, thus saving students and their parents' time and money during postsecondary education. These programs provide increased academic rigor, offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and the opportunity for high school students to compete academically on a global level.

Most of Minnesota's public and private colleges and universities have credit awarding policies for AP and IB course credits for exams taken by students. Colleges and universities of the Minnesota State Colleges and Universities system must award, and the University of Minnesota and private postsecondary institutions are encouraged to award, college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.

Schools have benefited from an AP or IB program in that it revitalizes teachers and departments and indicates to the public that the school values intellectual achievement and academic excellence.

The AP and IB programs provide financial incentives to support the following two program components:

Teacher Training and Support

- Scholarships are available for public and nonpublic schoolteachers to train teachers to initiate or improve AP and/or IB courses.
- The state appropriation may be used to pay a portion of the costs associated for the required AP and IB training of teachers in districts providing these programs.

Student Examination Fees

- Approximately 75% of student exam fees are paid for public and nonpublic students taking AP and/or IB exams. Students or schools are responsible for the remaining exam costs. All exam fees are paid for students from low-income families.
- The AP program receives 75% of the appropriation each year and the IB program receives 25% of the appropriation. The department, in consultation with the AP and IB advisory boards, determines the amounts of the expenditures each year for examination fees and training and support for each program.

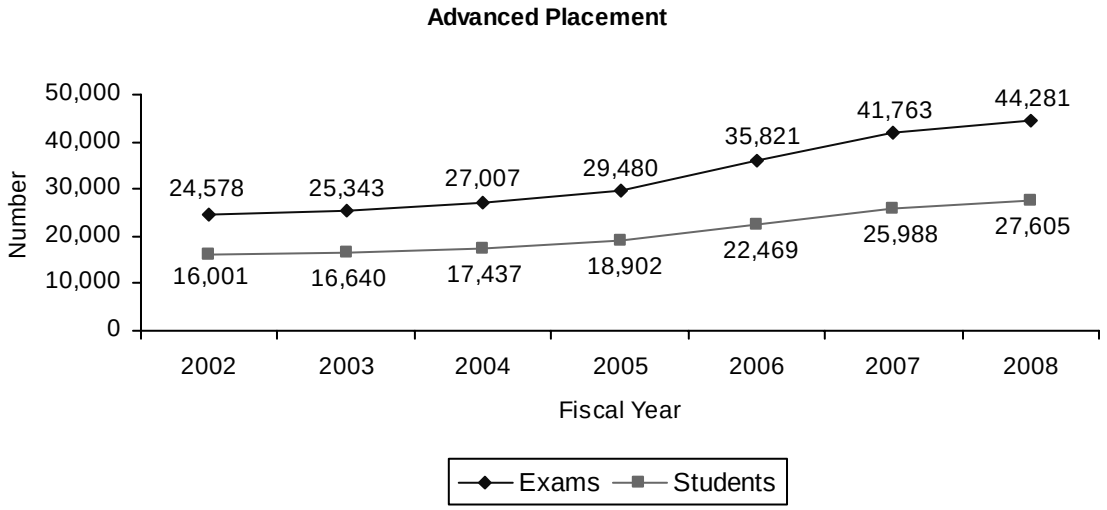
Key Activity Goals

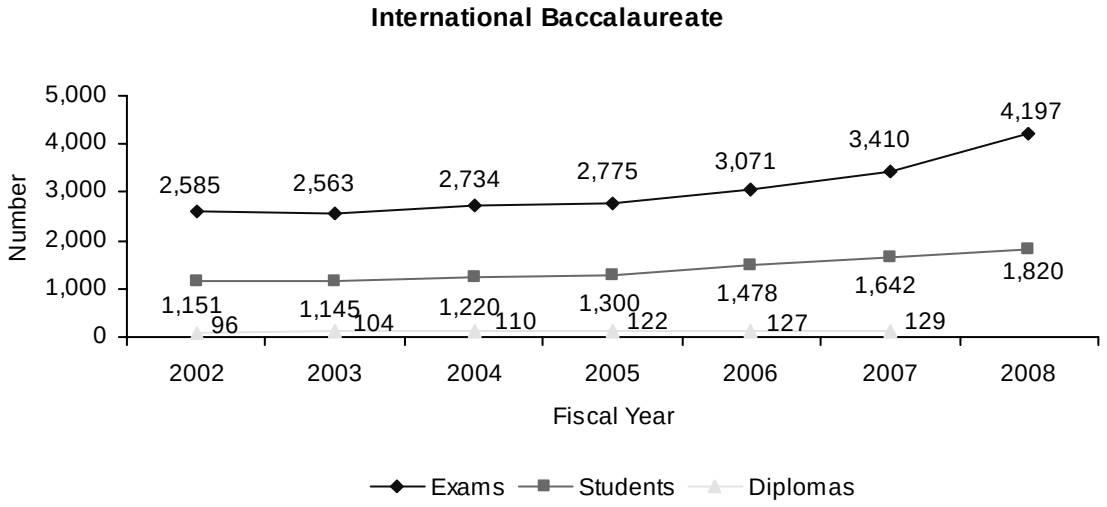
Improve student achievement/prepare students to compete in a global economy by

- promoting rigorous education for all students; and
- promoting dual credit opportunities for all students.

Key Measures

The number of AP and IB students testing and the number of exams taken will increase each year.





The number of minority students participating in these programs and taking exams will increase each year.

Advanced Placement

Based on FY 2007 data

- Students of color represent 15.83% of all Minnesota students tested in AP in FY 2007.
- Low income students represent 5.20% of students testing and take 4.77% of the exams.

International Baccalaureate

Based on FY 2007 data

- Students of color represent 29.29% of all Minnesota students tested in IB.
- Low income students represent 21.98% of students testing and take 22.08% of the exams.

Teachers providing AP and IB programs are adequately trained.

Advanced Placement

Based on FY 2007 data

- A total of 490 teachers participated in week-long summer training institutes: 144 at Carleton College, 321 at Augsburg, and 25 out-of-state.
- 411 teachers participated in follow-up training.

International Baccalaureate

Based on FY 2007 data

- 531 teachers participate in week-long summer training institutes.
- 190 teachers participated in follow-up training.

Activity Funding

	Dollars in Thousands							
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Teacher Training	$ 229.0	$ 388.0	$ 244.0	$ 225.0	$ 195.0	$ 253.7	$ 580.6	$ 678.4
Student Exam Subsidies	1,225.0	1,914.0	905.0	1,626.0	362.1	407.1	2,461.6	3,548.7
Support Programs	-0-	-0-	-0-	-0-	-0-	-0-	58.2	71.3
Total	$1,461.0	$2,302.0	$1,149.0	$1,851.0	$ 557.1	$ 714.4	$3,100.4	$4,298.4

Contact

Additional information is available from the Minnesota Department of Education, Academic Standards and High School Improvement, (651) 582-8848.

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: AP/IB

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	4,500	4,500	4,500	4,500	9,000
Subtotal - Forecast Base	4,500	4,500	4,500	4,500	9,000
Total	**4,500**	**4,500**	**4,500**	**4,500**	**9,000**
Expenditures by Fund					
Direct Appropriations					
General	3,533	5,467	4,500	4,500	9,000
Total	**3,533**	**5,467**	**4,500**	**4,500**	**9,000**
Expenditures by Category					
Other Operating Expenses	2	400	400	400	800
Local Assistance	3,531	5,067	4,100	4,100	8,200
Total	**3,533**	**5,467**	**4,500**	**4,500**	**9,000**

Activity Description

Citation: M.S. 120B.132.

This state program provides financial incentives for schools to begin or expand their Advanced Placement (AP), Pre-advanced Placement, and International Baccalaureate (IB) programs and to promote rigorous, challenging courses of study as part of the regular offerings for students in secondary schools. This program also provides funding to districts to defray the cost of delivering concurrent enrollment courses at high schools.

Activity at a Glance

FY 2008

- 21 districts awarded a total of $5,893,300 to establish and/or expand Pre-advanced Placement and Advanced Placement programs.
- 6 districts awarded a total of $2 million to expand International Baccalaureate programs
- 16,000-18,000 students enrolled in concurrent enrollment courses

Population Served

Schools, charter schools, and students participating in the AP and IB programs are served by these programs. The program also serves high school students enrolled in a postsecondary course taught by a secondary teacher or a postsecondary faculty member and offered at the secondary school for secondary credit during the school year.

Services Provided

The AB/IB expansion program is a grant-based program that provides competitive grants to school districts and charter schools. Districts and charter schools must have a three-year plan approved by the local school board to create a new or expand an existing program. The plan must propose to increase availability of AP programs, expand the breadth of programs, and increase the diversity of students participating.

The concurrent enrollment activity provides funding to districts that offer a concurrent enrollment course according to an agreement under section 124D.09.

Key Activity Goals

Improve student achievement/prepare students to compete in a global economy by

- promoting a minimum level of rigorous education for all students;
- promoting college readiness through interest assessments and college credit bearing courses;
- promoting dual credit opportunities; and
- supporting student transitions at 9th grade and to postsecondary.

Key Measures

- The number of AP and IB students testing and the number of exams taken will increase each year.
- The number of students enrolling in concurrent enrollment classes will increase.
- The number of schools offering these programs will increase.
- The number of students earning college credit through AP and IB programs will increase.
- The number of students earning college credit through concurrent enrollment classes will increase.
- The percentage of minority and low-income students participating in these programs will increase each year.

A more than 6% increase in the number of Minnesota students taking the AP tests occurred in 2007-2008. The data also shows a nearly 8% increase in the number of students scoring a “3” or higher on the exams, which is the cut score used by most colleges to award college credit to new entering students.

Activity Funding

State aid is distributed to eligible districts for concurrent enrollment and AP/IB expansion based on formulas as specified in law.

Eligible districts receive $34.50 per pupil enrolled in a concurrent enrollment course. Funds are to be used to defray the cost of delivering the course at the high school. More students than were projected enrolled, resulting in lower reimbursement than the $150 per pupil allowed in legislation. Concurrent enrollment funding is ongoing.

For AP/IB expansion, eligible districts receive the lesser of $85 times the number of pupils enrolled at the participating sites on October 1 of the previous fiscal year; or the approved supplemental expenditures based on the submitted budget.

Contact

Additional information is available from the Minnesota Department of Education, Academic Standards and High School Improvement, (651) 582-8848.

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: AP/IB EXPANSION

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	6,500	6,500	6,500	6,500	13,000
Technical Adjustments					
Current Law Base Change			(500)	(500)	(1,000)
One-time Appropriations			(4,000)	(4,000)	(8,000)
Subtotal - Forecast Base	6,500	6,500	2,000	2,000	4,000
Governor's Recommendations					
Direct Concurrent Enrollment Base to AP/IB			0	0	0
Total	**6,500**	**6,500**	**2,000**	**2,000**	**4,000**
Expenditures by Fund					
Direct Appropriations					
General	5,899	7,101	2,000	2,000	4,000
Total	**5,899**	**7,101**	**2,000**	**2,000**	**4,000**
Expenditures by Category					
Local Assistance	5,899	7,101	2,000	2,000	4,000
Total	**5,899**	**7,101**	**2,000**	**2,000**	**4,000**

Activity Description

Citation: Session Laws 2007, Chapter 146, Article 2, Section 46, Subd. 14

Activity at a Glance

	FY 2008	FY 2009
♦ Concordia University	$210,000	$210,000
♦ St. Thomas University	$159,000	$159,000
♦ Hamline University	$159,000	$159,000

The collaborative urban educator program supports educator training and recruitment programs. This program addresses the need to recruit and train educators prepared to meet the educational needs of the urban school and a diverse student population. The collaborative urban educator program funds three programs: the Southeast Asian Teacher program at Concordia University, St. Paul; the collaborative urban educator program at the University of St. Thomas; and the Center for Excellence in Urban Teaching at Hamline University. Grant recipients collaborate and provide services to both urban and non-urban school districts.

Population Served

All students benefit from the recruitment and training of school district teachers and staff, enabling school districts to meet the educational needs of a diverse student population.

Services Provided

The Center for Excellence in Urban Teaching (CEUT) at Hamline University provides training and support to teachers in applying proven culturally relevant pedagogical practices in urban and urban-like schools. CEUT offers tailored professional development to school districts including: Effectively Engaging Urban Learners, Strategies to Increase Teacher Effectiveness, and provides teachers advanced preparation focused on the knowledge and skills required for success with students from diverse racial, ethic, linguistic, economic, and social backgrounds.

Since 1992, the University of St. Thomas Collaborative Urban Educator (CUE) project has been successfully preparing persons who have unique cultural, language, and experiential backgrounds, particularly those from underrepresented populations for teaching in urban and first-tier suburban settings.

The Southeast Asia Teacher Licensure Program at Concordia University, St. Paul, is a bachelor's degree completion program for individuals currently employed in Minnesota school districts as paraprofessional, education assistants, and teaching assistants who are seeking teacher licensure.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) all people will be welcomed, respected and able to participate fully in Minnesota's communities and economy; and 2) Minnesotans will excel in basic and challenging academic skills and knowledge.

Key Measures

- The collaborative urban educator program provides professional development to school district staff enhancing skills and abilities to meet the educational needs of urban learners and a diverse student population.
- The collaborative urban educator program recruits and prepares underrepresented populations, persons with cultural or experiential backgrounds in urban settings and individuals currently employed in school districts as paraprofessionals or education assistants for Minnesota teacher licensure.
- In the 2007-08 school year, 86 teachers were enrolled in the certificate urban teaching program. Between September 2006 and November 2007 CEUT trained a total of 1,469 teachers, administrators, students, and community members.
- To date, 332 persons have completed CUE programs, earning licenses in special education, elementary education, mathematics, and science; the current cohort of 23 persons is earning licensure in the high needs area of special education. With a retention rate in education nearing 88%, CUE alumni have taught an estimated 45,000 students and are currently teaching in 126 schools in 16 Minnesota districts.

- Since 1998, 160 students have entered the program, 81 graduated, 42 are teaching in Minnesota schools, 38 students have licensure pending, 92% of graduates of the SEAT program are either currently teaching or in the process of completing their licensure requirements, 80% of the students entering the program have graduated or are engaged in completing their degree, and of the SEAT graduates currently teaching, 94% are teaching in Minnesota schools.

Activity Funding

Grants are provided to the postsecondary institutions as detailed in “Activity at a Glance” above.

Contact

Additional information is available from the Minnesota Department of Education, Division of Choice and Services (651) 582-8616.

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: COLLABORATIVE URBAN EDUCATOR

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	528	528	528	528	1,056
Subtotal - Forecast Base	528	528	528	528	1,056
Total	**528**	**528**	**528**	**528**	**1,056**
Expenditures by Fund					
Direct Appropriations					
General	442	614	528	528	1,056
Total	**442**	**614**	**528**	**528**	**1,056**
Expenditures by Category					
Local Assistance	442	614	528	528	1,056
Total	**442**	**614**	**528**	**528**	**1,056**

Activity Description

Citation: M.S. 124D.36 to M.S. 124D.45
Federal Citation: National and Community Service Trust Act 1993

Youthworks funding provides the required local match for federal AmeriCorps dollars. ServeMinnesota is the statutorily designated recipient of funding for the AmeriCorps program, often referred to as the domestic Peace Corps. AmeriCorps involves people in one to two years of sustained service to meet community needs and make Minnesota better.

Activity at a Glance

- 12 AmeriCorps programs are serving rural and urban communities and will mobilize more than 680 Youthworks-AmeriCorps members to serve over 30,000 Minnesotans.

Population Served

This program serves students in schools and nonprofit organizations throughout Minnesota.

Services Provided

Youthworks members strengthen Minnesota communities by providing direct service in four priority areas: education, the environment, meeting unmet human needs, and public safety. This state program complements the federal AmeriCorps program and provides funding for youth to provide communities with a wide variety of services. The services provided by students can range from mentoring and tutoring, service-learning activities, mediation services to decrease violence, park safety, construction and rehabilitation of homes, environmental projects, and other community service projects.

Youthworks host agencies are educational institutions and local, state, and national nonprofit organizations. The Youthworks activity is part of a coordinated effort of federal and state activities related to the implementation of a unified state plan for national and community service.

Historical Perspective

ServeMinnesota began in 1994 as the Minnesota Commission on National and Community Service. In 2002, the Minnesota legislature approved the organization becoming a 501(c)3 nonprofit so that the private sector could also participate as a partner in increasing service opportunities for Minnesotans. A governor-appointed board of directors leads ServeMinnesota. ServeMinnesota, through its Youthworks-AmeriCorps programs, mobilizes Minnesotans to solve the state's biggest problems through service and volunteerism.

Key Activity Goals

The program addresses the key goals of improving student achievement and participation in secondary education. The program also addresses the goals of closing the achievement gap by enhancing school readiness and ensuring that our communities will be safe, friendly, and caring.

Key Measures

In 2008, 12 Youthworks-AmeriCorps programs served more than 33,800 children and adults in need. Members provided services addressing community needs such as teaching children to read, building affordable housing, supporting seniors and people with disabilities to live independently, and conserving the environment. Activities included:

Volunteer Mobilization	Educational Achievement	Tutoring
Minnesota Teacher Corps	Mentoring	After School
Service-Learning	AmeriCorps Promise Fellows	Affordable Housing
Family Stability	Environment	Disaster Response
Workforce Development		

For each dollar of state investment in this program more than $26 was returned in services to communities throughout the state. Federal funds cover 85% of the costs associated with each AmeriCorps member and cover 100% of the federal AmeriCorps scholarships leveraged by each AmeriCorps member.

Activity Funding

State funds are used by local Minnesota programs to meet the local match required to access federal funds. Members earn federal education awards upon completing service. Federal scholarships help alumni to attend college, receive vocational training, or repay student loans. For many alumni, an education award provides access to education that had previously been unattainable and provides a significant investment in Minnesota's workforce.

Youthworks-AmeriCorps members receive modest compensation while serving.

For full-time service (1,700 hours/year)

- modest living allowance ($10,900)
- health care
- childcare if qualified
- training and experience
- post-service education award of $4,725 which may be used toward higher education and vocational training costs or to repay college loans

For part-time service (900 hours/year)

- modest living allowance ($5,450)
- training and experience
- post-service education award of $2,501 which may be used toward higher education and vocational training costs or to repay college loans

Contact

Additional information is available from ServeMinnesota, (612) 333-7740.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	900	900	900	900	1,800
Subtotal - Forecast Base	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**
Expenditures by Fund					
Direct Appropriations					
General	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**
Expenditures by Category					
Local Assistance	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**

Activity Description

Citation: M.S.124D.34 and M.S. 124D.355

The Minnesota Foundation for Student Organizations promotes career and technical education student organizations and applied leadership opportunities in Minnesota public schools and post-secondary institutions through public-private partnerships. Student organizations funded through the foundation integrate classroom, workplace, and community experiences into curriculum areas and educational experiences. The foundation was established by the legislature in 1996 and is directed by a 23 member foundation board formed in January 1998.

Activity at a Glance

Career and technical education student organization supported by the Minnesota Foundation for Student Organizations include:

- Business Professionals of America (BPA)
- DECA – an Association of Marketing Students
- Delta Epsilon Chi – an Association of Marketing Students
- FFA – Agricultural Education
- Family, Career, and Community Leaders of America (FCCLA)
- Home Economics Related Occupations (HERO)
- Health Occupations Students of America (HOSA)
- Postsecondary Agricultural Students (PAS)
- SkillsUSA – VICA (Trade and Industrial Education)

Population Served

The foundation funds both secondary and post-secondary career and technical student organizations that are operated as co-curricular activities in conjunction with state-approved career & technical education programs.

Services Provided

The Minnesota Foundation for Student Organizations (MFSO) promotes and supports career and technical student organizations as they work to provide student opportunities for leadership, personal development, community service and career preparation. The MFSO serves as the body for coordinating joint activities and outreach among its member student organizations. The foundation holds the organizations to the following performance indicators.

- Provide a strong base to develop leadership, teamwork, citizenship and interpersonal skills
- Implement rigorous standards for skills and applied learning experiences
- Conduct collaborative projects with community, labor, business and industry, parents, government and educational institutions
- Provide a structure, motivation, and support for students to take primary responsibility for their own success
- Provide opportunities for students to prepare for leadership roles in business, community, and family
- Provide opportunities for diverse learners to accomplish common goals
- Promote a balance between work and family, personal, group and career skills

Key Activity Goals

Promoting rigorous education, secondary to postsecondary transition, and college readiness through local regional, state, and national leadership and skill development opportunities, and through competitions based upon skills and knowledge recognized by higher education and industry.

Key Measures

Total Participating in Career Technical Student Organizations

	2003	2004	2005	2006	2007	2008
BPA High School	1,651	1,421	1,350	1,387	1,371	1,780
BPA Postsecondary	236	240	251	244	227	248
DECA High School	2,083	2,106	2,202	2,654	2,561	2,615
DECA Postsecondary	1,221	1,229	1,367	1,197	1,219	1,518
FFA High School	5,240	6,104	6,606	6,553	6,406	7,766
PAS Postsecondary	203	156	186	184	281	228
FCCLA High School	1,578	1,322	1,383	1,383	1,124	1,126
HOSA High School	643	702	755	755	710	713
HERO	447	451	449	421	523	480
SKILLS-VICA High School	1,026	615	614	625	1,704	746
SKILLS-VICA Postsecondary	1,148	1,521	1,659	1,425	1,273	1,247
Total Participation	15,476	15,867	16,822	16,828	17,399	18,467

Activity Funding

$725,000 is appropriated annually for the operation of the foundation and for distribution to the member organizations.

The board is charged with finding outside sources of support to supplement state funding.

Contact

Additional information is available from the Minnesota Foundation for Student Organizations, (651) 582-8322.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	725	725	725	725	1,450
Subtotal - Forecast Base	725	725	725	725	1,450
Total	**725**	**725**	**725**	**725**	**1,450**
Expenditures by Fund					
Direct Appropriations					
General	705	744	725	725	1,450
Statutory Appropriations					
Federal	28	29	29	29	58
Total	**733**	**773**	**754**	**754**	**1,508**
Expenditures by Category					
Total Compensation	14	15	15	15	30
Other Operating Expenses	101	139	133	133	266
Local Assistance	618	619	606	606	1,212
Total	**733**	**773**	**754**	**754**	**1,508**
Full-Time Equivalents (FTE)	**0.2**	**0.2**	**0.2**	**0.2**	

Activity Description

Citation: M.S. 120B.128

This state aid program, *Get Ready, Get Credit – EPAS* is aimed at preparing high school students for postsecondary education options through the Educational Planning and Assessment System (EPAS) program.

Activity at a Glance

In FY 2007
- 31,856 – 8th graders participated in Explore assessment.
- 50,173 – 10th graders participated in Plan assessment.

In FY 2008:
- 32,317 – 8th graders participated in Explore assessment.
- 52,520 – 10th graders participated in PLAN assessment.

Population Served

School districts and charter schools voluntarily participate in the EPAS program funded by the state. The Assessment and Comprehensive Testing (ACT) EPAS system provides a longitudinal, systematic approach to educational and career planning, assessment, instructional support, and evaluation. The system focuses on higher order thinking skills students develop in grades K-12 that are important for success both during and after high school. The EPAS achievement assessment includes English, reading, mathematics, science, and components on planning.

Services Provided

FY 2006 was the first year for state funding for this program. The Minnesota Department of Education (MDE), in conjunction with districts and schools, provides the ACT Explore assessment for students in grade 8 and the ACT PLAN assessment for students in grade 10 to measure individual student academic strengths and weaknesses, academic achievement and progress, higher order thinking skills, and college readiness. The state funds the cost of these two assessments for Minnesota students.

These assessments are linked to the ACT assessment for college admission and will allow students, teachers, schools, and parents to determine college readiness earlier than the junior or senior year in high school. In addition, the ACT assessments allow for linkage to the state accountability system (Minnesota Comprehensive Assessments-II) and will help determine preparedness at an even earlier grade.

Historical Perspective

This program was first available with statewide funding in 2005-06. In 2008, approximately 85,000 students participated in these assessments. MDE expects participation to continue to increase during the 2008-09 and 2009-10 school years because of funding provided through the federal College Access Challenge Grant program, which will support training for middle school counselors in analyzing data from these assessments to support high school course planning and college readiness.

Key Activity Goals

Improve student achievement/prepare students to compete in a global economy by
- promoting a minimum level of rigorous education for all students;
- promoting college readiness through interest assessments and college credit bearing courses; and
- supporting student transitions at 9th grade and to postsecondary.

Key Measures

- Students will have access to the EPAS assessment opportunities.
- More students and parents will be aware of the need for college planning.
- Student participation will increase in succeeding years.

Activity Funding

Legislation charges the department with making the Explore and PLAN assessments available to Minnesota school districts. The funding for this activity pays ACT for the fees of school districts participating in these assessments. The state receives a group rate from ACT to have students participate in bulk. The fees are for the ordering, production, administration, and reporting of the Explore and Plan assessments.

Contact

Additional information is available from the Minnesota Department of Education, Assessment and Testing, (651) 582-8841, or (651) 582-8768, http://education.state.mn.us/mde/Accountability_Programs/Assessment_and_Testing/Assessments/EPAS/index.html.

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: EPAS

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	829	829	829	829	1,658
Subtotal - Forecast Base	829	829	829	829	1,658
Total	**829**	**829**	**829**	**829**	**1,658**
Expenditures by Fund					
Direct Appropriations					
General	755	903	829	829	1,658
Total	**755**	**903**	**829**	**829**	**1,658**
Expenditures by Category					
Other Operating Expenses	755	903	829	829	1,658
Total	**755**	**903**	**829**	**829**	**1,658**

Activity Description
Citation: M.S. 119A.50

Early Childhood Literacy Grants establish research-based literacy programs in head start classrooms. The purpose of the program is to increase the literacy skills of head start children and to increase families' participation in providing early literacy experiences to their children. The program is funded with a combination of state aid, federal funds, and private donations.

Activity at a Glance

Minnesota Reading Corp
- Over 90 AmeriCorps members served in head start classrooms.
- Approximately 1,500 head start children served annually.

Words Work!
- 5 head start grantees contract with the Minnesota Department of Education for a two-year period.
- Approximately 2,800 children served.

Population Served
The program serves children age three to grade three.

Services Provided
The Minnesota Reading Corps places AmeriCorps members in early childhood, after-school, and school settings to work with children age three to grade three. AmeriCorps members are trained in research-based tutoring techniques and assessments developed by the University of Minnesota. Additionally, they regularly monitor each student's progress. As the program develops at each site, AmeriCorps members also recruit community volunteers allowing the program to reach more children.

The Minnesota Reading Corps provides master literacy coaches to head start programs to train internal literacy coaches on early literacy curriculum and coaching techniques. The master literacy coaches also complete monthly site visits to observe internal coaches with AmeriCorps members, administer the early learning classroom observation tool, and provide feedback/coaching to AmeriCorps members.

Words Work! was developed by the Saint Paul Foundation for the purpose of closing the achievement gap for children in preschool and beyond. The program goals are to increase the literacy skills of children participating in head start to prepare them to be successful readers and to increase families' participation in providing early literacy mentors and other project staff. Child assessment data is utilized for continual improvement in teaching strategies.

Historical Perspective
Early childhood literacy grants were established in FY 2007.

Key Activity Goals
Closing the achievement gap, reduce disparities in achievement between groups of students to enhance opportunities for more at-risk students to succeed in life, and to become productive citizens (Agency Goal). The literacy grants program promotes the literacy of children from families who are at or below the federal poverty level.

Key Measures
Child assessment data aggregated to demonstrate children's progress in literacy skills tracked through grade three.

Activity Funding
State funding of $1 million per year in FY 2008-09 is appropriated to leverage federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program. A one-time appropriation of $500,000 in each year, FY 2008-09 is for the Words Work! grants for early childhood literacy.

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

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	1,500	1,500	1,500	1,500	3,000
Technical Adjustments					
One-time Appropriations			(500)	(500)	(1,000)
Subtotal - Forecast Base	1,500	1,500	1,000	1,000	2,000
Total	**1,500**	**1,500**	**1,000**	**1,000**	**2,000**
Expenditures by Fund					
Direct Appropriations					
General	1,321	1,679	1,000	1,000	2,000
Total	**1,321**	**1,679**	**1,000**	**1,000**	**2,000**
Expenditures by Category					
Local Assistance	1,321	1,679	1,000	1,000	2,000
Total	**1,321**	**1,679**	**1,000**	**1,000**	**2,000**

Activity Description

Information Only
The purpose of these state programs is to provide learners with access to a wide range of educational choices and opportunities by allowing them to choose a school or educational program either in or outside of their resident district. Learners and their families must play an active role in determining educational goals, the student's needs and interests, and the school's ability to provide an appropriate educational experience.

Activity at a Glance

In FY 2007
- Over 232,000 students participated in various choice programs
- The fastest growing choice program is online learning.
- Minnesota continues to be a leader in school choice.

Population Served
All students in Minnesota are eligible for one or more of these options. Other than Post Secondary Enrollment Options, school choice programs outlined below serve students in grades K-12.

Services Provided
Minnesota's choice programs include the following:

Online Learning (OLL) (M.S. 124D.095) allows public school students to access OLL courses offered by a state-approved OLL program in another district, charter school, or joint powers district. This program replaced the prior distance learning law in FY 2004.
- Students can take up to 50% of their instruction online each year while remaining enrolled in their original public school.
- The enrolling school must award academic credit for the completed OLL course(s).
- Limited state funding follows the student to the OLL program.

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Number of Approved Programs	15	22	25	21	20
Students Accessing OLL Courses	67	160	315	4,562	8,165
Number of OLL Course Registrations	197	327	911	23,722	27,949

Prior to FY 2007, certified programs were not required to report enrollment under a designated site number-students were included in the general site numbers. Beginning in FY 2007, certified online learning programs reported student enrollment data in an annual report that captured accurate enrollment numbers that resulted in what appears as a dramatic increase.

Contact
Additional information is available from the Minnesota Department of Education (MDE), School Choice Programs and Services, (651) 582-8733, ttp://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

Open Enrollment (M.S. 124D.03) allows all public school-eligible pupils to apply to attend a school outside their resident district**.**

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Students Participating	24,161	26,227	28,077	30,100	33,234	36,332	39,289	41,715	44,512	47,000

Students who open enroll to more than one school district are counted only once.

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 582-8572, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

Charter Schools (M.S. 124D.10) are public schools 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 innovative forms of measurement;
- establish new forms of accountability for schools; or
- create new professional opportunities for teachers, including the opportunity to be responsible for a learning program at the school site.

Charter schools are exempt from some state statutes and rules governing school districts.

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Students Participating	4,901	7,756	9,383	10,190	12,122	13,948	17,121	20,524	23,657	27,983
Number of Charter Schools	38	53	64	68	78	88	102	125	143	146

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 634-2304, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

Post-Secondary Enrollment Options (M.S. 124D.09) allows high school juniors and seniors (both public and nonpublic, including home-schooled) to take courses at eligible Minnesota post-secondary institutions. Students must meet the post-secondary institution's admissions requirements.

- The program provides students with a greater variety of class offerings and an opportunity to pursue more challenging course work.
- The tuition, fees, and required textbooks are provided at no cost to students.
- The student earns secondary credit when courses are completed and earns post-secondary credit if they continue at a post-secondary institution that accepts those credit transfers after high school graduation.
- The student data below does not include concurrent enrollment PSEO or College in the Schools.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Students Participating	7,211	7,546	7,169	7,458	7,416	7,563	7,347

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 582-8733, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

Learning Year Programs (M.S. 124D.128) extend the educational program from the traditional nine-month calendar to a 12-month calendar. Students can accelerate their educational program allowing them to either graduate early or to make up courses. 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 K-12. A continual learning plan must be developed for each student. For FY 2004, the calculation of students in this program changed. FY 2008 data is estimated and will change as more information is reflected by MDE from school districts.

	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Students generating extended time revenue	2,717	1,966	2,192	2,497	2,846
Sites	16	14	15	15	18
Average Daily Membership for extended time	279	204	197	258	309

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 582-8586, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

State-Approved Alternative Programs (M.S. 123A.05, 123A.06, 123A.08, 126C.05, Subd. 15, 124D.128, 124D.68, 124D.69) There are three categories of state approved alternative program's: area learning centers (ALC), alternative learning programs (ALP), and contracted alternatives. ALCs offer a wider array of options/services (K-12), including the requirement to have a daytime school within a school or separate site program for middle level students. In contrast, ALPs can designate what grades they want to serve. Contracted alternatives are nonpublic, nonsectarian schools that have contracted with the serving school district to provide educational services (M.S. 124D.68, Subd. 3).

State-approved alternative programs are designed for students who need a different approach or are experiencing difficulty in the traditional school. Instruction is designed to meet the student's individual learning style needs and includes applied academics, school-to-work, computerized instruction, and service learning.

Overview of state-approved alternative programs.

- Depending on the district, students kindergarten through age 21 can access alternative programming on a part/full-time basis.
- ALCs must offer programming for the entire year (for ALPs this is an option) with the availability of extended day/year programming. This is referred to as learning year.
- Whereas ALCs, by statute, have to give students the option of receiving their diploma from their district of residence or the district in which the center is located (M.S.123A.06, Subd. 4), an ALP can choose to solely award the diploma from the district where it is located.
- A school district may establish an ALC 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, an ALC must serve the geographic region of at least two districts.
- Independent study is a delivery option for students age 16 and older. This option allows students to complete up to 86% of their coursework off site.
- Aid and revenue are based on the total number of hours of educational programming for pupils in average daily membership for each fiscal year, up to a maximum of 1.2 ADM per student.
- Financially, there is no distinction between an ALP and ALC.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008
Programs	157	159	159	159	159	161	164
Sites	436	475	482	477	502	518	537
Students Participating	146,369	146,285	137,626	145,911	147,409	149,282	139,196
Average Daily Membership	27,065	26,102	23,347	24,022	24,091	24,410	22,090

Average daily membership (ADM) through FY 2002 represents uncapped ADM. For FY 2003 ADM capped at 1.5 ADM. For FY 2004 and FY 2005 ADM capped at 1.0 ADM. For FY 2006, it is the charter school's estimates of their ADM capped at 1.0.

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 582-8586, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html

Tax Credits (M.S. 290.0674) enacted in 1997, effective beginning with tax year 1998.

- A refundable credit, that reduces state income tax liability, is allowed equal to 75% of eligible education expenses for a qualifying child in grades k-12.
- To qualify for the credit, household income must be within the following parameters:

If the total number of qualifying children is:	Household income is:
1 or 2	$37,500
3	$39,500
4	$41,500
5	$43,500
6 or more	+$2,000 for each qualifying child

- Qualifying educational expenses include tutoring, educational summer camps, textbooks and instructional materials. Home computer hardware and educational software qualifies-with a maximum credit of $200.00
- Expenses must be documented.
- K-12 students who attended a public, private or home school, if the criteria above is met, may qualify for the credit.
- Private school tuition does not qualify.

Tax Year	Tax Credits Amount Claimed (000's)	Number of Claimants	Average Amount
1998	$14,348	38,766	$370
1999	$21,373	57,962	$369
2000	$21,329	55,941	$381
2001	$19,247	56,414	$343
2002	$15,851	60,411	$262
2003	$15,888	61,259	$259
2004	$14,990	58,593	$256
2005	$15,319	56,943	$269
2006	$14,762	55,747	$265

Source: Minnesota Department of Revenue, Tax Research Division, August 2008

Additional information is available from the Minnesota Department of Revenue web site: http://www.taxes.state.mn.us.

Tax Deductions (M.S. 290.01, subd. 19b(3)) was first enacted in 1995, expanded in 1997 (for 1998) and last changed in 2001.

- A subtraction from federal taxable income for certain educational expenses paid for a qualifying child in grades K-12.
- Available to all families, regardless of income and whether they itemize on their tax returns.

- Qualifying expenses are the same as with the tax credit, with the exception that private school tuition qualifies for the subtraction.
- The amount that can be subtracted is reduced by any expenses claimed as a K-12 education tax credit.
- Currently, the maximum subtraction is $1,625 per child in kindergarten through 6th grade and $2,500 per child in grades 7-12.

Tax Year	Tax Deductions Amount Claimed (000's)	Number of Claimants	Average Amount
1998	$165,677	150,588	$1,100
1999	$203,476	188,752	$1,078
2000	$236,815	209,224	$1,132
2001	$242,841	210,458	$1,154
2002	$261,298	224,251	$1,165
2003	$268,002	224,169	$1,196
2004	$277,038	231,484	$1,197
2005	$273,730	225,591	$1,213
2006	$255,196	208,486	$1,224

Source: Minnesota Department of Revenue, Tax Research Division, August 2008

Additional information is available form the Minnesota Department of Revenue Web site: http://www.taxes.state.mn.us.

Key Activity Goals

School choice meets two of the MDE strategic goals: 1) improve students' achievement/prepare students to compete in a global economy, and 2) close the achievement gap. Many of the choice programs promote college readiness including postsecondary enrollment options, dual enrollment programs, and have a focus on STEM or language emersion.

Contact

Additional information is available from the Minnesota Department of Education, School Choice Programs and Services, (651) 582-8695, http://education.state.mn.us/MDE/Academic_Excellence/School_Choice/index.html.

Activity Description

The No Child Left Behind Act of 2001 (NCLB) provides funding for various federal programs in Minnesota that are designed to improve student achievement in America's public schools. With the passage of No Child Left Behind, Congress reauthorized the Elementary and Secondary Education Act (ESEA), the principal federal law affecting education from kindergarten through high school. The purpose of NCLB is to increase accountability for results; emphasis on doing what works based on scientific research; expand parental options; and expand local control and flexibility.

Activity at a Glance

- NCLB is a national commitment to ensure that all children receive a high quality education so that no child is left behind.
- Between 2006 and 2008, Minnesota students' achievement in math grew by 4%.
- Between 2007 and 2008, Minnesota students' achievement in reading grew by 3%.

The following programs are funded by NCLB in Minnesota. Funding information is displayed on a federal fiscal year basis. Program descriptions exclude discontinued federal programs and programs that are directly awarded and paid by the federal government to eligible Minnesota school districts and organizations.

Title I Grants to LEAs (Local Education Agencies) (CFDA 84.010)
Elementary and Secondary Education Act of 1965, as amended, Title I, Part A.
Title I of the Improving America's Schools Act is the largest of the federal compensatory education programs. Almost every district in the state qualifies for Title I funds and Title I services are in approximately 90% of the state's elementary schools. More than 130,100 public and nonpublic students participate in Title I programs annually. There are several parts to Title I: Basic Grants, Concentration Grants, Targeted Assistance, Education Finance Incentive Grants, Accountability Grants, Grants for Neglected or Delinquent Institutions, NCLB grants, and Capital Expenses.

Minnesota's share of the national appropriation is based on the number of low-income children counted during the 2000 census. The Minnesota Department of Education (MDE) adjusts these entitlements to provide the required set-asides for administration, school support teams, low-performing schools, and charter schools.

Specific objectives of the Title I basic grants to local education agencies (LEAs) are

- to align Title I evaluation measures with the state student achievement and system performance measures;
- to identify and serve students who are most at-risk of not meeting our state content and performance standards;
- to increase success in the regular classroom through coordination of supplemental services with classroom instruction and curriculum;
- to provide for the involvement of parents in the education of their children;
- to provide intensive and sustained staff development; and
- to coordinate with state and federal programs to maximize the services available for at-risk students and to increase the number of students receiving services.

Title I School Improvement Grant (CFDA 84.377A)
In conjunction with funds reserved under section 1003(a), School Improvement Funds are intended to improve student proficiency, increase the number of schools that make Adequate Yearly Progress, and use data to inform decisions and create a system of continuous feedback and improvement under section 1116 and 1117 of Title I Part A. MDE has targeted these funds to Title I schools of any size and districts with a student population of 1000 or less (as determined by October 1, 2007 MARSS data) identified in the corrective action or preparing to restructuring phase of Adequate Yearly Progress. The Minnesota Title I School Improvement Grants are intended to leverage change through high-quality professional development and increase student achievement in the areas of reading and/or mathematics.

Migrant Education (CFDA 84.011)
Elementary and Secondary Education Act of 1965, Title I, Part C, as amended. 20 U.S.C. 6391 et seq.
The specific purposes of the migrant education program are

- 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;
- to ensure that migratory children have the opportunity to meet the same state content and performance standards that all children are expected to meet;
- to prepare migratory children to make a successful transition to post-secondary education or employment by supporting high-quality educational programs to help them overcome educational disruption, cultural and language barriers, social isolation, various health-related problems, and other factors; and
- to ensure that migratory children benefit from state and local systemic reform.

Neglected and Delinquent (CFDA 84.013)
Elementary and Secondary Education Act of 1965, Title I, Part D, as amended. 20 U.S.C. 6431 et seq.
The specific purposes of the neglected and delinquent programs are

- 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;
- to improve educational services to neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging state content and performance standards that all children will be expected to meet;
- to provide the targeted population the services needed to make a successful transition from institutionalization to further schooling and employment; and
- to prevent at-risk youth from dropping out and to provide dropouts and youth returning from institutions with a support system to ensure continued education.

Safe and Drug-Free Schools and Communities State Grants (CFDA 84.186)
Elementary and Secondary Education Act, 2001, Title IV, Part A, Subpart 1, as amended 20 U.S.C. 7111-7118
Safe and drug-free schools provide resources to school districts and charter schools through a formula allocation to assist and support programs to prevent violence in and around schools and to prevent the illegal use of alcohol, tobacco, and other drugs. Specifically the law focuses on

- supporting researched-based drug abuse and violence prevention and education programs that involve parents and are coordinated with related community efforts and resource programs;
- providing resources to schools to establish, operate, and improve programs of violence and drug abuse prevention, early intervention, rehabilitation referral, and education for elementary and secondary students; and
- providing resources to community-based organizations for programs of violence and drug abuse prevention and education, early intervention, and rehabilitation referral for school dropouts and other high-risk youth.

Even Start Family Literacy Programs (CFDA 84.213)
Elementary and Secondary Education Act of 1965, Title I, Part B, Subpart 3, as amended. 20 U.S.C. 6362.
Even start is a Title I program which provides federal support for local family literacy services. The state's allocation for even start is determined by the amount of the basic and concentration funds the state receives. Funds are distributed to community partnerships on a competitive basis; grants are awarded for four years. Federal funding for FY 2009 is 23% of the FY 2003 allocation. Currently in Minnesota, there are five even start programs, down from 17 in FY 2006. In FY 2007, 383 children and 280 adults participated.

Specific objectives of the even start family literacy programs are

- to improve the academic achievement by integrating early childhood education, adult education, and parent education into a unified program of sufficient intensity and duration;
- to create a new range of services through cooperative projects that build on existing community resources; and
- to assist children and adults from low-income families in breaking the cycle of illiteracy and proverty.

21st Century Community Learning Centers (CFDA 84.287)
Elementary and Secondary Education Act of 1965, as amended,Title IV Part B.
The program funds after school programs to help K-12 students attending low-performing schools or schools with concentrations of families in poverty improve their academic achievement. Programs provide academic and cultural enrichment activities, tutoring, art, music, recreation, and other programs that are designed to reinforce academic instruction. Funds are distributed through an open competition.

Innovative Education Program Strategies (CFDA 84.298)
Elementary and Secondary Education Act of 1965, Title V, as amended, 20 U.S.C. 7301-7373.
This program provides funding to assist state and local education agencies in the reform of elementary and secondary education. Funding for this program was not included beyond FY 2008.

Education Technology State Grants (Enhancing Education Through Technology) (CFDA 84.318)
Elementary and Secondary Education Act of 1965, as amended, Title II, Part D, Subparts I and 2, as amended.
Provides funding on a formula basis to states to:

- improve student academic achievement through the use of technology in schools;
- assist all students in becoming technologically literate by the end of eighth grade; and
- encourage the effective integration of technology with teacher training and curriculum development to establish research-based instructional methods.

Comprehensive School Reform (CFDA 84.332) – Discontinued
Elementary and Secondary Education Act of 1965, Title I, Part E, Section 1502 as amended.
The program funds grants for financial incentive to schools that need to substantially improve student achievement, particularly Title I schools, to implement comprehensive school reform programs that are based on reliable research and effective practices, and include an emphasis on basic academics and parental involvement. These programs are intended to stimulate school-wide change covering virtually all aspects of school operations, rather than piecemeal, fragmented approach to reform. To be considered comprehensive, a program must integrate, in a coherent manner, nine specific components listed in the legislation. Through supporting comprehensive school reform, the program aims to enable all children in the schools served, particularly low-achieving children, to meet challenging state content and student performance standards. Funding for this program was not included beyond FY 2006.

Reading First (Title I, Part B) (CFDA 84.357)
Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1.
The reading first program replaced reading excellence in FY 2002. The reading first program is a federal education program aimed at improving K-3 reading instruction through the use of effective, research-based strategies, and methods. This program allows the state to make competitive sub-grants to school districts meeting specific eligibility criteria identified in the authorizing legislation. Grantees will use program funds to: 1) provide preschool-age children with high-quality oral language and literature-rich environments; 2) provide professional development that is based on scientifically based reading research knowledge of early language and reading development; 3) identify and provide activities and instructional materials that are based on scientifically based reading research; 4) acquire, provide training for, and implement screening reading assessments or other appropriate measures based on scientifically based reading research; and 5) integrate instructional materials, activities, tools, and measures into the programs offered.

Rural and Low-Income Schools Grant (CFDA 84.358)
Elementary and Secondary Education Act of 1965, Title VI, Part B, as amended.
This program is designed to help rural districts that may lack the personnel and resources to compete effectively for federal competitive grants. It is also designed to assist rural districts that often receive federal grant allocations in amounts that are too small to be effective in meeting their intended purposes. This program serves a very small number of rural districts with high concentrations of poverty that are not eligible for small, rural school achievement grants from the U.S. Department of Education.

English Language Acquisition Grants for Limited English Proficient Students (CFDA 84.365)
Elementary and Secondary Education Act as amended, Title III, Part A, Sections 3101-3129.
This new program consolidates the 13 bilingual and immigrant education programs into a formula grant program and significantly increases flexibility and accountability. Minnesota previously received funds under the Title VII Emergency Immigrant program, while districts applied directly to the U.S. Department of Education for grants under other programs. This program maintains the current focus on assisting school districts in teaching English to limited English proficient students and in helping these students meet the same challenging state standards required of all other students. Some of the funds may be reserved to serve districts significantly impacted by the needs of immigrant students.

Math and Science Partnership (CFDA 84.366)
Elementary and Secondary Education Act of 1965, as amended, Title II, Part B.
The purpose of this program is to improve the academic achievement of students in mathematics and science through projects that support partnerships of organizations representing preschool through higher education. These projects promote strong teaching methods based on scientifically based research and technology into the curriculum.

Improving Teacher Quality (CFDA 84.367)
Higher Education Act of 1965, Title II, Part A, P.L. 105-244.
This program provides funding to improve student achievement by improving the quality of the current and future teaching workforce by improving the preparation of prospective teachers and enhancing professional development activities; holding institutions of high education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teacher plans to teach, such as mathematics, science, English, foreign language, history, economics, arts, civics government, and geography; including training in effective uses of technology in the classroom; and recruiting highly qualified individuals, including individuals from other occupations, into the teacher workforce.

Improving Academic Achievement Accountability, Grants for State Assessments (CFDA 84.369)
Elementary and Secondary Education Act of 1965, as amended, Title VI, Part A, Subpart I, Public Law 107-110.
This program supports:

- the development of the additional state assessments and standards required by Section 1111(b) of the federal ESEA, as amended; or
- the administration of the assessments required by Section 1111(b) or to carry out other activities related to ensuring that the state's schools and local education agencies are held accountable for results.

No Child Left Behind Act of 2001 (NCLB)
Federal Awards by Federal Fiscal Year
Source: U.S. Department of Education

Funds in this table include both grant funds and administrative funds awarded for expenditure over a 27 month period. Actual state expenditures will differ from the amounts awarded due to the timing of the distribution of grants and state and federal fiscal year reporting requirements.

		Dollars in Thousands					
							Estimate
CFDA	Title of Program	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008
84.010	Title One	$117,728.4	$105,427.8	$108,585.3	$109,155.7	$114,582.9	$126,897.3
84.377	Title One School Improvement Grant					$1,103.5	$4,457.7
84.011	State Agency Program-Migrant	2,375.7	2,376.2	2,363.1	1,683.6	1,678.1	1,652.8
84.013	State Agency Program-Neglected and Delinquent	198.7	171.6	154.9	204.4	211.8	203.4
84.186	Safe & Drug Free Schools and Communities Grants	5,924.9	5,924.9	5,903.1	4,649.2	4,649.2	3,935.4
84.213	Even Start	2,109.7	1,691.0	1,648.2	758.4	669.8	556.5
84.287	21st Century Community Learning Centers	5,909.9	9,220.5	7,375.5	7,813.2	7,952.4	9,306.8
84.318	Educational Technology State Grants	6,055.4	5,017.5	3,900.5	2,178.9	2,314.3	2,339.0
84.332	Comprehensive School Reform (Title I)	2,664.2	2,397.5	1,728.8	-0-	-0-	-0-
84.357	Reading First State Grants	9,566.7	8,279.3	8,948.2	8,999.5	9,604.5	3,721.9

		Dollars in Thousands					
							Estimate
CFDA	Title of Program	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008
84.358	Rural and Low-Income Schools Program	121.6	-0-	106.4	67.7	114.8	116.8
84.365	Language Acquisition State Grants	5,289.5	6,108.7	6,595.3	7,098.3	6,707.8	8,212.8
84.366	Mathematics & Science Partnerships	931.3	1,168.0	1,492.3	1,492.9	1,595.1	1,603.8
84.367	Improving Teacher Quality State Grants	38,871.0	37,901.6	37,960.9	37,544.8	37,842.2	38,482.8
84.369	State Assessments*	6,909.8	6,927.7	7,037.7	7037.7	7047.0	7033.2

Discontinued Programs - These NCLB federal funds are shown under Discontinued Programs.

84.340	Funds for the Improvement of Education-Comprehensive School Reform	1,296.6	1,239.1	-0-	-0-		
84.184	State Grants for Community Service for Expelled or Suspended Students	613.7	-0-	-0-	-0-		
84.298	State Grants for Innovative Programs	6,569.6	4,888.8	3,221.3	1,607.4	1,611.1	-0-

Federal direct aid – these funds are directly awarded and paid by the federal government to eligible Minnesota school districts and organizations. These NCLB funds do not flow through MDE.

84.358	Small Rural Schools Achievement Program	2,537.9	2,782.9	2,775.8	3,020.9	2,929.9	2,985.4
	Impact Aid (Basic, Disabilities, Construction)	11,980.6	13,637.9	13,729.3	15,312.1	14,901.3	15,968.7
84.060	Indian Education-Grants to Local Education Entities	3,458.7	3,281.3	3,244.3	3,249.9	3,353.7	3,398.7
Total NCLB Act of 2001		**$231,113.9**	**$218,442.3**	**$216,770.9**	**$211,875**	**$218,869.7**	**$230,872.7**

*These funds are included in the statewide testing narrative. These funds are not included in the fiscal expenditure page for this narrative.

Contact

Additional information is available from the Minnesota Department of Education, No Child Left Behind Programs, (651) 582-8784,
http://education.state.mn.us/mde/Accountability_Programs/No_Child_Left_Behind_Programs/index.html.

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Expenditures by Fund					
Statutory Appropriations					
Federal	168,147	180,801	184,018	186,669	370,687
Total	**168,147**	**180,801**	**184,018**	**186,669**	**370,687**
Expenditures by Category					
Total Compensation	0	38	39	40	79
Other Operating Expenses	146	396	396	396	792
Local Assistance	168,001	180,367	183,583	186,233	369,816
Total	**168,147**	**180,801**	**184,018**	**186,669**	**370,687**
Full-Time Equivalents (FTE)	**0.0**	**0.5**	**0.5**	**0.5**	

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: MATH SCIENCE TEACHER CENTER

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Math & Science Teacher Academies		0	1,500	1,500	3,000
Total	**0**	**0**	**1,500**	**1,500**	**3,000**
Expenditures by Fund					
Direct Appropriations					
General	0	0	1,500	1,500	3,000
Total	**0**	**0**	**1,500**	**1,500**	**3,000**
Expenditures by Category					
Total Compensation	0	0	75	75	150
Other Operating Expenses	0	0	125	125	250
Local Assistance	0	0	1,300	1,300	2,600
Total	**0**	**0**	**1,500**	**1,500**	**3,000**
Full-Time Equivalents (FTE)	**0.0**	**0.0**	**0.7**	**0.7**	

Activity Description

This budget activity summarizes major federal programs that fund activities throughout Minnesota.

Activity at a Glance

Major federal programs in the activity are:

- Career and Technical Education Basic Grants – Carl Perkins
- Byrd Honors Scholarship Program
- Homeless Children
- Foreign Language Assistance
- Teacher Quality Enhancement Grants
- Voluntary School Choice
- Cooperative Agreements to Support Comprehensive School Health Programs
- Learn and Serve America

Career and Technical Education – Basic Grants to States (CFDA 84.048)
Carl D. Perkins Career and Technical Education Improvement Act of 2006

The purpose of this grant program is to develop more fully the academic, career, and technical skills of secondary and post-secondary students who elect to enroll in vocational and technical programs. Under a new state plan for career and technical education, secondary schools and postsecondary institutions must jointly plan for the use of these funds to develop and implement programs of study spanning at least grades 11 through 14. Twenty-six secondary/postsecondary consortia are recognized to receive Perkins funds in Minnesota.

This program is subject to administrative matching and non-supplanting requirements.

Byrd Honors Scholarship Program (CFDA 84.185)
Higher Education Act of 1965, Title IV, Part A, Subpart 6 as amended, 20 U.S.C. 107d-31-1070d-41.
The purpose of the Byrd Honors Scholarship Program is 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.

Homeless Children (CFDA 93.150)
McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B.
This program provides funding to ensure that homeless children and youth have equal access to the same free, appropriate public education as other children; to provide activities for and services to ensure that these children enroll in, attend, and achieve success in school; to establish or designate an office in each state education agency for the coordination of education of homeless children and youth; to develop and implement programs for school personnel to heighten awareness of specific problems of homeless children and youth; and to provide grants to school districts.

Foreign Language Assistance (CFDA 84.293)
Elementary and Secondary Education Act of 1965, as amended, Title V, Part D, subpart 9. 20 U.S.C. 7259 - 7259(b).To support innovative model programs of foreign language study in public elementary and secondary schools. Projects must be designed to support innovative model programs of foreign language study in elementary and secondary schools. Projects must show the promise of being continued beyond the grant period. No less than three-fourths of the appropriation must be used for elementary level projects. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate which is referenced under 34 CFR 76.564- 76.569.

Teacher Quality Enhancement Grants (CFDA 84.336)
Higher Education Act of 1965, Title II, Part A, Public Law 105-244
To improve student achievement; improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities; hold institutions of higher education accountable for preparing teachers who have the necessary teaching skills and are highly competent in the academic content areas in which the teachers plan to teach, such as mathematics, science, English, foreign language, history, economics, art, civics, Government, and geography, including training in the effective uses of technology in the classroom; and recruit highly qualified individuals, including individuals from other occupations, into the teaching force.

Voluntary School Choice (CFDA 84.361)
Elementary and Secondary Education Act, as amended, Title V, Part B, Subpart 3, 20 U.S.C. 7225-7225g.
This grant program supports efforts to establish or expand programs of public school choice for parents and their children. Minnesota was awarded the grant beginning in FY 2002 to expand the Choice is Yours program. The Choice is Yours program, developed by the 2000 settlement of the National Association for the Advancement of Colored People (NAACP) versus State of Minnesota, allows Minneapolis students who qualify for free or reduced price lunch priority access and transportation to Minneapolis magnet schools and identified suburban schools. The grant enhances the Choice is Yours program by expanding outreach, transportation, and academic support.

Cooperative Agreements to Support Comprehensive School Health Programs (CFDA 93.938)
Public Health Service Act, Section 301(a) and 311 (b) (c), as amended; 42 U.S.C. 241 (a), as amended; 42 U.S.C. 243 (b). To support the development and implementation of effective health education for human immunodeficiency virus (HIV) and other important health problems for school-age populations (elementary through college-age youth, parents, and relevant school, health, and education personnel).
Cooperative Agreement funds may be used to support personnel, their training and travel, and to purchase supplies and services for planning, organizing and conducting activities directly related to the objectives of this program. This program helps integrating HIV education within a more coordinated school health program; disseminating information about accessibility, availability, and quality of educational strategies, materials, and curricula to local education agencies and schools; and providing technical assistance to local school districts and schools in implementing HIV education. Special efforts are made to reach minority youth, youth in high-risk situations, and youth with special education needs.

Learn and Serve America (CFDA 94.004)
National and Community Service Act of 1990, as amended.
The goal of Minnesota's Service Learning program is to strengthen service learning efforts and promote the healthy development of youth and our communities. The focus is to increase the civic and literacy skills of youths particularly from disadvantaged situations by engaging them in state and local service learning programs, on project review and steering committees, and as presenters at conferences. Organizations utilize adult volunteers and work with teachers to increase their ability to use service learning as an instructional tool through curriculum building and teacher and administrator training. Partnerships with other education and community-based organizations leverage funding for greater efficiency and will facilitate resource sharing.

Miscellaneous Federal Programs
FFY = Federal Fiscal Year Allocation

CFDA	Name	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008
84.048	Vocational Education Basic Grants- Carl Perkins	$ 6,609.9	$ 6,532.7	$ 6,545.5	$ 6,640.6	$6,144.5	$6495.6	$6271.4
84.185	Byrd Honors Scholarships	721.5	718.5	694.5	690.0	688.5	667.5	673.5
84.196	Homeless Children	545.9	521.4	549.0	512.1	518.7	546.1	583.3
84.293	Foreign Language Assistance	-0-	-0-	-0-	280.0	-0-	-0-	-0-
84.336A	Teacher Quality Enhancement Grants	-0-	2,622.6	2,715.0	2,844.6	-0-	-0-	-0-
84.361	Voluntary School Choice	3,000.0	2,298.4	2,240.6	2,240.6	2,712.9	1,905.0	1,692.2
93.938	Comprehensive School Health Program	-0-	-0-	275.9	254.2	314.2	307.8	580.0
94.004	Learn and Serve America	293.5	294.2	287.3	281.6	238.0	238.0	238.0
TOTAL		$11,170.8	$12,987.8	$13,307.8	$13,743.7	$7,901.4	$3.118.6	$1,256.8

Federal funds awarded may be distributed over a 27-month period. Actual state expenditures will differ from the amounts awarded due to the timing of the distribution of grants and state and federal fiscal year reporting requirements.

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

Contact

Additional information is available on the Catalog of Federal Domestic Assistance's web site at: http://12.46.245.173/pls/portal30/!CATALOG.AGY_PROGRAM_LIST_RPT.show.

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: MISC. FEDERAL PROGRAMS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Expenditures by Fund					
Statutory Appropriations					
Federal	8,257	7,349	7,245	7,245	14,490
Total	**8,257**	**7,349**	**7,245**	**7,245**	**14,490**
Expenditures by Category					
Payments To Individuals	675	804	700	700	1,400
Local Assistance	7,582	6,545	6,545	6,545	13,090
Total	**8,257**	**7,349**	**7,245**	**7,245**	**14,490**

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: MN VIRTUAL EDUCATION PROGRAM

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
MVEP		0	1,000	1,000	2,000
Total	**0**	**0**	**1,000**	**1,000**	**2,000**
Expenditures by Fund					
Direct Appropriations					
General	0	0	1,000	1,000	2,000
Total	**0**	**0**	**1,000**	**1,000**	**2,000**
Expenditures by Category					
Total Compensation	0	0	345	345	690
Other Operating Expenses	0	0	655	655	1,310
Total	**0**	**0**	**1,000**	**1,000**	**2,000**
Full-Time Equivalents (FTE)	**0.0**	**0.0**	**3.0**	**3.0**	

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: PRINCIPALS' LEADERSHIP INST

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
Principals' Leadership Institute		0	400	400	800
Total	**0**	**0**	**400**	**400**	**800**
Expenditures by Fund					
Direct Appropriations					
General	0	0	400	400	800
Total	**0**	**0**	**400**	**400**	**800**
Expenditures by Category					
Local Assistance	0	0	400	400	800
Total	**0**	**0**	**400**	**400**	**800**

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
SMART		0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**
Expenditures by Fund					
Direct Appropriations					
General	0	0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**
Expenditures by Category					
Local Assistance	0	0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**

DEPT OF EDUCATION
Program: ED EX SPEC STUDNT & TEACHER
Activity: U TEACH

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	0	0	0	0	0
Subtotal - Forecast Base	0	0	0	0	0
Governor's Recommendations					
U Teach		0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**
Expenditures by Fund					
Direct Appropriations					
General	0	0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**
Expenditures by Category					
Local Assistance	0	0	500	500	1,000
Total	**0**	**0**	**500**	**500**	**1,000**

Budget Activities

⇒ Regular Special Education
⇒ Special Education Excess Costs
⇒ Children with Disabilities
⇒ Travel for Home-Based Services
⇒ Court Placed Special Education Revenue
⇒ Out of State Tuition
⇒ Other Federal Special Education Programs

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	789,772	830,588	830,588	830,588	1,661,176
Technical Adjustments					
End-of-session Estimate			17,445	65,162	82,607
November Forecast Adjustment		2	3	3	6
Subtotal - Forecast Base	789,772	830,590	848,036	895,753	1,743,789
Governor's Recommendations					
Aid Payments Shift		0	(81,797)	(5,095)	(86,892)
Total	**789,772**	**830,590**	**766,239**	**890,658**	**1,656,897**
Expenditures by Fund					
Direct Appropriations					
General	789,768	830,590	766,239	890,658	1,656,897
Statutory Appropriations					
Federal	173,131	182,192	186,301	187,716	374,017
Total	**962,899**	**1,012,782**	**952,540**	**1,078,374**	**2,030,914**
Expenditures by Category					
Other Operating Expenses	801	911	911	911	1,822
Local Assistance	962,098	1,011,871	951,629	1,077,463	2,029,092
Total	**962,899**	**1,012,782**	**952,540**	**1,078,374**	**2,030,914**
Expenditures by Activity					
Special Education Regular	850,633	898,260	845,968	963,373	1,809,341
Sp Ed Excess Cost	108,656	110,826	102,668	110,874	213,542
Sp Ed Child W Disability	2,086	2,282	2,519	2,779	5,298
Sp Ed Travel Home Based Svs	208	229	224	270	494
Sp Ed Court Placed	67	74	76	78	154
Sp Ed Out State Tuition	250	250	250	250	500
Other Federal Sp Ed Programs	999	861	835	750	1,585
Total	**962,899**	**1,012,782**	**952,540**	**1,078,374**	**2,030,914**

Activity Description

Citation: M.S. 125A.02; 125A.03; 125A.53; 125A.75; 125A.76; 125A.78; 125A.79
Federal Citation: P.L. 108-446 IDEA

Special education-regular is a state aid program that provides specially designed instruction and related services for children and youth with disabilities ages birth – 21. Districts also receive additional federal Individual Disability Education Act (IDEA) funds to be used in the delivery of special education services.

Activity at a Glance

Special Education services, revenue, and expenditures for FY 2007:

- 121,511 students ages birth – 21 receiving services.
- 26,896 full-time equivalent professional and paraprofessional staff employed.
- $700 million paid to districts.
- $172 million federal funds allocated to school districts.

Population Served

As shown in the following table, in FY 2007, Minnesota provided special education services to 121,511 children and youth, ages birth through 21. The following table shows the number of special education students by age and disability, as of 12-01-06.

FY 2007 Unduplicated Child Count by Disability and Age Group as of 12-01-06

Disability	Preschool Ages B-4	K-12 Ages 5-18	Ages 19-21	Total
1. Autism Spectrum Disorders	745	8,907	277	9,929
2. Deaf-Blind	5	55	1	61
3. Developmentally Delayed	7,348	4,688	-0-	12,036
4. Mildly Moderate-DCD	39	6,328	619	6,986
5. Severe Profound-DCD	6	1,949	308	2,263
6. Deaf or Hard of Hearing	249	2,039	69	2,357
7. Emotional or Behavioral Disorders	76	16,483	343	16,902
8. Other Health Disabilities	37	13,297	202	13,536
9. Physically Impaired	55	1,549	63	1,667
10. Specific Learning Disability	2	31,898	502	32,402
11. Speech or Language Impairment	3,157	18,643	20	21,820
12. Severely Multiply Impaired	13	599	57	669
13. Traumatic Brain Injury	12	418	40	470
14. Visually Impaired	55	352	6	413
Total	11,799	107,205	2,507	121,511

Students become eligible for special education services by meeting specific state eligibility requirements under one or more of 14 disability categories.

Students must meet two general criteria to be eligible for special education services: 1) be found eligible through a multi-disciplinary assessment; and 2) be in need of specially designed instruction and related services. The eligibility criteria for each disability are defined in the State Education Rules 3525.1325 through 3525.1352.

The following table shows the number of special education students by education setting as of 12-01-06:

Unduplicated Child Count by Setting
as of December 1, 2006 (Birth -21)

Setting Ages 6-21	Total
Outside of regular classroom less than 21% of school day	62,699
Resource room between 21% and 60% of school day	26,117
Separate classroom more than 60% of school day	10,435
Public separate day school facility greater than 50% of school day	3,919
Private separate day school facility greater than 50% of school day	147
Public residential facility greater than 50% of school day	207
Private residential facility greater than 50% of school day	163
Homebound/hospital placement	248
Subtotal Ages 6-21	**103,935**
Settings Ages 3-5	
Regular EC program at least 80% of the time	7,105
Regular EC program 40-79% of the time	2,237
Regular EC program less than 40% of the time	967
Separate class	2,640
Separate school	113
Residential facility	13
Service provider location	543
Home	371
Subtotal Ages 3-5	**13,989**
Settings Ages Birth-2	
Designed for children with development delays	210
Designed for typically developing children	138
Home	3,172
Hospital (inpatient)	-0-
Resident facility	-0-
Service provider loation	53
Other Setting	14
Subtotal Ages Birth-2	**3,587**
TOTAL	**121,511**

Services Provided

Special education instruction and services are governed by state statutes (M.S. 125A.02; M.S. 125A.03; M.S. 125A.75); state education rules (chapter 3525); federal law [P.L. 108-446, Individuals with Disabilities Education Act (IDEA)]; and federal rules (34 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 and services that are

- based on categorical eligibility and need as identified in a multi-disciplinary assessment;
- written into an Individualized Education Plan (IEP), Individualized Family Service Plan (IFSP), or Individualized Interagency Intervention Plan (IIIP); and
- provided in the least restrictive environment appropriate to the student's needs and at no cost to parents.

Special education is specially designed instruction that helps students with disabilities achieve results in the general curriculum and make progress toward graduation per individualized goals. The IEP team including parents determine the most appropriate means of delivering the necessary instruction and services to the students.

- 277 smaller school districts have formed 39 special education cooperatives to deliver special education programs more cost effectively and efficiently.
- In addition, districts can purchase services from service cooperatives, intermediate school districts, and cooperate with formal collaborative organizations such as children's mental health collaboratives, family service collaboratives, interagency early intervention committees, and community interagency transition committees.

The Division of Special Education Policy and the Division of Compliance and Assistance are working with school districts and cooperatives to implement self-assessment procedures known as Continuous Improvement Monitoring Process - Self-Review (CIMP-SR). This process is for children with disabilities birth through 21 and their families and has three major goals:

- to improve educational results for children and youth with disabilities through the provision of specialized instruction and related services;
- to improve educational benefit for children and youth with disabilities through the development and implementation of interagency delivery systems; and
- to assure free and appropriate public education and early intervention services through state and local implementation of required procedures for finding, evaluating, placing, instructing, and supporting children and youth with disabilities.

Key Activity Goals

The program addresses the MDE goal of improving student achievement and the Minnesota Milestones goal of preparing students to compete in global economy.

Key Measures

- Graduation rate of students with disabilities

	School Year		
	2004-05	2005-06	2006-07
All Students	88.8%	90.5%	91.0%
Special Education	82.0%	82.4%	84.6%

- Dropout rate of students with disabilities

	School Year		
	2004-05	2005-06	2006-07
All Students	3.2%	3.1%	3.1%
Special Education	4.6%	4.9%	4.2%

- Participation and performance on statewide assessments (MCA and MTAS)
  1. Participation

	School Year		
	2004-05	2005-06	2006-07
Overall %	97.7%	97.5%	96.0%

2. Overall proficiency (MCA and MTAS) – reading and mathematics combined

	School Year		
Reading	2004-05	2005-06	2006-07
Grade 3	50.4%	69.4%	63.3%
Grade 10	40.2%	45.1%	43.0%
Math			
Grade 3	53.5%	81.3%	75.7%
Grade 11	31.5%	19.7%	17.6^

Activity Funding

Special education programs are funded with state special education aids and federal IDEA funds.

District Special Education Expenditures
State and Federal

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Average Cost Per Student	$9,405	$9,693	$10,204	$10,629	$10,962
Child Count Birth-21	115,904	117,716	118,530	119,720	121,511
Total Expenditures (Dollars in Thousands)					
Salaries	$ 731,125	$ 754,858	$ 790,784	$ 826,456	$ 873,554
Fringe Benefits*	201,059	207,586	217,466	227,275	240,227
Contracted Services	33,521	33,934	33,294	35,444	38,062
Individualized Instructional Supplies and Equipment	8,541	6,971	6,875	8,042	8,649
Federal Funds Used for Instruction (Birth-21)	115,805	137,666	161,036	175,306	171,548
SUBTOTAL for Direct & Related Services	$1,090,051	$1,141,015	$1,209,455	$1,272,533	$1,332,040
Transportation**	101,030	108,922	119,043	130,492	137,698
TOTAL Expenditures	$1,191,081	$1,249,937	$1,328,498	$1,403,025	$1,469,738
Annual % Change	6.30%	4.94%	6.29%	5.61%	4.75%

*Estimated based on ratio of salaries for staff from UFARS
**Includes transportation to and from school, between schools and board and lodging UFARS Finance code 723. Includes special transportation of selected pupils UFARS code 728.

Includes birth through 21 (Part C birth through age 2). Additional information on Part C pupils is located in the Infants and Toddlers-Part C budget narrative. Fiscal information for this program is included on the fiscal page page for Infants and Toddlers-Part C.

Federal Flow Through Awards to School Districts (Dollars in Thousands)

	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Federal Flow Through Entitlement Section 611	$111,405	$ 131,914	$150,292	156,235	155,880
Preschool Incentive Entitlement Section 619	5,751	5,694	5,696	5,643	5,576
Preschool Incentive CSPD Entitlement Section 619	177	185	194	192	402
Part C	4,900	5,245	5,719	5,407	5,472

State Special Education Aid:
Special education aid through FY 2007 was based on expenditures in the second prior year (base year). State special education aid for FY 2007 was based on expenditures in FY 2005. Beginning in FY 2008, special education aid is based on expenditures in the current year. State special education for FY 2008 is based on expenditures in FY 2008.

Several additional changes to the special education formulas took place in FY 2008. Transition disabled aid, which equaled $8.8 million in FY 2007 was rolled into special education aid in FY 2008. Transition program for students with disabilities provides for transitional career and technical (vocational) experiences/programs that provide career exploration, healthy work attitudes, specific career and academic knowledge, and job skills for students with disabilities. Transition programs for students with disabilities serves students who meet state disability eligibility criteria according to M.S. 125A.02 and who have Individual Education Plans (IEP) that include work-based learning and require extra interventions not provided in regular work-based learning programs.

Lastly, FY 2008 is the first year that districts receive bus depreciation aid for buses purchased after 07-01-05 and used for the majority of the time providing special transportation services.

The special education initial aid equals the sum of the following amounts:

- *Salary* - 68% of the salary of each essential staff providing direct instructional and related services to students (both special education and transition disabled programs);
- *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 general education revenue of the district for that pupil for the fraction of the school day the student receives services that are provided in place of services of the district's program (both special education and transition disabled programs). For transition disabled programs only, 52% of the cost of vocational evaluation;
- *Supplies and Equipment* -
  - ⇒ Special education programs - 47% of the cost of supplies and equipment not to exceed an average of $47 per student with a disability,
  - ⇒ Transition disabled programs - 47% of the cost of supplies not to exceed an average of $47 per student with disability. 47% of the cost of equipment;
- *Travel* - for transition disabled programs only, 47% of the costs of necessary travel between instructional sites by transition program teachers.
- *Bus Depreciation* - 100% of the cost of regular buses over eight years and Type III buses over five years that are used the majority of time providing special transportation services; and
- *Transportation* - 100% of the cost of special transportation services.

A school district's special education aid equals the state total special education aid times the ratio of the district's initial special education aid to the state total initial special education aid.

The state total special education revenue for FY 2008 through FY 2011 is set in state law. For FY 2008, FY 2009, FY 2010, and FY 2011 the state total is $694.1 million, $719.5 million, $735.7 million, and $787.6 million, respectively. The state total special education aid for FY 2012 and later fiscal years equals the state total special education aid for the preceding fiscal year times the program growth factor times the greater of one, or the ratio of the state total average daily membership (ADM) for the current fiscal year to the state total ADM for the preceding fiscal year. The program growth factor is 1.046 for FY 2012 and later years.

Special education aid as a percent of adjusted base revenue declined from FY 2004 through FY 2007 due to continued increases in special education expenditures, without a corresponding increase in the state total special education aid. For FY 2004, special education aid was 91.9% of adjusted base revenue; that percentage decreased to 87.5% in FY 2005, 83.6% in FY 2006, and 78.7% in FY 2007. Due to a large increase in funds for FY 2008, which includes the addition of resources attributable to transition disabled and the change to current

year funding, aid a percent of initial aid it is projected to be 86.2% in FY 2008. However, it begins to decline again and is projected to be 85.1% in FY 2009 and 83.5% in both FY 2010 and FY 2011.

Federal IDEA (Individuals with Disabilities Education Act) Funds:
IDEA Part B funds are allocated using a formula that includes a base amount, with the remainder of the funds distributed using poverty and enrollment figures of all students reported on MARSS (Minnesota Automated Reporting Student System).

The base amount is determined by the 12-01-1998 count of students with disabilities for Section 611 (ages 3 - 21) and the 12-01-1996 count of students with disabilities for Section 619 (ages 3 – 5). If a district has a resident student/s attending a new or significantly expanded (by more than 10%) charter school, the base amount is redistributed among the school district and the affected charter school/s using December 1 child count of students with disabilities for the year when the school opens or significantly expands.

85% of federal aid exceeding the base is allocated based on current year enrollment of all students (Section 611); 15% is allocated based on current year free and reduced price lunch counts (Section 619). For FY 2007, the following amounts were allocated through each formula:

- Part B –Section 611

Base	$55,057,097
Free/Reduced	$15,123,413
Enrollment	$85,699,341

- Part B – Section 619

Base	$ 5,299,759
Free/Reduced	$ 41,430
Enrollment	$ 234,769

The federal law requires that the state and local school districts maintain effort from one year to the next. Total state aid and individual district state-local expenditures may not be decreased from the current year to the subsequent year, except under specific circumstances. Districts cannot supplant state and local expenditures for special education with federal funds. Federal funds are intended to expand and improve education services to individuals with disabilities.

Because of the maintenance of effort requirements of IDEA, districts have generally paid for related services staff, supplies, equipment, and tuition agreements with federal funds. Federal funds can be used to pay for a wider range of eligible special education costs than state special education aids. The two aid packages are compatible and provide a complete package for local school districts.

For FY 2007, the Minnesota Department of Education (MDE) flowed 89% of the federal funds to local education agencies. The department retains 2% of the funds for administration costs and approximately 9% for statewide set aside programs to implement Minnesota's State Improvement Plan and for technical assistance, training, and monitoring.

Special education revenue, together with the general education revenue earned by students with disabilities for the time they are enrolled in special education programs, does not reimburse all of the expenses that districts incur for special education programs. Information on special education cross-subsidies is available at http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/Special_Education/Cross_Subsidy_Report/index.html.

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

Contact
Additional information is available from the Minnesota Department of Education, Special Education Policy, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Special_Education/index.html.

DEPT OF EDUCATION

Program: SPECIAL EDUCATION

Activity: Special Education

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	677,622	716,929	716,929	716,929	1,433,858
	Transition for Disabled Students	879				
	a. End of Session Estimate			17,142	64,568	81,710
	b. November Forecast Adjustment					0
	c. Transfer per M.S. 127A.41					
2	**Forecast Base**	**678,501**	**716,929**	**734,071**	**781,497**	**1,515,568**
3	**Governor's Recommendation**					
	a. Aid Payment Shift			(73,569)	(5,090)	(78,659)
4	**Governor's Recommended Appropriation**			**660,502**	**776,407**	**1,436,909**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	694,063	719,470	735,693	786,586	1,522,279
6	Statutory Excess/(Shortfall)					0
7	Appropriated Entitlement	694,063	719,470	735,693	786,586	1,522,279
8	Adjustments					
	a. Excess Funds Transferred In/(Out)					
	b. Supplemental Appropriation					
9	**State Aid Entitlement Current Law**	694,063	719,470	735,693	786,586	1,522,279
10	**Other Revenue**					
	a. Federal	172,132	181,331	185,466	186,966	372,432
11	**Total All Sources Current Law**	866,195	900,801	921,159	973,552	1,894,711
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	52,965	69,406	71,947	147,138	219,085
	Current Year (90%/80%)	624,657	647,523	588,555	629,269	1,217,824
	Transition for Disabled Students	879				
	Total State Aid - General Fund	**678,501**	**716,929**	**660,502**	**776,407**	**1,436,909**

Activity Description

Citation: M.S. 125A.79

This state aid program provides school districts with assistance for unreimbursed costs of special education and related services. These costs have traditionally been subsidized by the general fund.

Population Served

All public schools in Minnesota whose unreimbursed special education costs exceed the funding threshold as defined by the aid formula receive state aid.

Activity at a Glance

Excess cost aid provides a "safety net" for districts that experience high costs for special education services which are not reimbursed by regular special education aid.

- $104.7 million in entitlements to Minnesota districts in FY 2007.
- 325 districts received excess cost aid in FY 2007.

Services Provided

Special education excess cost aid promotes adequacy and equity in the general education program. Specifically, this activity helps students with a disability access free and appropriate public education without requiring school districts 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. 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 the school district general fund.

Historical Perspective

- Since FY 1996, the total state special education revenue has been set in law or has been the result of a formula. The growth in initial special education excess cost revenue since FY 1996 is largely attributable to faster growth in special education expenditures than in state total special education revenue during this period.
- Beginning in FY 1999, transportation funding for students with a disability was rolled into the special education formula and the excess cost of transporting these students was included in the excess cost formula.
- Beginning in FY 2008, transition programs for students with disabilities was rolled into the special education formula and the excess cost of serving these students was included in the excess cost formula. Additionally, in FY 2008, bus depreciation, reimbursable tuition and transportation tuition revenues and expenditures were also included in both formulas.
- Beginning in FY 2000, the revenue was increased from 70% to 75% of excess costs and the threshold to qualify for revenue was reduced from 5.7% to 4.4% of general education revenue. The threshold was reduced to 4.36% beginning in FY 2001.
- Beginning in FY 2002, the state total excess cost aid has been set in law.

Key Activity Goals

By providing additional funding toward unreimbursed costs of special education and related services, this program addresses the key department goals of improving student achievement and preparing students to compete in a global economy.

Key Measures

Key indicators and measures for special education programs are available in the Special Education - Regular budget narrative.

Activity Funding

For FY 2002 through FY 2007, a district's special education excess cost aid equaled the greater of

- 75% of the difference between the district's unreimbursed special education cost and 4.36% of the district's general revenue; or
- 70% of the difference between the increase in the district's unreimbursed special education cost between the base and the current year and 1.6% of the district's general revenue.

For FY 2008 and later years, a district excess cost aid equals 75% of the difference between the district's unreimbursed special education cost and 4.36% of the district's general revenue.

The state total excess cost aid equals $104.7 million in FY 2007, $110.6 million in FY 2008, and $110.9 million in FY 2009, $110.8 million in FY 2010, and $110.9 million in FY 2011. In later fiscal years, the state total excess cost aid equals

- the state total special education excess cost aid for the preceding fiscal year; times
- the program growth factor; times
- the greater of one or 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.

The program growth factors established by the legislature equal 1.044 for FY 2002, 1.02 for FY 2003, and 1.00 for FY 2004 through FY 2011. However, the state total excess cost aid for FY 2004 through FY 2011 is set in state law. The program growth factor is 1.02 for FY 2012 and later years. A district's initial excess cost aid is computed using the current formula. A district's actual excess cost aid equals its initial entitlement times the ratio of the state target for excess cost aid to the state total initial excess cost aid. Actual excess cost aid as a percent of initial excess cost aid declined since FY 2004 through FY 2007 due to continual increases in special education expenditures without a corresponding increase in the state total special education – regular or excess cost aid, from 82.6% in FY 2004 to 63.7% in FY 2005, 57.6% in FY 2006, 47.5% in FY 2007, 44.1%. A substantial portion of this reduction is attributable to a decline in the share of special education expenditures funded through the special education – regular program, which spill over into the excess cost formula.

Due to a large increase in special education funds for FY 2008, which includes the addition of resources attributable to transition disabled and the change in the regular formula to current year funding, aid as a percent of initial aid is projected to be 76.5% in FY 2008, 67.1% in FY 2009, 55.9% in FY 2010, and 53.1% in FY 2011.

Excess cost aid targets a portion of special education funding increases to districts with the greatest excess cost as a percentage of total general revenue. By considering the overall impact of unreimbursed special education costs on a district's general fund budget, this program is more effective in addressing excess costs than narrower programs such as the court placement and tuition revenue programs.

The table below shows the state total amount of excess cost revenue for FY 2002 through FY 2007 and the numbers of districts participating in the program each year:

Special Education Excess Cost Revenue

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Total Revenue	$90.8	$92.1	$92.1	$91.8	$103.6	$104.70
Number of Districts	283	273	319	307	319	325

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8810, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/Special_Education/Excess_Cost_Projection_Models/index.html.

DEPT OF EDUCATION

Program: SPECIAL EDUCATION

Activity: Special Education – Excess Costs

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	108,656	110,826	110,826	110,826	221,652
	a. End of Session Estimate			45	51	96
	b. November Forecast Adjustment				0	0
	c. February Forecast Adjustment					0
2	**Forecast Base**	**108,656**	**110,826**	**110,871**	**110,877**	**221,748**
3	**Governor's Recommendation**					
	a. Aid Payment Shift			(8,203)	(3)	(8,206)
4	**Governor's Recommended Appropriation**			**102,668**	**110,874**	**213,542**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
5	Statutory Formula Aid	110,641	110,918	110,847	110,892	221,739
6	Statutory Excess/(Shortfall)					0
7	Appropriated Entitlement	110,641	110,918	110,847	110,892	221,739
8	Adjustments					
9	**State Aid Entitlement Current Law**	110,641	110,918	110,847	110,892	221,739
	Appropriations Basis for State Aid					
	Prior Year	34,969	36,954	37,046	45,225	82,271
	Current Year	73,687	73,872	65,622	65,649	131,271
	Total State Aid - General Fund	**108,656**	**110,826**	**102,668**	**110,874**	**213,542**

Activity Description

Citation: M.S. 125A.75, Subd. 3

This state aid program provides funding for individuals with and without disabilities who are placed under care in a state institution, a licensed residential facility, or foster facility for whom no district of residence can be determined.

Activity at a Glance

FY 2007
- 13.97 FTE without disabilities were placed
- 116.07 FTE with disabilities were placed
- $1.4 million was reimbursed to school districts in FY 2008

Population Served

Districts that serve individuals described above receive full payment for net education costs for students with and without disabilities who are served.

Services Provided

This activity ensures that individuals who are placed in a residential facility and for whom no district of residence can be determined receive a free and appropriate education. Pupils are eligible if no district of residence can be determined because

- parental rights have been terminated by court order;
- parents or guardian is not living within the state;
- no other district of residence can be established; or
- the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of Corrections.

Special education programs and services are specially designed to benefit individuals with disabilities whose educational needs range from academic or behavior support to self-care skills, independent living skills, or preparation of employment in the community. Students without disabilities are also eligible for this aid if they are eligible because parental rights have been terminated. This aid is for the costs of education and not for the costs associated with the care and treatment of the students.

Students eligible for this aid must be placed where the regular education program at the facility is approved according to section M.S. 125A.515.

Historical Perspective

This program began in the 1970s to include education costs for students with disabilities. The law was amended in 1999 to include all students, those with and without disabilities, as eligible for aid if they meet the criteria that the parental rights have been terminated.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging skills and knowledge; and 2) all people will be welcomed, respected, and able to participate fully in Minnesota's communities and economy.

Activity Funding

The aid equals 100% of the net costs of educating these individuals, including transportation costs, a proportionate amount of capital expenditures, and debt service, minus the sum of basic general education revenue, special education aid, transportation aid, and any other aid earned on behalf of the child.

The aid is paid as a reimbursement in the year following the year the services are provided.

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8840, http://education.state.mn.us/MDE/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: SPECIAL EDUCATION

Activity: Children with Disabilities

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	2,086	2,282	2,282	2,282	4,564
	a. End of Session Estimate			237	497	734
	b. Transfer per M.S. 127A.41					
	c. November Forecast Adjustment					0
2	**Governor's Recommended Appropriation**	**2,086**	**2,282**	**2,519**	**2,779**	**5,298**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	2,086	2,282	2,519	2,779	5,298
4	Statutory Excess/(Shortfall)					0
5	Appropriated Entitlement	2,086	2,282	2,519	2,779	5,298
6	Adjustments					
	b. Transfer per M.S. 127A.41					
	c. Appropriation Reduction					
7	**State Aid Entitlement Current Law**	2,086	2,282	2,519	2,779	5,298
	Appropriations Basis for State Aid					
	Transfer per M.S. 127A.41					
	Current Year	2,086	2,282	2,519	2,779	5,298
	Total State Aid - General Fund	**2,086**	**2,282**	**2,519**	**2,779**	**5,298**

Activity Description

Citation: M.S. 125A.75, Subd. 1; P.L. 108-466, Part C

This state aid activity provides funding to assist school districts with travel costs for early childhood special education (ECSE) staff in delivering services to children and their families in home and community early childhood education program settings.

Activity at a Glance

Home-based travel for early childhood special education staff provide services in the home or community-based programs for children under five.

- 11,799 ECSE children served in FY 2007
- $181,067 paid to districts in FY 2007

Population Served

Services are provided to children birth to five years with disabilities and their families who receive services in their homes or in community early childhood settings.

Services Provided

Travel for home-based services assures that all individuals from birth to five years of age with disabilities, and their families, have access to ECSE intervention services. For very young children, services may consist of parent consultation and training, as well as direct services to the child.

Federal funding under the Individuals with Disabilities Education Act (IDEA), (P.L. 108-466), the Preschool Incentive program (P.L. 108-466, Sec. 619), and the Infants and Toddlers program (P.L. 108-466, Part C) may also be used for this purpose.

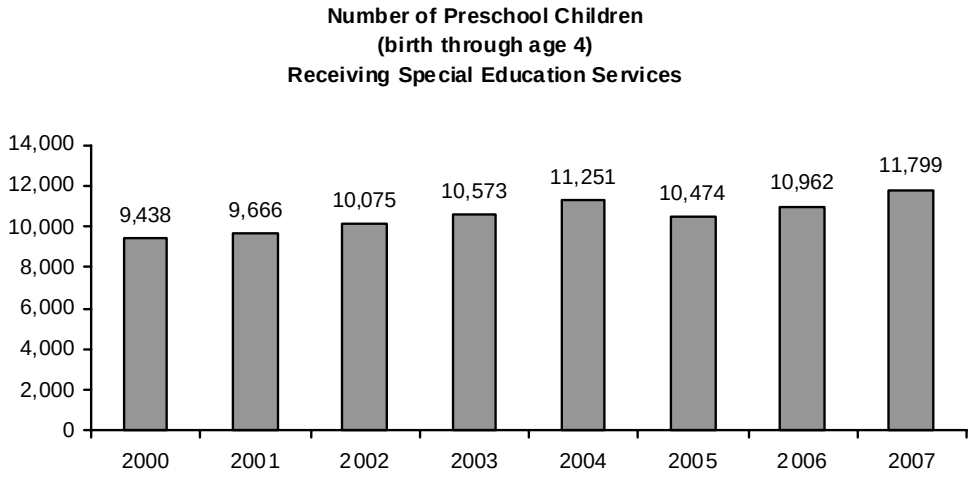
Key Activity Goals

This program addresses the following Minnesota Milestones: 1) All children will be healthy and start school ready to learn, and 2) All people will be welcomed, respected and able to participate fully in Minnesota's communities and economy.

Key Measures

- The number of children, from birth to five years of age, identified as having disabilities and receiving special education services increased from 9,438 in FY 2000 to 11,799 in FY 2007. The majority of these services are provided in the child's home or in a center-based site in the community.

Key indicators and measures for special education programs are available in the Special Education - Regular budget narrative.



Activity Funding

Under current law, the state must pay each district one-half of the sum actually expended by a district based on mileage for necessary travel of essential personnel providing home-based or community-based services to children with a disability under age five and their families.

The 2006 legislature clarified that home-based travel aid is calculated based on mileage. Districts cannot claim reimbursement for vehicle purchases or leases under this program.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Special Education Policy, (651) 582-8590, http://education.state.mn.us/mde/Learning_Support/Special_Education/index.html.

DEPT OF EDUCATION

Program: SPECIAL EDUCATION

Activity: Travel Home Based Services

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	207	227	227	227	454
	a. End of Session Estimate			19	42	61
	b. November Forecast		**2**	3	3	6
	c. Transfer per M.S. 124A.41	1				
2	**Forecast Base**	**208**	**229**	**249**	**272**	**521**
3	Governor's Recommendation					
	a. Aid Payment Shift			(25)	(2)	(27)
4	**Governor's Recommended Appropriation**			**224**	**270**	**494**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	206	232	251	274	525
4	Statutory Excess/(Shortfall)		(3)			0
5	Appropriated Entitlement	206	229	251	274	525
6	Adjustments					
	a. Excess Funds Transferred In/(Out)					
	b. Supplemental Appropriation		3			0
7	**State Aid Entitlement Current Law**	206	232	251	274	525
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	22	20	23	50	73
	Transfer per M.S. 127A.41	1				
	Current Year (90%/80%)	185	209	201	220	421
	Total State Aid - General Fund	**208**	**229**	**224**	**270**	**494**

Activity Description

Citation: M.S. 125A.79, Subd. 4

This state aid program provides funding for school districts to pay the costs of providing special education programs to non-Minnesota students with disabilities when the providing school district is unable to collect tuition from the responsible state or agency.

Activity at a Glance

FY 2007 cost summary for non-Minnesota residents placed by the courts in Minnesota.

- Funded costs of 15 students (3.99 ADM)
- $66,864 was paid to districts in FY 2008

Population Served

Minnesota school districts receive aid that would otherwise be subsidized by the district general fund.

Services Provided

Minnesota school districts providing special education services to court placed nonresident students with disabilities are assured that they will receive revenue for services provided if out-of-state agencies fail to pay tuition bills. In addition to the tuition bills, the district submits to the agency the documentation of the efforts to collect the tuition from the student's resident district and state.

Key Measures

In FY 2007, 15 nonresident students (3.99 average daily membership) were placed in Minnesota by the courts for services that were not paid by the resident non-Minnesota district or resident state. State aid of $66,864 was paid in the following year, FY 2008, to reimburse districts for the cost of providing services to these nonresident students.

Activity Funding

To be eligible for this revenue, the serving districts must document that they have admittance procedures designed to identify the agency responsible for the education costs and must show a good faith effort to get commitment for payment of tuition from the agency prior to admitting the student into the program.

Beginning in FY 2002, this program was changed to reimburse school districts for prior year eligible costs.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8840, http://education.state.mn.us/MDE/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: SPECIAL EDUCATION

Activity: Court Placed Special Education Revenue Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	72	74	74	74	148
	a. End of Session Estimate			2	4	6
	b. Cancellation	(5)				
	c. Transfer per M.S. 127A.41					
2	**Governor's Recommended Appropriation**	**67**	**74**	**76**	**78**	**154**

District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	67	74	76	78	154
4	Statutory Excess/(Shortfall)	5				
5	Appropriated Entitlement	72	74	76	78	154
6	Adjustments					
	a. Cancellation	(5)				
7	**State Aid Entitlement Current Law**	67	74	76	78	154
Appropriations Basis for State Aid						
	Transfer per M.S. 127A.41					
	Cancellation	(5)				
	Current Year	72	74	76	78	154
	Total State Aid - General Fund	**67**	**74**	**76**	**78**	**154**

Activity Description

Citation: M.S. 125A.79, Subd.8

This state aid program provides education funding for Minnesota resident students placed in care and treatment facilities by court action in a state that does not have a reciprocity agreement.

Activity at a Glance

- 249 students (74.7 average daily membership) were placed out-of-state for care and treatment in FY 2007.

Population Served

Districts receive education funding for students placed in care and treatment facilities by court action in a state that does not have a reciprocity agreement.

Services Provided

Minnesota school districts are assured that costs of education will be reimbursed when students with disabilities are placed in care and treatment facilities in states without reciprocity.

Historical Perspective

This provision was enacted in 1999 to pay the costs of providing special education programs to Minnesota students with disabilities who are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement.

Key Activity Goals

This helps to ensure that students with disabilities receive the most appropriate education to enable them to succeed to their highest potential.

Key Measures

In FY 2007, 249 students were placed out-of-state for care and treatment.

Activity Funding

Out-of-state care and treatment facilities submit tuition bills to the resident district based on the costs of providing education. The resident district submits the tuition bills to MDE and the department calculates aid revenue. Aid revenue is calculated by subtracting out any aid that the resident district receives for the student. This includes general education revenue that is not basic skills revenue, alternative compensation revenue, and referendum equalization aid. Special education services revenue is also subtracted out from the bill.

State aid is paid in the following year to reimburse school districts for the unreimbursed costs of providing special education programs to Minnesota students with disabilities who are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement.

Because data is not readily available prior to the end of the school year, this program was changed to reimburse school districts for eligible prior year costs beginning in FY 2003. FY 2007 program costs are funded in FY 2008.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8840,
http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/Special_Education/index.html.

DEPT OF EDUCATION
Program: SPECIAL EDUCATION
Activity: SP ED OUT STATE TUITION

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	250	250	250	250	500
Subtotal - Forecast Base	250	250	250	250	500
Total	**250**	**250**	**250**	**250**	**500**
Expenditures by Fund					
Direct Appropriations					
General	250	250	250	250	500
Total	**250**	**250**	**250**	**250**	**500**
Expenditures by Category					
Local Assistance	250	250	250	250	500
Total	**250**	**250**	**250**	**250**	**500**

Activity Description

This budget activity summarizes federal programs for special populations that fund activities throughout Minnesota.

Activity at a Glance

The federal programs in the narrative are:

- Special Education – Deaf/Blind
- Special Education State Improvement

Special Education – Deaf-Blind P.L. 108-446 IDEA.
The Deaf-Blind Technical Assistance grant provides support to initiate and improve statewide educational services for children who are deaf-blind from birth through age 21. The focus of the grant is to provide a range of technical assistance and support to Minnesota schools and families of children who are deaf-blind. Technical assistance and professional development activities are focused on building the capacity of teachers, service providers, and families to provide effective services and improve outcomes for students who are deaf-blind.

Special Education State Improvement Grant P.L. 108-446 IDEA.
Minnesota State Personnel Development Grant (SPDG) is designed to: 1) improve the educational opportunities and outcomes of children and youth with disabilities; and 2) ensure the availability of a qualified special education workforce across all geographic regions in the state.

The Minnesota SPDG will be entering in its fourth year of the current five-year funding cycle. During the 2006-07 year, 21 projects were funded with SPDG funds.

To achieve the two SPDG goals, the grant funds may be used to improve systems of professional development, technical assistance, and/or dissemination of knowledge about best practices. All SPDG activities aim to be replicable, scaled up, connected to the State Performance Plan, and for the benefit of Minnesota students and educational staff. The Minnesota Department of Education (MDE) has developed performance measures to assess the success of the programs in meeting these goals.

General Supervision Enhancement Grants P.L. 108-446 IDEA.
The General Supervision Enhancement Grants (GSEG) are intended to assist states in the development, revision and enhancement access to the statewide assessment system for students with disabilities, including the use of accommodations on the general assessment, an alternate assessment based on alternate achievement standards, and an alternate assessment based on modified achievement standards.

Contact

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

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Expenditures by Fund					
Statutory Appropriations					
Federal	999	861	835	750	1,585
Total	**999**	**861**	**835**	**750**	**1,585**
Expenditures by Category					
Other Operating Expenses	46	60	60	60	120
Local Assistance	953	801	775	690	1,465
Total	**999**	**861**	**835**	**750**	**1,585**

Budget Activities

- ⇒ Health and Safety Revenue
- ⇒ Debt Service Equalization
- ⇒ Alternative Facilities Aid
- ⇒ Deferred Maintenance
- ⇒ Telecommunications Access
- ⇒ Miscellaneous Facility Levies

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	45,209	39,869	39,869	39,869	79,738
Technical Adjustments					
Current Law Base Change			(4,993)	(4,993)	(9,986)
End-of-session Estimate			(2,300)	(3,149)	(5,449)
November Forecast Adjustment		81	953	1,085	2,038
Subtotal - Forecast Base	45,209	39,950	33,529	32,812	66,341
Governor's Recommendations					
Aid Payments Shift		0	(2,971)	71	(2,900)
Total	**45,209**	**39,950**	**30,558**	**32,883**	**63,441**
Expenditures by Fund					
Direct Appropriations					
General	45,236	39,953	30,558	32,883	63,441
Statutory Appropriations					
Federal	2,379	4,084	2,700	2,700	5,400
Total	**47,615**	**44,037**	**33,258**	**35,583**	**68,841**
Expenditures by Category					
Local Assistance	47,615	44,037	33,258	35,583	68,841
Total	**47,615**	**44,037**	**33,258**	**35,583**	**68,841**
Expenditures by Activity					
Health & Safety Revenue	227	119	144	161	305
Debt Service Equalization	14,814	9,109	7,260	7,815	15,075
Alternative Facilities	19,287	19,287	17,358	19,287	36,645
Deferred Maintenance	3,286	2,695	2,046	1,870	3,916
Telecommunications Access	10,001	12,827	6,450	6,450	12,900
Total	**47,615**	**44,037**	**33,258**	**35,583**	**68,841**

Activity Description
Citation: M.S. 123B.57

The health and safety program is a state aid and levy program to address facility and grounds issues that impact safety and health concerns.

Activity at a Glance

FY 2007 (Actual)

♦ Health and Safety Revenue	$58,374,427
♦ State Aid	$237,817
♦ Local Levy	$58,136,610
♦ Number of Districts	318
♦ Expenditure by Project Type ($ in millions)	
Indoor Air Quality	$6.5
Physical Hazards	$12.2
Fire Safety	$14.2
Asbestos	$11.3
Environment Management	$9.6
Hazardous Substance	$4.6

Population Served
School districts with levy authority are eligible to participate in this program.

Services Provided
Program revenue may be used to address health and safety issues identified in M.S. 123B.57 in any existing public school building or site. However, the district must own or have contractually agreed to purchase (lease-purchase) any building or facility where program-funded remediations are made. New construction and portable classrooms are not eligible for funding. In addition (with the exception of calamity bonds), revenues cannot be used to make principal and/or interest payments on any other debt instrument.

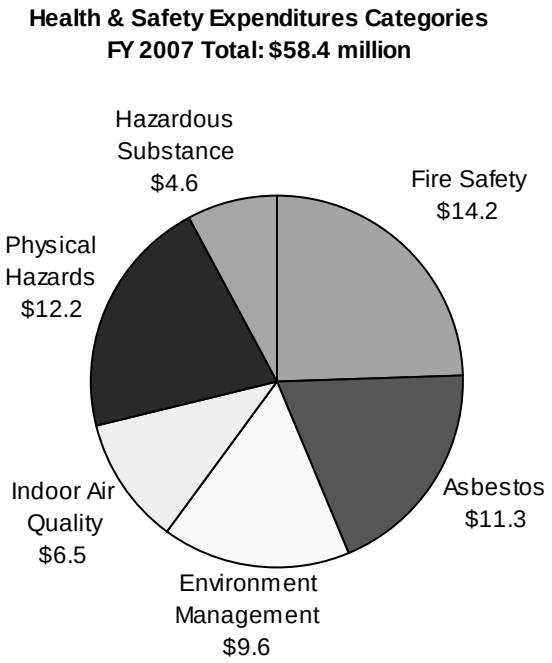
The program addresses a wide array of areas impacting environments, including the following:
- asbestos removal or encapsulation;
- hazardous substance, including provisions for fuel storage repairs, cleanup, or storage tank removal, and lead removal;
- fire safety, including compliance with state fire marshal orders;
- environmental health and safety management; and
- physical hazard control, including indoor air quality.

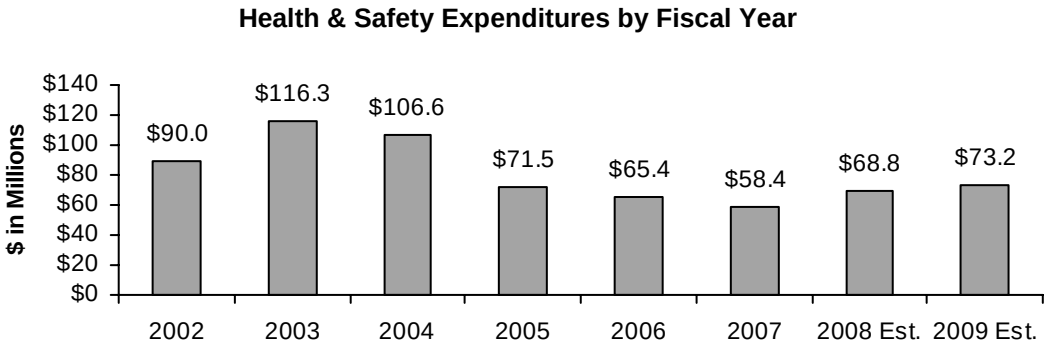
The program was modified by the 2003 legislature by transferring funding for large projects (over $500,000 per building) from the health and safety program to the alternative facilities program. While these projects are still approved within the existing health and safety system, districts now have the ability to issue bonds or make an annual levy to fund large projects over a longer period of time.

Historical Perspective
The predecessor to the program began in 1985 as a hazardous substance removal program. The health and safety program, as it is now known, began in FY 1990 when the hazardous substance revenue program was expanded to include fire and life safety. Major changes to the program since that time have included expansion to cover costs related to:
- environmental management and physical hazards (FY 1994);
- the Indoor Air Quality in Schools Act (FY 1990);
- member district's share of the three intermediate (cooperative) district's health and safety costs (FY 2001); the alternative facility funding mechanism (FY 2003).

Key Activity Goals
Minnesota Milestones goal of providing a safe learning environment for students and staff.

Key Measures
The program has facilitated the removal or remediation of a variety of hazards from school facilities. A breakdown of health and safety expenditures by category is provided on the following page.





Total district expenditures for health and safety exceeded the $100 million mark in FY 2003 and FY 2004. Expenditures began to decline in FY 2005, primarily due to the transfer of funding for large projects to the alternative facility program/health and safety, rather than within health and safety revenue. The downward trend has continued into FY 2006 and FY 2007. Expenditures are expected to increase in FY 2008 and FY 2009 due to increases in labor/materials costs.

Activity Funding

The formula for annual health and safety revenue is based on cumulative approved hazardous substance/health and safety expenditures for the period 1985-current, less cumulative revenues for the same period. Districts are eligible to receive 100% of approved project costs through a combination of state aid and local property tax levies. For FY 2003 and later, the state and local shares of health and safety revenue are determined using an equalizing factor of $2,935. The local share equals the product of the revenue times the lesser of one or the ratio of the districts adjusted net tax capacity (ANTC) per adjusted marginal cost pupil unit to $2,935. State aid equals the annual revenue less local levy. Due to increasing property values and stable equalizing factor, the state aid share of revenue has decreased significantly from FY 2002 to present and most school districts support the

program entirely through property tax levies. In FY 2002, the state share equaled approximately 12% of revenue. By FY 2009 the states share is expected to fall to around 1/10 of 1%.

State-Local Share of Health and Safety Revenue

	Dollars in Thousands									
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	Est. FY 2008	Est. FY 2009	Est. FY 2010	Est. FY 2011
Total Revenue										
Amount	$ 80,398	$116,265	$106,581	$ 71,501	$ 65,384	$ 58,375	$ 68,760	$ 73,093	$ 74,145	$ 75,124
# of Districts	327	323	339	333	330	318	315	315	315	315
Levy										
Amount	$ 70,440	$109,045	$101,815	$ 70,185	$ 64,756	$ 58,137	$ 68,500	$ 73,093	$ 74,065	$ 75,049
# of Districts	327	323	339	333	330	318	315	315	315	315
State Aid										
Amount	$ 9,958	$ 7,221	$ 4,766	$ 1,316	$ 628	$ 238	$ 260	$ 85	$ 80	$ 75
Percentage	12.39%	6.21%	4.47%	1.84%	0.96%	0.41%	0.38%	0.12%	0.11%	0.10%
# of Districts	230	162	116	75	60	32	10	8	7	6

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8319, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: FACILITIES AND TECHNOLOGY

Activity: Health and Safety

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	254	103	103	103	206
	a. End of Session Estimate			(23)	(27)	(50)
	b. November Forecast Adjustment		19	81	84	165
	c. Cancellation	(27)	(3)			
2	**Forecast Base**	**227**	**119**	**161**	**160**	**321**
3	Governor's Recommendation					
	a. Aid Payment Shift			(17)	1	(16)
4	**Governor's Recommended Appropriation**			**144**	**161**	**305**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	230	106	167	160	327
6	Statutory Excess/(Shortfall)	30	(21)			
7	Appropriated Entitlement	260	85	167	160	327
8	Adjustments					
	a. Appropriation Reduction					
	b. Supplemental Appropriation		21			
	c. Cancellation	(30)				
9	**State Aid Entitlement Current Law**	230	106	167	160	327
plus						
LEVY	**Levy**					
10	Local Levy Current Law	65,000	62,912	63,590	64,226	127,816
equals						
REVENUE	11 Current Law Revenue (State Aid & Levy)	65,230	63,018	63,757	64,386	128,143
Appropriations Basis for State Aid						
	Prior Year (10%20%)	20	26	10	33	43
	Current Year (90%/80%)	234	96	134	128	262
	Prior Year Cancellation		(3)			
	Current Year Cancellation	(27)				
	Total State Aid - General Fund	**227**	**119**	**144**	**161**	**305**

Activity Description

Citation: 123B.53; 123B.55

Activity at a Glance

Estimated FY 2009

- Districts having debt levies 275
- Districts receiving aid 46
- Percentage of eligible debt service revenue paid by state aid 1.1%

Debt service equalization is a state aid and local levy program that helps to ensure that all school districts, regardless of property wealth, can provide adequate educational facilities for their students. The equalization formula facilitates the betterment and/or expansion of school facilities by providing debt service aid to districts with a low tax base per pupil unit. Some districts with a moderately high tax base per pupil unit can still qualify for debt service aid if they have a relatively high debt burden.

School districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to construct, acquire, or improve school facilities. Exceptions include alternative facilities bonding and special legislation for Minneapolis and St. Paul.

Population Served

This program serves all public school students and communities in Minnesota. School districts with a relatively high debt service tax rate and low to moderate tax base per pupil unit may receive aid to offset property owner's tax burden.

Services Provided

The debt service program includes several components and is financed through a combination of state aid and local property tax levies. The following table shows the state total revenue and number of districts participating in each component for FY 2009 (taxes payable in 2008).

Debt Service Revenue Components, FY 2009 - ($ in Thousands)

Funding Category	Total Amount	No. of Districts
Aid Eligible Revenue Components		
Required Debt Service Levy-Eligible[1]	$ 707,216	271
Maximum Effort Levy Above Required	2,316	18
Req. Debt Service for Alt. Facilities[2]	64,643	17
Alt. Facilities Annual Levy[2]	57,192	18
Req. Debt Service for Alt. Fac./H&S	15,137	31
Alt. Fac./H&S Annual Levy	4,840	7
Energy Conservation	103	13
Lease Purchase-Eligible	50,040	6
Net Debt Excess-Eligible	(45,171)	141
Total Gross Equalization Revenue[3]	853,316	289
Aid Ineligible Revenue Components		
Required Debt Service Levy-Ineligible	6,717	18
Additional Maximum Effort Levy	723	11
Req. Debt Service Levy for Equipment Bonds	820	5
Req. Debt Service for Facilities Bonds	4,968	43
Lease Purchase-Ineligible	12,452	8
Net Debt Excess-Ineligible	363	15
Total Ineligible Revenue[3]	26,043	100

[1] Includes net taconite debt service levy.
[2] Net amount after alternative facilities aid – see Alternative Facilities Bonding narrative
[3] Number of districts is duplicated as some districts have multiple debt components.

Key Activity Goals

This program allows school districts to maintain adequate facilities.

Key Measures

Statewide debt service revenue continues to increase as shown in the table below. The table also illustrates the state/local share of debt service revenue. The unequalized local portion of debt service revenue, 15% of the district's adjusted net tax capacity (ANTC), makes up the majority of total revenue. The equalized local portion is defined as the local share beyond the 15% of the ANTC.

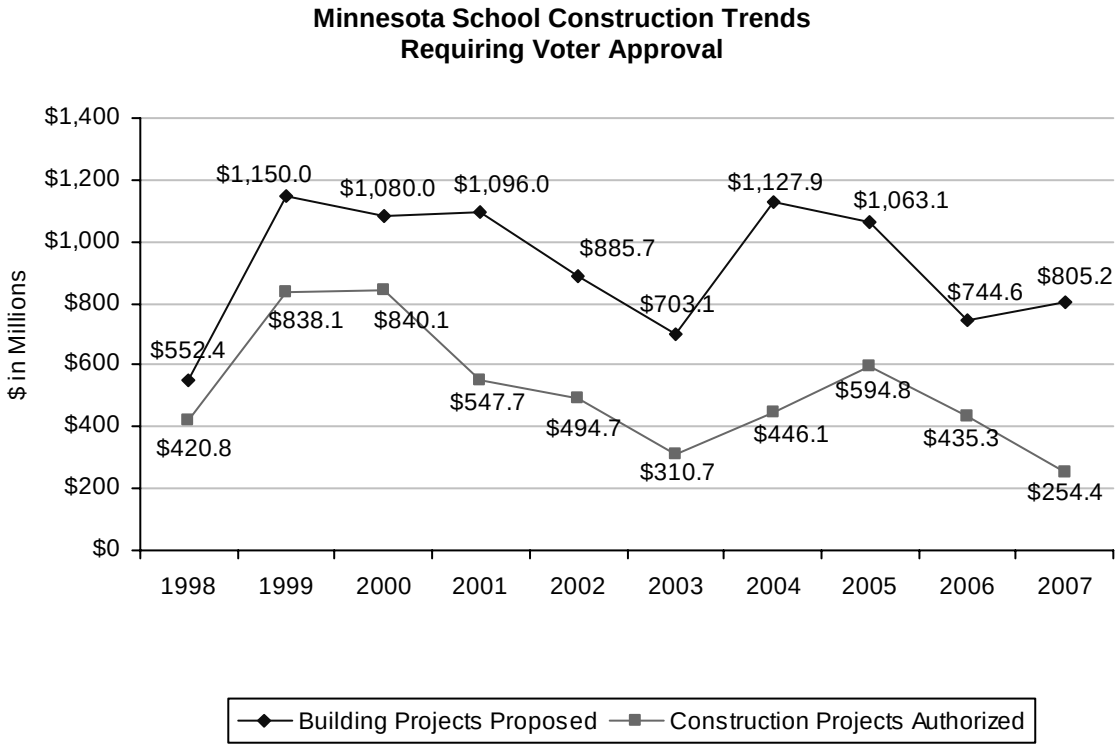
Debt Service Revenue

	Dollars in Millions						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Unequalized Local Portion	$440.1	$474.4	$514.5	$560.4	$606.5	$648.9	$678.3
Equalized Local Portion	66.0	111.0	100.0	127.8	100.9	110.2	99.6
Debt Service Aid	33.0	37.5	29.3	25.1	17.7	14.5	8.5
TOTAL Debt Service Revenue	$539.1	$622.9	$643.8	$713.3	$725.1	$773.6	$786.4

- Legislative overhaul of the debt service equalization formula was accomplished in 2001. A new two-tiered equalization formula was created to target districts with low to moderate tax bases and/or districts with a relatively high debt burden.
- As a result of the new two-tiered equalization formula total debt service aid reversed its downward trend in FY 2003 and FY 2004. In FY 2005, debt service aid again began to fall due to ANTC increases.
- In percentage terms, the state's share of eligible debt service revenue has decreased substantially from 6.1% in FY 2003 to 2.5% in FY 2007 and to a fraction of 1% in FY 2009. From FY 2003 to FY 2007, this percentage naturally decreased with increases in tax capacity and an essentially constant debt-equalizing factor.

Historical Perspective

- Historically, facility acquisition and betterment was considered solely a local responsibility and no state aid equalization was provided. In 1992, a debt service equalization program was enacted. In 2001, a second tier was added to the debt service equalization formula to provide targeted tax relief to school districts with eligible debt service revenue exceeding 25% of district ANTC.
- The change to the two-tiered debt service equalization formula has led to a noticeable increase in individual bond issue size. Much of this can be ascribed to the new equalization formula in combination with a smaller equalization factor for the health and safety aid program. These two factors provide incentives for districts to seek voter approval for a majority of facility needs in order to maximize debt service aid.
- The graph below shows construction trends over the last 10 calendar years. The top line on the graph is the total dollars proposed in that calendar year that received a positive review and comment. The bottom line is the dollar amount approved by local voters. FY 1998-2003 includes only facility construction/renovation resulting from bonding elections. FY 2004-2005 includes not only bonding elections, but also alternative facility and capital project referendums subject to review and comment. FY 2006 and FY 2007 include only projects requiring voter approval.



Activity Funding

Revenue Components

Required Debt Service Levy (M.S. 123B.55; 475.61).

- A school district must levy for the principal and interest payments on its general obligation bonds, plus an additional 5% to cover potential tax delinquencies, for the following fiscal year. The required debt service levy for all years is established and approved by the local school board at the time that bonds are sold.

Maximum Effort Debt Service Levy (applies to Capital Loan Districts) (M.S. 126C.63, Subd. 8).

- Districts with an outstanding state capital loan and/or debt service loan must levy for debt service a minimum of 28% or 32% of the latest ANTC (the 32% of ANTC applies only to capital loans issued after 2001; all others are 28%). This amount is referred to as a district's maximum effort.
- The maximum effort debt service levy cannot exceed the amount beyond the required debt service levy that is needed to retire all outstanding state loans. If the maximum effort debt service levy is greater than the required debt service levy, then the difference is included in computing debt service aid.
- If, after debt service aid is subtracted, the net eligible debt service levy is less than the maximum effort debt service levy, there is an additional maximum effort debt service levy, such that the net eligible debt service levy is not less than maximum effort debt service levy. The additional maximum effort debt service levy is not included in computing debt service equalization aid.

Required Debt Service Levy for Equipment Bonds (M.S. 123B.61).

- A school district, with the approval of the commissioner and without voter approval, may issue certificates of indebtedness or capital notes to purchase capital equipment. The certificates or notes must be repaid within five years or less.

- A school district must annually levy the amount needed to retire the certificates of indebtedness or capital notes. The district's general fund levy is correspondingly reduced by the same amount. As an end result, districts do not receive additional revenue to repay these obligations.

Required Debt Service Levy for Facilities Bonds (M.S. 123B.62).

- A school district, with the approval of the commissioner and without voter approval, may issue bonds to provide funds for capital improvements to facilities. Issuance of the bonds is subject to a reverse referendum.
- A school district must annually levy the amount needed to retire the facility bond or note. The district's general fund levy is correspondingly reduced by the same amount. As an end result, districts do not receive additional revenue to repay these obligations.

Alternative Facilities Bonding and Levy (M.S. 123B.59, Subd. 1).

- Large school districts with over 1,850,000 square feet of space and an average building age of 15 years or older, or over 1,500,000 square feet of space and an average building age of 35 years or older, and a 10-year facility plan approved by the commissioner, may issue bonds or annually levy for health and safety, disabled access, and deferred maintenance projects specified in the approved plan.
- Debt service levies made under this program are eligible for Tier 1 debt service equalization aid.
- See the Alternative Facilities Bonding narrative for more information.

Alternative Facilities/Health and Safety (M.S. 123B.59, Subd. 1).

- Health and safety projects over $500,000 per building approved after 02-01-03 are to be financed by alternative facility bonding or an annual levy.
- Levies made under this program are eligible for Tier 1 debt service aid.
- See the Alternative Facilities Bonding narrative for more information.

Energy Conservation (M.S. 126C.40, Subd. 5).

- School districts must levy for the amount needed to repay the annual principal and interest on state energy conservation loans and other loans approved on or before 03-01-98 under M.S. 216C.37. This levy is included in computing debt service equalization aid.
- There is no levy authority for energy conservation loans approved after 03-01-98. Districts receiving these loans must annually transfer from the general fund to the debt redemption fund the amount needed to pay the principal and interest on the loans.

Lease Purchase (M.S. 126C.40, Subd. 2 and 6).

- Eligible school districts must levy the amount needed for payments on lease purchase agreements approved by the commissioner prior to 07-01-90. In addition, certain districts with a desegregation plan, may levy for lease purchase costs for more recent facility acquisitions. This levy is included in computing debt service equalization aid.
- Selected districts have specific lease purchase levy authority that is ineligible for debt service equalization. Districts 622, 833, and 834 levy for the acquisition of the Valley Crossing Elementary School in Woodbury. District 622 has special legislation for a lease purchase levy.

Debt Excess (M.S. 475.61, Subd. 3).

- 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 amount of the debt excess certified.
- 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.
- 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.

Debt Service Loan (M.S. 126C.68).

- 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 each year an amount at least equal to the maximum effort debt service levy until the loan is retired.

Gross Equalization Revenue (M.S. 123B.53, Subd. 1).

- For districts without capital loans, the gross equalization revenue equals the sum of the following:
  - ⇒ the eligible required debt service levy,
  - ⇒ the gross annual (pay as you go) alternative facilities levy,
  - ⇒ the energy conservation levy, and
  - ⇒ the eligible lease purchase levy.
- For capital loan districts the maximum effort debt service levy applies in addition to the components mentioned above.

Funding Source

Debt Service Equalization Revenue (M.S. 123B.53, Subd. 1).

- A district's net debt service equalization revenue equals the gross equalization revenue from above, minus the district's unequalized local share (an amount equal to 15% of the district's ANTC).

Debt Service Equalization Aid (M.S. 123B.53, Subd. 1).

- The current equalization formula has two tiers of equalization. Prior to reaching the first tier, a district must levy 15% of its ANTC. The first tier is defined as 15%-25% of ANTC and the second tier as anything above 25% of ANTC (excluding levies made under the alternative facilities program, which are included in Tier 1 even if the amount exceeds 25%).
- Once the eligible debt service revenue by tier has been determined, the equalization factors are applied to each tier. The first tier equalization factor is $3,200 and the second tier equalization factor is $8,000. The equalization formula incorporates the equalization factors and is used to determine the levy ratio (or percentage) of eligible revenue in each tier to be paid by local taxpayers. The remaining percentage is paid by state aid.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8319, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: FACILITIES AND TECHNOLOGY

Activity: Debt Services Equalization

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	14,814	9,109	9,109	9,109	18,218
	a. End of Session Estimate			(1,823)	(2,231)	(4,054)
	b. November Forecast Adjustment			775	913	1,688
	c. Cancellation					0
2	**Forecast Base**	**14,814**	**9,109**	**8,061**	**7,791**	**15,852**
3	Governor's Recommendation					
	a. Aid Payment Shift			(801)	24	(777)
4	**Governor's Recommended Appropriation**			**7,260**	**7,815**	**15,075**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	14,497	8,511	8,011	7,766	15,777
6	Statutory Excess/(Shortfall)					
7	Appropriated Entitlement	14,497	8,511	8,011	7,766	15,777
8	Adjustments					
	a. Supplemental Appropriation					
	b. Cancellation					
9	**State Aid Entitlement Current Law**	14,497	8,511	8,011	7,766	15,777
plus						
LEVY	**Levy**					
10	Local Levy Current Law	643,317	697,045	744,190	763,407	1,507,597
equals						
REVENUE	11 Current Law Revenue (State Aid & Levy)	657,814	705,556	752,201	771,173	1,523,374
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	1,766	1,449	851	1,602	2,453
	Current Year (90%/80%)	13,048	7,660	6,409	6,213	12,622
	Cancellation					
	Total State Aid - General Fund	**14,814**	**9,109**	**7,260**	**7,815**	**15,075**

Activity Description

Citation: M.S. 123B.59

The alternative facilities program is a state aid and local levy program that applies to two different groups of school districts. It enables large school districts (1A districts) qualifying under M.S. 123B.59, subd. 1a, to complete deferred maintenance, health and safety, and disabled accessibility projects that cannot be completed with other available funds. For smaller school districts (1B districts) qualifying under M.S. 123B.59, subd. 1b, it provides a method of financing larger scale health and safety projects.

Activity at a Glance

Alt. Facility Districts – 1A

- Number of eligible large districts 23
- Minimum square feet required 1.5 million

Alt. Facility Districts - 1B

- Number of districts participating for FY 2009 (health and safety projects) 49
- Average annual alternative facility bond payment (FY 2009) $365,239

Population Served

In 2003, the program was modified to allow all school districts to issue bonds or make a pay-as-you-go levy. However, 1B districts, or districts other than the 23 listed below, are limited to projects of $500,000 or more per building approved under the health and safety program.

The following districts are currently eligible and participating in the 1A program. Districts that have issued debt under the program are designated with a number one (1). Districts making an annual pay-as-you-go levy are designated with a number two (2). Newly eligible districts are designated with a number three (3). Districts marked with an asterisks (*) below, receive aid based upon their payable 1997 levy for bonded alternative facility debt and/or aid based upon one-sixth of their payable 1998 pay-as-you-go levy.

Anoka-Hennepin[2*]	Elk River[1]	North St. Paul[1]	South Washington[1 2]
Bloomington[1 2*]	Hopkins[1]	Osseo[2]	St. Cloud[2]
Burnsville[2]	Lakeville[1]	Robbinsdale[1 2*]	St. Paul[1*]
Eden Prairie[3]	Minneapolis[1*]	Rochester[1 2*]	Stillwater[1]
Edina[3]	Minnetonka[1]	Rosemount[1 2]	White Bear Lake[1]
Duluth[1 2*]	Mounds View[1]	Roseville[2]	

1A districts must meet one of the following criteria to be eligible:

- have at least 1.85 million square feet of space and an average building age of at least 15 years; or
- have at least 1.5 million square feet of building space and average building age of at least 35 years.

Stillwater has received special legislation allowing the district to participate in this program. FY 2004 was the first year of eligibility for White Bear Lake and Roseville, while Mounds View and Minnetonka became eligible in FY 2005. Elk River, Hopkins, and Lakeville, became eligible in FY 2006. The two newest members, Eden Prairie and Edina became eligible in FY 2008.

Services Provided

To receive alternative bonding revenue, 1A districts must submit a 10-year facility plan and 1B districts must submit a five-year plan to the Minnesota Department of Education (MDE) for approval. The plan must describe eligible projects and the district's timetable for undertaking them. Once MDE approval is obtained, the district must decide if it will:

- issue bonds to finance improvements and retire them over time with a debt service levy,
- make an annual general fund (pay-as-you go) levy to fund projects on an annual basis, or
- some combination of these two options.

Voter approval is not required to access this revenue. This program is funded by a combination of state aid and local property tax levies. Debt service levies under this program qualify for Tier 1 debt service equalization. Annual (pay-as-you-go) levies under this program qualify for health and safety aid. In FY 2009, none of the 1A

districts or 1B districts qualified for health and safety aid. For both district types, alternative facilities revenue may not be used for the construction of new facilities or the purchase of portable classrooms.

Historical Perspective

- The program was originally enacted by the 1993 legislature. Initially, districts were allowed to apply their health and safety revenue alternatively toward facilities maintenance, health and safety, and disabled access projects.
- For FY 1995, eligible districts were allowed to issue bonds and levy for debt service or make an annual pay-as-you-go levy up to the amount of their health and safety revenue for FY 1993.
- The 1997 legislature authorized state funding equal to 100% of the districts' annual alternative bonding debt service costs, not to exceed the amount of the debt service levy for taxes payable in 1997.
- The 1998 legislature authorized state funding for districts making an annual pay-as-you-go levy equal to one-sixth of the levy for taxes payable in 1998.
- Eight districts have been added to the list of eligible districts as a result of 2001 legislative action that includes districts with 1.5 million square feet or more and a building age of at least 35 years.
- The 2003 legislature provided limited participation beginning in FY 2005 to all districts for health and safety projects of $500,000 or more per building.

Key Activity Goals

This program allows school districts to maintain adequate facilities.

Key Measures

The alternative facilities program enables large districts to complete necessary facilities maintenance in a timely manner without the need for voter approval. The program facilitates a long-term approach to building upkeep and is intended to promote cost-effective scheduling of needed repairs. Smaller districts are able to use the program for long-term financing of major health and safety projects, but are not eligible for other portions of the program.

Activity Funding

District revenue is determined by local school boards. Local decisions are impacted by building conditions, the financial condition of the district, and local property tax impact.

A district's alternative facilities aid for the seven eligible 1A districts is the sum of

- 100% of the district's annual debt service costs, not to exceed the amount certified to be levied for those purposes for taxes payable in 1997; and
- one-sixth of the annual pay-as-you-go levy certified for taxes payable in 1998, not to exceed 100% of the current annual levy.

The table below shows the breakdown of total alternative facility aid and levy by fiscal year for the 23 large (1A) alternative facility districts. Note that the total alternative facility aid includes two components, general alternative facility aid and debt aid on bonded alternative facility debt levy. The general fund alternative facilities levy is reduced for debt service equalization aid.

Alternative Facilities Revenue – Large (1A) Districts

	Dollars in Thousands						
	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Debt Levy	$29,533	$30,267	$ 35,963	$ 41,628	$ 45,751	$ 47,822	$ 47,903
Debt Aid	16,456	16,456	16,456	16,456	16,456	16,456	16,456
General Fund Levy	38,845	40,151	47,832	53,393	61,776	78,382	81,099
Gen. Alt. Fac. Aid	2,830	2,830	2,830	2,830	2,830	2,830	2,830
Gen. Debt. Eq. Aid	839	88	-0-	-0-	-0-	-0-	-0-
TOTAL	$88,503	$89,792	$103,081	$114,307	$126,813	$145,490	$148,288

The table below shows the breakdown of aid and levy for the (1B) Alternative Facility/Health and Safety program by fiscal year.

Alternative Facility/Health and Safety Revenue

	Dollars in Thousands				
	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Bonded Debt Levy	$ 4,357	$ 8,073	$14,976	$15,558	$16,436
Bonded Debt Aid	-0-	-0-	-0-	-0-	-0-
Pay-As-You-Go Levy	9,828	5,811	4,735	5,411	4,840
Pay-As-You-Go Aid	352	-0-	70	27	-0-

For the period FY 2005 through FY 2009, 49 1B districts have issued bonds to fund eligible projects. An additional 7 1B districts made a pay-as-you-go levy to fund FY 2009 projects. The vast majority of the 1B projects funded are for indoor air quality. The health and safety program was modified by the 2003 legislature by transferring funding for large projects (over $500,000 per building) from the health and safety program to the alternative facilities program. Prior to this change indoor air quality projects were funded under the health and safety program.

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

Contact

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DEPT OF EDUCATION

Program: FACILITIES AND TECHNOLOGY

Activity: Alternative Facilities

Budget Activity Summary

			Dollars in Thousands				
			Current		Governor's Rec.		Biennium
		Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
		General Fund					
	1	Total Current Appropriation	19,287	19,287	19,287	19,287	38,574
	2	**Forecast Base**	**19,287**	**19,287**	**19,287**	**19,287**	**38,574**
	3	Governor's Recommendation					
		a. Aid Payment Shift			(1,929)	0	(1,929)
	4	**Governor's Recommended Appropriation**	**19,287**	**19,287**	**17,358**	**19,287**	**36,645**
District Revenue Summary (Entitlement Basis)							
AID		**State Aid**					
	5	Statutory Formula Aid	19,287	19,287	19,287	19,287	38,574
	6	Statutory Excess/(Shortfall)					
	7	Appropriated Entitlement	19,287	19,287	19,287	19,287	38,574
	8	Adjustments					
	9	**State Aid Entitlement Current Law**	19,287	19,287	19,287	19,287	38,574
plus							
LEVY		**Levy**					
	10	Local Levy Current Law	64,278	64,643	74,182	80,117	154,299
equals							
REVENUE	11	Current Law Revenue (State Aid & Levy)	83,565	83,930	93,469	99,404	192,873
Appropriations Basis for State Aid							
		Prior Year (10%/20%)	1,928	1,928	1,928	3,857	5,785
		Current Year (90%/80%)	17,359	17,359	15,430	15,430	30,860
		Total State Aid - General Fund	**19,287**	**19,287**	**17,358**	**19,287**	**36,645**

Activity Description

Citation: 123B.591

The deferred maintenance revenue program provides additional revenue for facility maintenance to school districts ineligible to participate in the alternative facilities bonding and levy program under M.S. 123B.59, subd. 1(a).

Activity at a Glance

- This program was created to provide smaller districts with a dedicated revenue stream to address facility maintenance issues.
- FY 2008 is the first year of this program.

Population Served

School districts, students, and taxpayers are served through healthy, well-maintained facilities, and through extension of facility life.

Services Provided

- This program provides additional revenue to districts other than the 23 school districts eligible for alternative facilities revenue under M.S. 123B.59, subd. 1(a). Eligible uses of the revenue include health and safety, disabled accessibility, and deferred maintenance projects.
- Having a dedicated revenue source for deferred maintenance allows districts to schedule required capital projects essential to extending facility life.

Historical Perspective

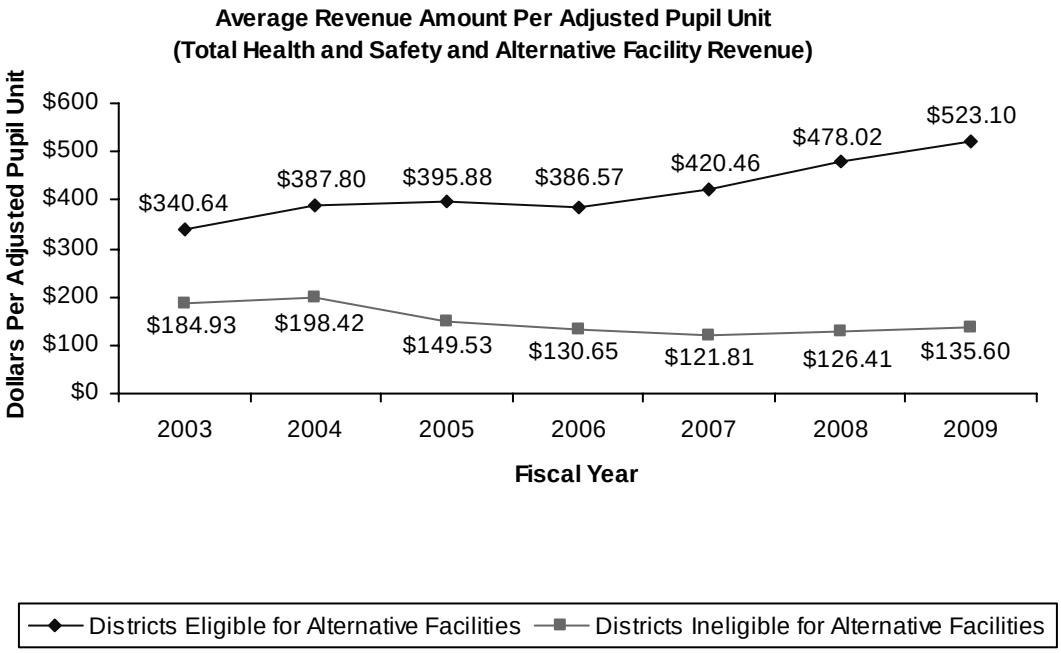
This program was initiated by the 2005 legislature to address the gap in deferred maintenance funding options.

Key Activity Goals

Provide a healthy and comfortable learning environment for students and staff.

Key Measures

The deferred maintenance program will decrease the level of disparity on a per pupil basis for facility maintenance and upkeep between districts that are eligible for alternative facility revenue and other school districts in the state.



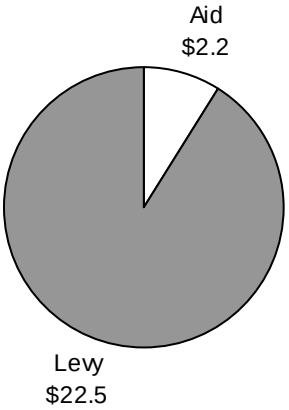
Activity Funding

This is an equalized aid and levy program beginning in FY 2008. Formula specifics are provided below. Districts must levy their local share to participate in this program and receive aid, if eligible.

- Deferred maintenance revenue for eligible districts equals the product of $60 times the adjusted marginal cost pupil units for the school year times the lesser of one or the ratio of the district's average age of buildings space to 35 years. Based on FY 2009 estimates, 153 districts will qualify for the full $60 formula allowance with a total of 317 school districts qualifying for revenue.
- Districts may levy an amount not more than the product of the deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of the adjusted net tax capacity per adjusted marginal cost pupil unit to $5,900.
- Deferred maintenance aid equals the deferred maintenance revenue minus the deferred maintenance levy times the ratio of the actual amount levied to the permitted levy.

The deferred maintenance revenue must be maintained in a reserve account within the general fund. The revenue generated by this program may only be used for expenditures that would be eligible for the alternative facilities bonding and levy program under section 123B.59 subd. 2 paragraph (a), if the district qualified for that revenue under section 123B.59 subdivision 1, paragraph (a).

Estimated FY 2009 Deferred Maintenance Revenue (Dollars in Millions)



Contact

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DEPT OF EDUCATION

Program: FACILITIES AND TECHNOLOGY

Activity: Deferred Maintenance

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	3,232	2,627	2,627	2,627	5,254
	a. End of Session Estimate			(454)	(891)	(1,345)
	b. Transfer per M.S. 127A.41	54	6			
	c. November Forecast Adjustment		62	97	88	185
2	**Forecast Base**	**3,286**	**2,695**	**2,270**	**1,824**	**4,094**
3	Governor's Recommendation					
	a. Aid Payment Shift			(224)	46	(178)
4	**Governor's Recommended Appropriation**			**2,046**	**1,870**	**3,916**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	3,651	2,588	2,235	1,778	4,013
6	Statutory Excess/(Shortfall)	(60)	(68)			0
7	Appropriated Entitlement	3,591	2,520	2,235	1,778	4,013
8	Adjustments					
	a. Supplemental Appropriation		68			
	b. Transfer per M.S. 127A.41	60				
9	**State Aid Entitlement Current Law**	3,651	2,588	2,235	1,778	4,013
plus						
LEVY	**Levy**					
10	Local Levy Current Law	21,371	22,748	23,435	24,096	47,531
equals						
REVENUE	11 Current Law Revenue (State Aid & Levy)	25,022	25,336	25,670	25,874	51,544
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	0	359	258	447	705
	Transfer per M.S. 127A.41	54	6			
	Current Year (90%/80%)	3,232	2,330	1,788	1,423	3,211
	Total State Aid - General Fund	**3,286**	**2,695**	**2,046**	**1,870**	**3,916**

Activity Description

Citation: M.S. 125B.26

This program provides telecommunication and internet access funding for all public and nonpublic schools in Minnesota.

Population Served

All public school districts and charter schools in Minnesota are eligible for participation in this program. Nonpublic schools, excluding home schools, participate in this program by formally requesting participation from the public school district.

Activity at a Glance

In FY 2008

- Applicants included 307 public school districts, 14 charter schools, and 29 nonpublic schools.
- Aid recipients included 266 public school districts, 9 charter schools, and 13 nonpublic schools.
- $7.6 million in eligible costs after E-rate reported.

Services Provided

Costs eligible for reimbursement under this program are limited to the following

- ongoing or recurring telecommunications/internet access costs associated with internet access, data lines, and video links providing: a) the equivalent of one data line, video link, or integrated data/video link for each elementary school, middle school, or high school under section 120A.05, subdivisions 9, 11, and 13; or b) the equivalent of one data line or video circuit, or integrated data/video link for each district and ongoing internet access service fees;
- recurring costs of contractual or vendor-provided maintenance on the school district's wide area network;
- recurring costs of cooperative, shared arrangements for regional delivery of telecommunications/internet access between school districts, postsecondary institutions, and public libraries; and
- service provider installation fees for installation of new telecommunications lines or increased bandwidth.

The commissioner has developed criteria for approving costs submitted by organized school districts and charter schools.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging academic skills and knowledge and 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy.

Key Measures

Increase participation in this program for funding assistance to provide telecommunications access to students throughout Minnesota.

- 490 school districts and charter schools are eligible to submit costs.
- 523 nonpublic schools are eligible to submit costs.
- Eligible costs for FY 2008 total $15.3 million before E-rate discounts are subtracted.

Activity Funding

To be eligible for aid under this provision, a district or charter school is required to file a federal e-rate application and have a current technology plan on file with the department.

A district, charter school, or nonpublic school is required to submit its actual telecommunications/internet access costs for the previous fiscal year, adjusted for any e-rate revenue received, to the department by August 15 of each year as prescribed by the commissioner. Districts or charter schools that are members of a telecommunications cluster may rely on their cluster to report cost information to the department.

A district or charter school's internet access equity aid equals the district or charter school's approved cost after subtraction of federal e-rate discounts for the previous fiscal year exceeding $15 times the district's adjusted marginal cost pupil units (AMCPU) for the previous fiscal year. Districts or charter schools that are members of a telecommunication cluster are not subject to the $15 times AMCPU reduction in eligible costs.

FY 2008 Telecommunication Access Grants Participation and Funding

Organizations Applying for Aid	Number of Applicants	Number of Applicants Receiving Aid
Independent School Districts – no cluster affiliation	41	5
Independent School Districts – with cluster affiliation	266	266
Charter Schools	14	5
Nonpublic Schools	29	11

The amount of telecommunications access aid for nonpublic schools equals the lesser of: 1) 90% of the nonpublic school's approved cost for the previous fiscal year exceeding $10 times the number of weighted pupils enrolled at the nonpublic school; or 2) the public school district of residence telecommunications access aid per pupil unit multiplied by the number of weighted pupils enrolled at the nonpublic school.

Each year, a district providing services to a nonpublic school may claim up to 5% of the aid determined in the formula for nonpublic students for costs of administering the telecommunication/internet access aid to nonpublic schools.

Contact

Additional information is available from the Minnesota Department of Education, School Improvement, (651) 582-8827.

DEPT OF EDUCATION
Program: FACILITIES & TECHNOLOGY
Activity: TELECOMMUNICATIONS ACCESS

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	7,622	8,743	8,743	8,743	17,486
Technical Adjustments					
Current Law Base Change			(4,993)	(4,993)	(9,986)
Subtotal - Forecast Base	7,622	8,743	3,750	3,750	7,500
Total	**7,622**	**8,743**	**3,750**	**3,750**	**7,500**
Expenditures by Fund					
Direct Appropriations					
General	7,622	8,743	3,750	3,750	7,500
Statutory Appropriations					
Federal	2,379	4,084	2,700	2,700	5,400
Total	**10,001**	**12,827**	**6,450**	**6,450**	**12,900**
Expenditures by Category					
Local Assistance	10,001	12,827	6,450	6,450	12,900
Total	**10,001**	**12,827**	**6,450**	**6,450**	**12,900**

Activity Description

Citation: See individual levies.

This budget activity summarizes six miscellaneous facilities/levy programs. The building and land lease levies provide districts with the opportunity to accommodate needs for additional space. The other miscellaneous programs provide districts with levy authority to maintain and enhance the condition of their school buildings. These programs foster the delivery of quality educational services by providing districts with flexible local revenue sources to accommodate changing facility needs.

Activity at a Glance

FY 2009	($ in Millions) # of Districts	Amount Levied
♦ Building/Land Lease	204	$46.12
♦ Capital Projects	20	$33.81
♦ Coop Bldg Repair	-0-	$0.00
♦ Disabled Access	6	$0.34
♦ Specific Legislation	2	$0.04

Population Served

All students in participating districts are served by these programs. Eligible districts with levy authority may participate in these programs.

Services Provided

Minnesota school districts will generate additional revenue to the extent needed for various capital expenditure obligations. These programs are funded by local property tax levies.

- **Building and Land Lease** (M.S. 126C.40, 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. 126C.10, subd. 13, is insufficient for this purpose. The levy authority and amount must be approved by the commissioner. The levy cannot exceed the net lease amount or $150 times the weighted resident average daily membership (WADM) unless approved by the commissioner. (The 2008 legislature increased the maximum building lease levy and the levy for members of intermediate school districts. Before payable 2009, the per pupil unit limit was $100.) Some additions to existing schools are funded with proceeds from this levy. Member districts may levy an amount up to the net lease amount or $38 (Before 2009 the limit was $25) times the adjusted marginal cost pupil units (AMCPU) for the cost of an intermediate district lease for these same purposes.
- **Capital Project Referendum** (M.S. 123B.63). A school district may hold a referendum election to ask voters to increase property taxes for a capital project. All proceeds from the levy must be transferred to the capital project referendum account in the building construction fund or general fund. This program has been used primarily for deferred maintenance and technology improvements.
- **Cooperative Building Repair** (M.S. 126C.40, subd. 3). A school district that has a cooperative agreement according to M.S. 123A.30 or 123A.32, subd. 1, may levy for the repair costs, as approved by the Minnesota Department of Education, of a building located in another district that is a party to the agreement.
- **Disabled Access Levy** (M.S. 123B.58). 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 modify school buildings based on inspection by the State Fire Marshal. A school district may levy up to $300,000 over a time period not to exceed eight years to provide disabled accessibility for all facilities. Some newly consolidated districts have maximum levy authority of $450,000 or $600,000. The commissioner must approve the levy amount. For most districts, the eight year time period has expired or the dollar maximum levy authority has been reached.
- **Special Legislation**. Special legislation provides the following selected districts with additional capital levy for specific purposes.
  - ⇒ Independent School District 204, Kasson-Mantorville: Laws 1996, Chapter 412, Article 5, Section 28
  - ⇒ Independent School District 319, Nashwauk-Keewatin: Laws 2001 First Special Session, Chapter 5, Article 3, Section 87

Activity Funding

The following table shows certified levy amounts and number of school districts participating in each program.

Miscellaneous Facilities Levies

	Dollars in Thousands					
Levy Year	Pay 03	Pay 04	Pay 05	Pay 06	Pay 07	Pay 08
Fiscal Year	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Building Lease	$40,959.9	$37,483.6	$35,854.6	$41,277.7	$44,954.7	$46,123.9
Districts	187	197	204	203	204	204
Capital Project Referendum	10,926.1	13,603.5	21,076.8	25,349.5	29,107.7	33,808.2
Districts	11	13	17	19	20	20
Coop. Building Repair	-0-	-0-	-0-	-0-	-0-	-0-
Districts*	-0-	-0-	-0-	-0-	-0-	-0-
Disabled Access	1,062.5	414.0	326.0	465.6	226.7	341.9
Districts	18	9	7	11	7	6
Special Legislation	39.0	39.0	39.0	56.0	39.0	39.0
Districts	2	2	2	3	2	2

* For this period, no districts elected or qualified for funding.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance, (651) 582-8801, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

Budget Activities

⇒ School Lunch
⇒ School Breakfast
⇒ Summer Food Replacement Aid
⇒ Child and Adult Care Food Program
⇒ Kindergarten Milk

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	17,804	18,941	18,941	18,941	37,882
Technical Adjustments					
End-of-session Estimate			606	1,237	1,843
November Forecast Adjustment		(692)	(632)	(692)	(1,324)
Subtotal - Forecast Base	17,804	18,249	18,915	19,486	38,401
Total	**17,804**	**18,249**	**18,915**	**19,486**	**38,401**
Expenditures by Fund					
Direct Appropriations					
General	17,535	18,249	18,915	19,486	38,401
Statutory Appropriations					
Miscellaneous Special Revenue	4,900	6,533	5,000	5,000	10,000
Federal	192,573	213,798	233,943	257,315	491,258
Total	**215,008**	**238,580**	**257,858**	**281,801**	**539,659**
Expenditures by Category					
Local Assistance	215,008	238,580	257,858	281,801	539,659
Total	**215,008**	**238,580**	**257,858**	**281,801**	**539,659**
Expenditures by Activity					
School Lunch	117,356	128,980	141,038	154,255	295,293
School Breakfast	31,808	34,680	37,930	41,393	79,323
Summer Food Replacement	2,884	3,255	3,646	4,086	7,732
Child & Adult Food Care Prog	55,732	62,308	67,224	73,832	141,056
Kindergarten Milk	1,560	1,979	2,091	2,213	4,304
Commodities	5,668	7,378	5,929	6,022	11,951
Total	**215,008**	**238,580**	**257,858**	**281,801**	**539,659**

Activity Description

Citation: M.S. 124D.111; 124D.118
Federal Authorization: National School Lunch Act, Child Nutrition Act

The national school lunch program (NSLP) and commodity distribution program safeguard the health and well-being of Minnesota children and help ensure that students are ready to learn by giving them access to a nutritious lunch and improving eating habits through nutrition education. The after-school snack component of the NSLP gives students in after-school programs access to a nutritious snack.

State school lunch funding helps to keep lunch prices affordable. Children from low-income families have access to free or reduced-price school meals.

Activity at a Glance

FY 2007

- Over 98 million lunches served
- School lunch participation increased by over three million meals
- 29.4% of lunches were provided free to students
- 8.9% of lunches were provided at a reduced cost to students
- $21,598,624 commodity received by schools

Population Served

Students (pre-kindergarten through high school) in public schools, nonpublic schools, and residential institutions such as group homes and juvenile correctional facilities are served.

Services Provided

Student health and learning readiness are improved through daily access to a nutritious school lunch. Students in after-school care programs receive access to a nutritious snack.

School lunch menus are planned and reviewed according to federal meal pattern guidelines. Commodities such as meat, cheese, poultry, fruits, and vegetables are donated by the U.S. Department of Agriculture (USDA) to contribute to the school lunch menu and support the American farmer.

Schools are surveyed annually. The main survey is in January of each year for the next school year. The three survey channels are: 1) regular survey for “brown box” products which are raw product. This survey has more than 55 products; 2) fee for service survey is for raw bulk beef and pork products that will be diverted to a processor and reaches the school as a finished end product, i.2., beef crumbles; and 3) the Minnesota Rebate Program for commercial products that have commodities in them. This survey has over 1,000 products.

Students from families with income under 185% of federal poverty guidelines receive free or reduced price meals. Many low-income families are electronically certified for free or reduced price meals based on household data from state agencies, eliminating the need for a paper application.

School lunch programs are supported financially and administratively through

- federal and state reimbursements for lunches, and after-school snacks;
- surveys of school preferences for USDA commodities;
- notification to schools of students electronically certified for meal benefits, through statewide matching of student enrollment data and human services assistance data;
- assistance in meeting program requirements and improving the quality of the food service through administrative reviews, development of resource materials, workshops, and technical assistance; and
- “CLiCS,” the Food and Nutrition Service interactive website which allows schools to meet their application, commodity, and claim requirements online and offers immediate access to program resources.

Historical Perspective

The National School Lunch Act created the program in 1946 to improve the national defense in response to young recruits failing physical exams during World War II. By FY 2007, 98 million school lunches were being served at almost 700 public school districts, charter schools, private schools, and residential child care institutions in Minnesota.

Key Activity Goals

The NSLP provides reimbursement to schools to reduce the cost of providing nutrient appropriate meals to students. Research has shown that students that are fed nutrient appropriate meals are ready to learn, do better in the classroom and on tests, and have better attendance. Student meals must meet USDA regulations, including the dietary guidelines for Americans.

Key Measures

- Schools are reviewed once every five years for compliance with USDA regulations. Included in the review is a nutrient analysis of the menus to determine if the school is meeting dietary guidelines.
- New schools receive technical assistance with income application review in the first year to ensure their understanding and compliance with USDA regulations, including meeting dietary guidelines by age group.
- Workshops are offered throughout the state on USDA regulations and dietary guidelines for all food service staff. This is to ensure that schools are implementing the latest regulations.

Activity Funding

States are required to provide matching funds to participate in the NSLP. The funding provided by the state in FY 2007 allowed the school districts to receive over $100 million in federal reimbursement and almost $10 million of state funding, plus $0.165 per lunch for USDA commodity foods for school lunch programs. Under current law, the state must pay districts participating in the national school lunch program the amount of $0.105 for each full paid, reduced, and free student lunch served to students in the district.

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

Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8508, http://education.state.mn.us/mde/Learning_Support/FNS/index.html.

DEPT OF EDUCATION

Program: NUTRITION PROGRAMS

Activity: School Lunch

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	12,094	12,394	12,394	12,394	24,788
	a. End of Session Estimate			248	501	749
	b. November Forecast Adjustment		(95)	47	175	222
2	**Governor's Recommended Appropriation**	**12,094**	**12,299**	**12,689**	**13,070**	**25,759**

District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	12,094	12,299	12,689	13,070	25,759
4	Statutory Excess/(Shortfall)		95			0
5	Appropriated Entitlement	12,094	12,394	12,689	13,070	25,759
6	Adjustments					
	a. Supplemental Appropriation					
	b. Appropriation Reduction		(95)			
7	**State Aid Entitlement Current Law**	12,094	12,299	12,689	13,070	25,759
8	**Other Revenue**					
	a. Federal	105,262	116,681	128,349	141,185	269,534
	b. Dedicated Receipts					0
9	**Total All Sources Current Law**	117,356	128,980	141,038	154,255	295,293
Appropriations Basis for State Aid						
	Current Year	12,094	12,299	12,689	13,070	25,759
	Cancellation					
	Total State Aid - General Fund	**12,094**	**12,299**	**12,689**	**13,070**	**25,759**

Activity Description

Citation: 124D.1158; 124D.117
Federal Authorization: National School Lunch Act, Child Nutrition Act

School Breakfast is part of the National School Lunch program. This program, like school lunch, helps ensure that students are healthy and ready to learn by giving them access to a nutritious breakfast at the start of the school day.

- Any school may participate in the school breakfast program.
- State funding helps schools keep the price of paid breakfasts affordable and serve free breakfasts to students who qualify under federal program guidelines.
- State law requires schools to offer a breakfast program if 33% or more school lunches are served free or at reduced price, unless fewer than 25 students are expected to participate.

Activity at a Glance

FY 2007
- Over 22 million breakfasts served.
- 57.75% of breakfasts were provided free to students.
- 12.79% of breakfasts were provided at a reduced rate to students.
- Over 450 public school districts, charter schools, private, and residential child care institutions participated.

This activity has both federal and state reimbursement rates based upon the income qualifications of the student.

Population Served

Students in public schools, nonpublic schools, and residential institutions such as group homes and juvenile correctional facilities are served.

Services Provided

Student health and achievement are improved through daily access to a nutritious school breakfast.

- School breakfast menus are planned according to federal meal pattern guidelines.
- Students from families with incomes under 185% of federal poverty guidelines receive free or reduced price meals, either upon being electronically certified based on household data from state agencies or upon the household completing an application on paper.

School breakfast programs are supported financially and administratively through

- federal and state reimbursements for school breakfasts that meet guidelines and servings of milk that meet guidelines;
- United States Department of Agriculture (USDA) commodity food items (earned through participation in the National School Lunch Program) available for use in school breakfasts;
- assistance in meeting program requirements and enhancing the quality of the food service provided through administrative reviews, development of resource materials, presentation of workshops, and technical assistance; and
- "CLiCS," interactive Website which allows schools to meet their application and claims requirements online and provides immediate access to program resources.

Historical Perspective

The federal school breakfast program began in 1966 with a focus on improving the health and school performance of low-income children. State funding began in 1993 with a per-breakfast rate of $0.051.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging academic skills and knowledge; 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy and 3) all children will be healthy and start school ready to learn. Research has shown that students that are fed nutrient appropriate meals are ready to learn, do better in the classroom and on tests, and have better attendance. Students' meals must meet USDA regulations, including the Dietary Guidelines for Americans.

Key Measures

- Schools are reviewed once every five years, as part of their National School Lunch Program review to ensure compliance with USDA regulations.
- New schools receive technical assistance in their first year to ensure their understanding and compliance with USDA regulations, including dietary guidelines by age group.
- Workshops on regulations and dietary need of students are offered throughout the state, both for new food service staff and for returning food service staff. This insures that food service staff is up to date on federal regulations, guidelines, and memos for the School Breakfast program.

Activity Funding

"Severe need" schools, which serve at least 40% free and reduced price school meals, qualify for the highest rates of federal reimbursement. Each school year, the state reimburses schools for the amount of $0.55 for each fully paid breakfast and $0.30 for each reduced price breakfast.

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

Contact

Additional information is available from the Minnesota Department of Education, Food and Nutrition Service, 651-582-8508, http://education.state.mn.us/mde/Learning_Support/FNS/index.html.

DEPT OF EDUCATION

Program: NUTRITION PROGRAMS

Activity: School Breakfast

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	4,759	5,125	5,125	5,125	10,250
	a. End of Session Estimate			308	634	942
	b. Cancellation	(184)				
	c. Transfer per M.S. 127A.41					
	d. November Forecast Adjustment		(401)	(455)	(613)	(1,068)
2	**Governor's Recommended Appropriation**	**4,575**	**4,724**	**4,978**	**5,146**	**10,124**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	4,575	4,724	4,978	5,146	10,124
4	Statutory Excess/(Shortfall)	184	401			0
5	Appropriated Entitlement	4,759	5,125	4,978	5,146	10,124
6	Adjustments					
	a. Transfer per M.S. 127A.41					
	b. Cancellation	(184)				
	c. Appropriation Reduction		(401)			
7	**State Aid Entitlement Current Law**	4,759	4,724	4,978	5,146	10,124
8	**Other Revenue**					
	a. Federal	27,233	29,956	32,952	36,247	69,199
9	**Total All Sources Current Law**	31,992	34,680	37,930	41,393	79,323
	Appropriations Basis for State Aid					
	Transfer per M.S. 127A.41					
	Cancellation	(184)				
	Current Year	4,759	4,724	4,978	5,146	10,124
	Total State Aid - General Fund	**4,575**	**4,724**	**4,978**	**5,146**	**10,124**

Activity Description

Citation: 124D.119
Federal Authorization: Child Nutrition Act and National School Lunch Act

Activity at a Glance

- 51 sponsors served over 1 million meals during the summer of 2007 at 327 sites.

The summer food service program (SFSP) provides access to nutritious meals to children in low-income areas during the summer when meals are not available. Most SFSP sites provide one or two meals per day, but may provide up to three meals a day. The annual state share of funding is $150,000.

Population Served

The SFSP primarily serves children who participate in organized summer programs at park and community sites and schools in areas where at least 50% of families have income within 185% of federal poverty guidelines. SFSP sponsors include public and private schools, residential summer camps, government units, colleges and universities, as well as nonprofit organizations.

Services Provided

- Health is improved through access to nutritional meals and snacks.
- Menus for healthy meals and snacks are planned according to federal guidelines.
- Meals and snacks are provided at no charge to children in low-income areas through the SFSP.

Historical Perspective

This program was created by Congress as a part of a larger pilot program in 1968 and became a separate program in 1975. The program was established to ensure that children in low-income areas could continue to receive nutritious meals during school vacations that are comparable to those served under the national school lunch and breakfast programs during the school year.

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging academic skills and knowledge; 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy and 3) all children will be healthy and start school ready to learn. This program ensures that free/reduced students during the school year have access to nutrient appropriate meals and snacks during the summer months. Research has shown that students that do not receive nutrient appropriate meals during the summer months may lag behind other students at the beginning of the school year.

Key Measures

- Summer sites are reviewed once every three years to ensure compliance with USDA regulations.
- Pre-approval visits/reviews for all new sponsors and returning sponsors with corrective action plans are completed each year prior to application approval. This ensures compliance and understanding of USDA regulations.
- Technical assistance/workshops are provided to summer sponsors to update returning sponsors and for first-time sponsors on USDA regulations.
- Continued outreach activities to increase the participation. In FY 2007, 98 million school lunches were served during the school year of 10.9 million each month. In summer food one million meals were served or 333,000 a month.

Activity Funding

Federal funds provide 96% of total funding and increase approximately 2% each year. The annual state share of funding is $150,000.

Contact

Additional information is available from the Minnesota Department of Education, (651) 582-8508, http://education.state.mn.us/mde/Learning_Support/FNS/index.html.

DEPT OF EDUCATION
Program: NUTRITION PROGRAMS
Activity: SUMMER FOOD REPLACEMENT

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	127	150	150	150	300
Subtotal - Forecast Base	127	150	150	150	300
Total	**127**	**150**	**150**	**150**	**300**
Expenditures by Fund					
Direct Appropriations					
General	127	150	150	150	300
Statutory Appropriations					
Federal	2,757	3,105	3,496	3,936	7,432
Total	**2,884**	**3,255**	**3,646**	**4,086**	**7,732**
Expenditures by Category					
Local Assistance	2,884	3,255	3,646	4,086	7,732
Total	**2,884**	**3,255**	**3,646**	**4,086**	**7,732**

Activity Description

Federal Authorization: Child Nutrition Act and National School Lunch Act

Child and adult care food programs (CACFP) safeguard the health and well-being of Minnesotans year-round by helping to ensure that young children and older adults receiving organized care services have access to a nutritious diet and improve their eating habits.

Activity at a Glance

FY 2007

- Almost 10,000 family child care homes, 679 child care centers, and 30 adult care centers participate in the CACFP.
- In a typical month, over 5 million meals and snacks are served.

Child and Adult Care Food Program (CACFP)

The CACFP provides nutritious meals at family child care homes, child care centers, school-age care sites, emergency shelters, adult day care centers, and after-school programs in low-income areas that provide educational or enrichment activities. The federal government provides all funding for the CACFP.

Population Served

The CACFP serves 1) children in licensed child care centers and licensed family child care homes, 2) children attending after-school enrichment programs in areas where at least 50% of families have income within 185% of federal poverty guidelines, and 3) adults in licensed adult day care centers.

Services Provided

Health is improved through access to nutritional meals and snacks.

- Menus for healthy meals and snacks are planned according to federal guidelines.
- Most CACFP locations provide meals and snacks at no charge to all enrolled children.

CACFP is supported through

- federal reimbursement for meals and snacks that meet federal guidelines;
- federal administrative reimbursements to CACFP sponsors of family child care homes;
- assistance in meeting program requirements and improving the quality of the food service through administrative reviews, development of resource materials, workshops, and technical assistance; and
- cash-in-lieu of commodities subsidies to program participants.

Historical Perspective

The CACFP was initiated with the federal Child Nutrition Act of 1966. Participation of adult day care centers was added in 1989. A two-tier reimbursement system was instituted for family child care providers under federal welfare reform legislation in 1996. As a result, Minnesota lost about $1.5 million per month in federal reimbursements for meals served to children since 1997.

Key Activity Goals

The CACFP provides reimbursement to day care centers to defray the cost of providing nutrient appropriate meals to pre-school children and adults. Research has shown that children and adults that are provided nutrient appropriate meals are ready to learn. Nutrition education is a life-long learning skill. By providing nutrition appropriate meals to pre-school children, children learn nutrition education.

Key Measures

- One-third of all day centers and licensed family child care home sponsors are reviewed each year to ensure compliance with USDA regulations. Corrective actions are issued to bring centers and sponsors into compliance.
- Workshops are offered throughout the state on USDA regulations for day care centers and licensed family child care home sponsors to ensure that centers and sponsors are operating in compliance with USDA regulations. Family child care home sponsors also provide training to licensed child care home providers.

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

Contact

Additional information is available from the Minnesota Department of Education, Food and Nutrition Service, (651) 582-8508, and at http://education.state.mn.us/mde/Learning_Support/FNS/index.html.

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Expenditures by Fund					
Statutory Appropriations					
Federal	55,732	62,308	67,224	73,832	141,056
Total	**55,732**	**62,308**	**67,224**	**73,832**	**141,056**
Expenditures by Category					
Local Assistance	55,732	62,308	67,224	73,832	141,056
Total	**55,732**	**62,308**	**67,224**	**73,832**	**141,056**

Activity Description

Citation: 124D.1158
Federal Authorization: National School Lunch Act, Child Nutrition Act
The special milk program (SMP) is a federal U. S. Department of Agriculture (USDA) Child Nutrition Program that provides cash reimbursement for milk at 18 ¼ cents per half pint (8 ounces) of milk served at low or not cost to children. The program can be operated at schools participating in the National School Lunch Program and/or school breakfast program may also participate in the SMP for preschool and kindergarten students who do not have access to the meal programs.
The Minnesota kindergarten milk program is a state funded program that cash reimbursement for milk at 20 centers per half-pint per day per child served at low or not cost to kindergarten students.

Activity at a Glance

- Special milk program total half pints served = 7,900,713
- Minnesota Kindergarten Milk Program total half pints served = 5,578,445

Population Served

- Preschoolers and kindergarteners in public and private non-profit schools, residential child care institutions, child care centers, summer camps, and other sites sponsored by nonprofit organizations are served in the SMP.
- Preschools and kindergarteners in public and private nonprofit schools and boarding schools.
- Schools that participate in the SMP may also participate in the Minnesota Kindergarten Milk Program.

Services Provided

- Preschoolers and kindergarteners' health and achievement are improved through daily access to milk.
- Special milk and kindergarten milk programs are supported financially and administratively through
  - ⇒ federal and state reimbursements for half pints of milk served;
  - ⇒ assistance in meeting program requirements and increasing the consumption of milk are provided through administrative reviews, development of resource materials, and technical assistance; and
  - ⇒ "CLiCS" interactive Website which allows participants to meet their application and claims requirements online and provides immediate access to program resources.

Historical Perspective

- The SMP began in 1955 and contributes funding for milk served to children who do not have access to other child nutrition programs.
- The Minnesota Kindergarten Milk Program began in 1988 and contributes funding for milk served to kindergarten students to improve their intake of nutrients, especially calcium, and to support Minnesota dairy farmers.

Key Program Goals

This program addresses the following Minnesota Milestones: 1) Minnesotans will excel in basic and challenging academic skills and knowledge; 2) Minnesota's workforce will have the education and training to make the state a leader in the global economy and 3) all children will be healthy and start school ready to learn. Research has shown that students that are fed nutrient appropriate meals are ready to learn, do better in the classroom and on tests, and have better attendance.

Key Measures

- Schools providing special milk and/or kindergarten milk programs and also enrolled in the National School Lunch Program are reviewed once every five year for compliance with USDA regulations.
- Workshops are offered throughout the state on USDA regulations for all food service staff. This is to ensure that schools are implementing the latest regulations.

Activity Funding

- Federal special milk reimbursements are 18 ¼ cents per half-pint (8 ounces) of milk served at low or not cost to children.
- State Minnesota kindergarten milk reimbursements are 20 cents per half pint per day per child served at low or not cost to kindergarten students. The 2008 Legislature increased reimbursement from 14 cents to 20 cents per half pint of milk.

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

Contact

Additional information is available from the Minnesota Department of Education, Food and Nutrition Service, 651-582-8526, http://education.state.mn.us/mde/Learning_Support/FNS/index.html.

DEPT OF EDUCATION

Program: NUTRITION PROGRAM

Activity: Kindergarten Milk

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec.		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Current Appropriation	824	1,272	1,272	1,272	2,544
	a. End of Session Estimate			50	102	152
	b. Cancellation	(85)				
	c. Transfer per M.S. 127A.41					
	d. November Forecast Adjustment		(196)	(224)	(254)	(478)
2	**Governor's Recommended Appropriation**	**739**	**1,076**	**1,098**	**1,120**	**2,218**

District Revenue Summary (Entitlement Basis)							
AID		**State Aid**					
	3	Statutory Formula Aid	739	1,076	1,098	1,120	2,218
	4	Statutory Excess/(Shortfall)	85	196			0
	5	Appropriated Entitlement	824	1,272	1,098	1,120	2,218
	6	Adjustments					
		a. Cancellation					
		a. Transfer per M.S. 127A.41					
		b. Cancellation	(85)				
		c. Appropriation Reduction		(196)			
	7	**State Aid Entitlement Current Law**	824	1,076	1,098	1,120	2,218
plus							
REVENUE	8	Current Law Revenue (State Aid & Levy)	824	1,076	1,098	1,120	2,218
	9	**Other Revenue**					
		a. Federal	821	903	993	1,093	2,086
		b. Dedicated Receipts					
	10	**Total All Sources Current Law**	1,645	1,979	2,091	2,213	4,304
Appropriations Basis for State Aid							
		Transfer per M.S. 127A.41					
		Cancellation	(85)				
		Current Year	824	1,076	1,098	1,120	2,218
		Cancellation					
		Total State Aid - General Fund	**739**	**1,076**	**1,098**	**1,120**	**2,218**

Budget Activities

⇒ Basic Support/LSTA
⇒ Multicounty, Multitype Library
⇒ Electronic Library
⇒ Regional Library Telecommunications

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	13,532	17,638	17,638	17,638	35,276
Technical Adjustments					
Current Law Base Change			432	432	864
Subtotal - Forecast Base	13,532	17,638	18,070	18,070	36,140
Governor's Recommendations					
Aid Payments Shift		0	(1,717)	0	(1,717)
Total	**13,532**	**17,638**	**16,353**	**18,070**	**34,423**
Expenditures by Fund					
Direct Appropriations					
General	13,532	17,638	16,353	18,070	34,423
Statutory Appropriations					
Federal	718	767	760	760	1,520
Total	**14,250**	**18,405**	**17,113**	**18,830**	**35,943**
Expenditures by Category					
Local Assistance	14,250	18,405	17,113	18,830	35,943
Total	**14,250**	**18,405**	**17,113**	**18,830**	**35,943**
Expenditures by Activity					
Basic Suppport	9,900	13,905	12,973	14,330	27,303
Multicounty Multitype	1,260	1,300	1,170	1,300	2,470
Electronic Library Minnesota	900	900	900	900	1,800
Reg Library Telecommunication	2,190	2,300	2,070	2,300	4,370
Total	**14,250**	**18,405**	**17,113**	**18,830**	**35,943**

Activity Description

Citation: M.S. 134.31; 134.32;134,34; 134.35; 134.47

Regional library basic system support provides state aid to regional library systems to benefit public libraries for interlibrary resource sharing programs, shared automation, and coordinated services. The purpose of the federal Library Services and Technology Act (LSTA) program is to support all types of libraries (public, school, academic or special) in their efforts to improve and enhance services to underserved populations, to build electronic networks that support library services, and to encourage creative and innovative programs.

Activity at a Glance

- 12 regional library systems provide services to support 359 public libraries and 13 bookmobiles.
- In FY 2007, approximately 53 million items were loaned through public libraries, exhibiting a 3.6% increase from 2005.
- Federal funding for FFY 2008 is $2,793,089.
- Statewide federal projects promote efficiencies in resource sharing and cultural preservation and enhance free choice learning opportunities.

Population Served

Regional Library Basic System Support serves Minnesota residents through through 12 regional public library systems. Participation in regional public library systems includes all Minnesota counties and serves almost all of the state's residents. These systems are 1) Arrowhead Library System, 2) East Central Regional Library, 3) Great River Regional Library, 4) Kitchigami Regional Library, 5) Lake Agassiz Regional Library, 6) Metropolitan Library Service Agency, 7) Northwest Regional Library, 8) Pioneerland Library System, 9) Plum Creek Library System, 10) Southeastern Libraries Cooperating, 11) Traverse des Sioux Library System, and 12) Viking Library System. Federal funding is administered for the benefit of all residents of Minnesota through programs delivered in all types of libraries.

Services Provided

The public makes heavy use of its libraries for self-sufficiency including financial and business decisions, education, self-development, and personal interests. This activity provides the following services to strengthen the ability of libraries across the state to continue services to citizens:

- provides incentives for counties and cities to work together in regional public library systems extending service to all at the most reasonable cost;
- distributes funding between cooperating jurisdictions and encourages sharing the library materials within each region and statewide through library-to-library lending and reciprocal borrowing; and
- maintains and improves the infrastructure for reading and lifelong learning through collaborative library programs, materials, and outreach to culturally diverse communities;

Federal funds enhance the ability of libraries to meet state library goals and priorities that fall within the federal purposes including:

- expanding services for learning and access to information and educational resources in a variety of formats;
- developing innovative library services that connect users to information through national and international networks;
- targeting library services for individuals with diverse geographic, cultural, and socioeconomic backgrounds, and individuals with disabilities;
- creating solutions for individuals with limited functional literacy or information skills; and
- reducing barriers to successful use of library and information services.

LSTA funds are used to develop new programs or enhance existing program in accordance with the required LSTA state plan, 2008-12. All libraries which meet the criteria for the program are eligible applicants. The state library agency can fund statewide library initiatives with federal LSTA dollars provided they meet federal regulations. Up to a maximum of 4% of the appropriation can be used annually for administration purposes.

Key Activity Goals

Regional library systems promote cost-efficient services by emphasizing the economies provided through cooperation, collaboration, and resource-sharing across communities (Minnesota Milestone goal 37). Regional and local libraries support many of the defined Minnesota Milestones.

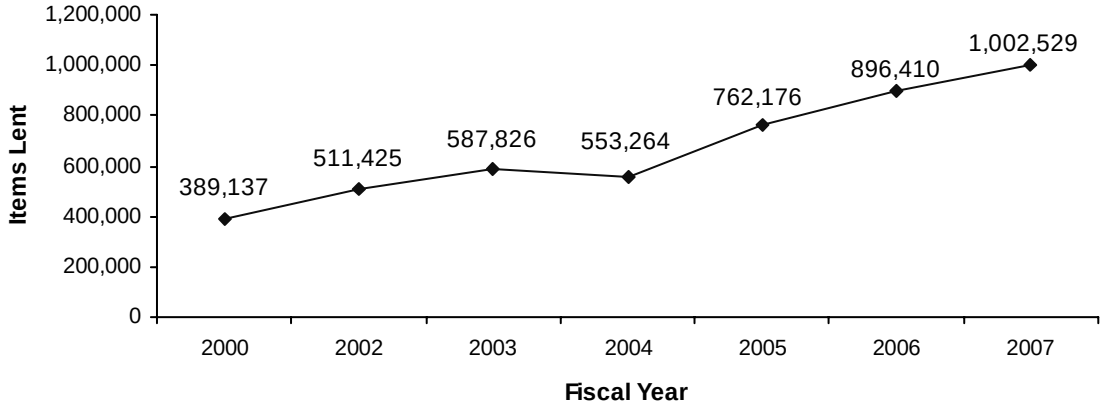
- provide programs that promote early childhood literacy (goal 10)
- support and promote academic excellence through homework help programs
- support and promote academic excellence by making resources and assistance available to students (goals 11,12,14)
- provide a safe and friendly environment for people of all ages (goal 21)
- provide a place and the technology to support distance education (goals 41-43)
- provide career and job training centers (goals 41-42)
- promote healthy communities by providing resources for healthy living, for recreating, as well as understanding illness, treatment options, and grief (goal: Minnesotans will be healthy)

Key Measures

Quality library services are available for Minnesotans of all ages.

- Access to public library internet computers continues to improve. The number of available terminals has increased 17% since 2005 to 4,329 in 2007 and 275 of 359 libraries offer wireless access.
- Regional systems together provided 58 databases to their respective members in addition to the 14 available through the Electronic Library of Minnesota.
- Centralized coordinated automation services and technical support ensure stability and equity of access to resources across regions.
- Regional systems operate delivery systems to facilitate fast and seamless resource sharing among participating libraries of all types.
- Library-to-library requests filled within regional public library systems through interlibrary loan increased 32% since 2005 when MnLINK self-service interlibrary loan functions (known as the "Get It Button") were introduced.
- In 2005, Minnesota's public libraries ranked 19th among the state in per capita expenditures from state and local funding sources. Minnesota's ranking has been consistent over the past several years.

Inter-Library Loan Materials Provided by Public Libraries to Other Libraries



Activity Funding

Regional library basic system support is state aid distributed to regional public library systems by statutory formula using population, area, equalized valuation of property, and a basic amount per system. To qualify for Regional library basic system support aid, each participating city and county must meet a minimum level of support based on adjusted net tax capacity.

Federal LSTA allocations awarded to Minnesota are distributed on the federal fiscal year beginning on October 1. The LSTA program allotment includes a state match requirement which is calculated by formula to certify maintenance of effort from state dollars. The annual federal LSTA allotment will be reduced if the level of state expenditures is reduced, using federal dollars to supplant state support.

The other sources of funds include foundation grants, gifts, and fundraising.

Contact

Additional Information is available from the Minnesota Department of Education, State Library Services at (651) 582-8881, http://education.state.mn.us/MDE/Learning_Support/Library_Services/index.html.

DEPT OF EDUCATION

Program: LIBRARIES

Activity: Basic Support for Libraries

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	9,182	13,138	13,138	13,138	26,276
	a. End of Session Estimate			432	432	
2	**Forecast Base**	**9,182**	**13,138**	**13,570**	**13,570**	26,276
	Governor's Recommendation					
	a. Aid Payment Shift			(1,357)	0	**(1,357)**
3	**Governor's Recommended Appropriation**			**12,213**	**13,570**	**25,783**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
4	Statutory Formula Aid	9,250	13,570	13,570	13,570	27,140
5	Statutory Excess/(Shortfall)					0
6	Appropriated Entitlement	9,250	13,570	13,570	13,570	27,140
7	Adjustments					
	a. Excess Funds Transferred In/(Out)					
	b. Prior Year Payments					
8	**State Aid Entitlement Current Law**	9,250	13,570	13,570	13,570	27,140
REVENUE						
9	**Other Revenue**					
	a. Federal	718	767	760	760	1,520
10	**Total All Sources Current Law**	9,968	14,337	14,330	14,330	28,660
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	857	925	1,357	2,714	4,071
	Current Year (90%/80%)	8,325	12,213	10,856	10,856	21,712
	Total State Aid - General Fund	**9,182**	**13,138**	**12,213**	**13,570**	**25,783**

Activity Description

Citation: M.S. 134.351; 134.353; 134.354

State aid improves library services through seven multicounty, multitype library cooperation systems serving school, public, academic, and agency libraries within defined multiple county regions.

Activity at a Glance

- Encourage and facilitate resource sharing among different types of library programs.
- Provide training opportunities for teacher-librarians and teachers.

Population Served

This activity focuses its services on school and special libraries in the state of Minnesota through seven regional multicounty, multitype library cooperation systems. Capacity-building and collaborative sharing of resources between all types of libraries including public and academic are the main strategies used. Currently, 1,902 members with almost 2,200 library outlets of all types in Minnesota work together.

Seven multicounty, multitype library cooperation systems were established in 1980 to facilitate cooperation between libraries not included in the regional public library systems. The systems and numbers of school and special libraries that are members of each system are listed below.

Library System	Academic	Public	School	Special	Totals
Central Minnesota Library Exchange	9	45	205	23	282
Metronet	49	110	391	54	604
North Country Library Cooperative	12	31	106	19	168
Northern Lights Library Network	18	54	183	15	270
Southcentral Minnesota Inter-Library Exchange	6	38	87	15	146
Southeast Library System	15	39	149	19	222
Southwest Area Multicounty Multitype Inter-Library Exchange	8	60	131	11	210
Grand Totals:	117	377	1,252	156	1,902

Services Provided

This program provides support to improve library services through:

- developing and implementing strategic plans that address the needs of the region with available library and information resources;
- providing communication systems among participating libraries;
- operating and improving delivery services to facilitate resource sharing among participating libraries;
- assisting with training on and development of electronic resources; and
- helping with the organization and promotion of opportunities for continued staff development and expertise in new technologies and other services for the public.

Key Activity Goals

Multicounty, multitype library systems promote cost efficient services by encouraging cooperation, collaboration, and resource sharing across all types of libraries (goal 37).

- Support and promote academic excellence by strengthening school library media centers
- Provide training opportunities for teacher-librarians especially in the area of information literacy and use of online resources (goals 11, 12, 14)
- Support and promote academic excellence by making resources available to students (goals 11, 12, 14)

Key Measures

The Multi-County, Multi-type library directors adapted and moderated a North Carolina online tutorial to create *23 Things on a Stick,* a self-paced exploration of 23 innovations regarding the Internet. 1,100 librarians signed up to learn about 23 online productivity tools. Approximately 400 completed all 23 activities. A second round ran from May through September due to popular demand.

Based on the goals identified in their strategic plans, each system develops programs and services most valued within their region. The following are examples of their accomplishments.

- *Central Minnesota Library Exchange (CMLE):* Facilitated delivery of 18,000 items in FY 2006 and 20,500 in FY 2007 among its 282 members and expanded delivery to include locations in the East Central Regional Library System.
- *Metronet:* Developed and implemented the Metronet Information Literacy Initiative (MILI) in partnership with the St. Paul Public Schools to improve the information literacy skills of 10th graders.
- *North County Library Cooperative (NCLC):* NCLC continued to convert catalog records for schools in preparation for converting to the regional web-based catalog.
- *Northern Lights Library Network (NLLN):* Administers North Star Library Consortium in partnership with Region 1. School media centers use the same online catalog and management system. The number of participating libraries grew from 71 to 87 between FY 2006 and FY 2007.
- *Southcentral Minnesota Inter-Library Exchange (SMILE):* SMILE sponsors monthly story times in conjunction with SOCRATES using American Sign Language (ASL). In FY 2007, 245 persons attended the seven programs.
- *Southeast Library System (SELS):* In FY 2007, two school libraries were added to the regional online catalog. In FY 2008, two additional schools and two academic libraries were added. In FY 2007, the member libraries collectively loaned 11,972 items and borrowed 13,222 to enhance student education.
- *Southwest Area Multicounty Multitype Inter-Library Exchange(SAMMIE):* SAMMIE, the Plum Creek Regional Public Library System, and Pioneerland Regional Public Library System partnered to develop and provide a youth program for children in grades 5 through 12.

Activity Funding

A formula established by rule sets 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. This aid program is supported totally with state funds.

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

Contact

Additional Information is available from the Minnesota Department of Education, State Library Services, (651) 582-8890,
http://education.state.mn.us/mde/Learning_Support/Library_Services_and_School_Technology/index.html.

DEPT OF EDUCATION

Program: Libraries

Activity: Multicounty, Multitype Library Systems — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	1,260	1,300	1,300	1,300	2,600
2	**Forecast Base**	**1,260**	**1,300**	**1,300**	**1,300**	**2,600**
	Governor's Recommendation					
	a. Aid Payment Shift			(130)	0	(130)
3	**Governor's Recommended Appropriation**			**1,170**	**1,300**	**2,470**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
4	Statutory Formula Aid	1,300	1,300	1,300	1,300	2,600
5	Statutory Excess/(Shortfall)					0
6	Appropriated Entitlement	1,300	1,300	1,300	1,300	2,600
7	Adjustments					
8	**State Aid Entitlement Current Law**	1,300	1,300	1,300	1,300	2,600
	Appropriations Basis for State Aid					
	Prior Year (10%20%)	90	130	130	260	390
	Current Year (90%/80%)	1,170	1,170	1,040	1,040	2,080
	Total State Aid - General Fund	**1,260**	**1,300**	**1,170**	**1,300**	**2,470**

Activity Description

Citation: Minnesota Session Laws 2005, First Special Session, Chapter 5, Article 6, Section 1, Subd. 4.

This program establishes funding for statewide access to a basic suite of licensed electronic resources.

Activity at a Glance

- Statewide licensing of information databases ensures maximized use of tax dollars with statewide impact. As user numbers increase, the cost per use declines.
- Use of electronic resources has steadily increased across Minnesota, experiencing a continuing and steady increase in use in FY 2007. This represents over 11 million requests.
- Ensures equal access to a core of quality resources by all Minnesota school children regardless of their location.
- Ensures equal access to information resources to support economic development and consumer health.

Population Served

Provides access for Minnesota residents from school, public library, academic library, home, or business. It ensures basic equity of access to core resources.

Services Provided

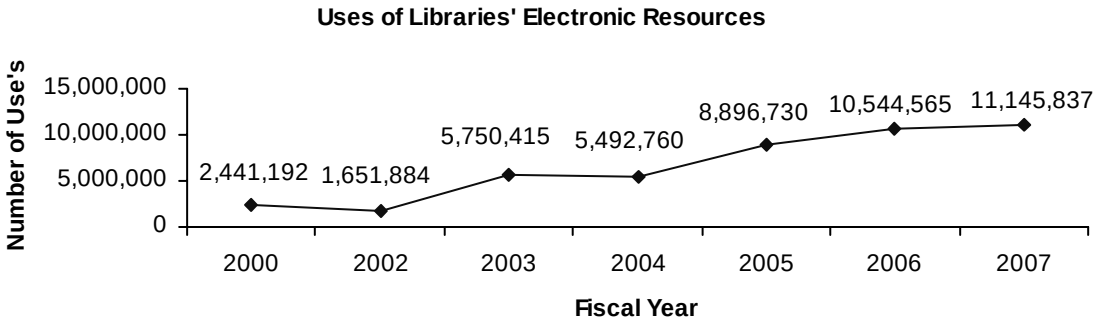
Electronic Library of Minnesota (ELM) provides students, parents, teachers, and citizens access to a basic database suite of indexes, full text of articles in magazines, and other materials needed for education, health, research, business, and lifelong learning. The electronic library leverages purchasing power for statewide licensing of electronic databases and ensures all students have equitable access to a broad range of electronic resources to assist them in meeting educational standards. Funding enables access to the databases in classrooms, school media centers, public libraries, at work, and from home.

Key Activity Goals

ELM promotes governmental efficiency by licensing databases for statewide access at a reduced cost (goal 37). ELM supports student growth and achievement by providing resources to enhance their education and developing 21st century information literacy skills (goals 11, 12, 14, 41-43). ELM provides resources which support economic viability and development of communities regardless of size (goals 49-51).

Key Measures

- Maintain and support statewide access to electronic resources through an interagency agreement between the Minnesota Department of Education (MDE), State Library Services, and the Office of Higher Education, MINITEX Library Information Network.
- Integrate with and leverage other state, regional, and local resources.
- Build upon or support collaboration with all types of libraries and information resource providers.



Activity Funding

Currently, funding for ELM comes through an appropriation of $900,000 per year to MDE and funding from the Office of Higher Education.

Contact

Additional information is available from the Minnesota Department of Education, State Library Services, (651) 582-8251, http://education.state.mn.us/MDE/Learning_Support/Library_Services/index.html.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	900	900	900	900	1,800
Subtotal - Forecast Base	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**
Expenditures by Fund					
Direct Appropriations					
General	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**
Expenditures by Category					
Local Assistance	900	900	900	900	1,800
Total	**900**	**900**	**900**	**900**	**1,800**

Activity Description

Citation: M.S. 134.355

The Regional Library Telecommunications Aid (RLTA) program provides state aid to regional library systems to equalize data and video access costs and other related costs to improve or maintain electronic access of participating public libraries to the state information infrastructure and to facilitate resource sharing.

Activity at a Glance

- 359 public library buildings are served through this program.
- Bandwidth in regional public library systems has expanded from 164 T1 lines to 236 since 2004.
- Connectivity and improved bandwidth facilitates resource sharing and access to electronic resources such as the Electronic Library for Minnesota (ELM) and MnLINK.

Population Served

This activity serves Minnesotans statewide through 12 regional public library systems. Participation in regional public library systems includes all Minnesota counties and serves 99.7% of the state's population. These systems are 1) Arrowhead Library System, 2) East Central Regional Library, 3) Great River Regional Library, 4) Kitchigami Regional Library, 5) Lake Agassiz Regional Library, 6) Metropolitan Library Service Agency (MELSA), 7) Northwest Regional Library, 8) Pioneerland Library System, 9) Plum Creek Library System, 10) Southeastern Libraries Cooperating (SELCO), 11) Traverse des Sioux Library System, and 12) Viking Library System.

Services Provided

The public uses public libraries for information and self-sufficiency including access to resources for financial business decisions, education, self-development, and personal interests. Libraries are a destination for people to come and use electronic resources. RLTA facilitates optimal access and connections to the statewide electronic infrastructure and supports equity of access to electronic resources. It allows libraries to capitalize on other federal, state, and local investments in electronic access. Among the activities supported through connectivity are:

- automation activities for cost-effectiveness in resource sharing;
- connectivity necessary to access licensed online full-text databases provided by state funds allocated to support the Electronic Library for Minnesota (ELM);
- access to the Internet necessary for e-government, job centers, immigration services, tax filing, and other activities requiring use of the internet;
- interconnectivity and interoperability with school districts, post-secondary education or other governmental agencies;
- community access to high-speed Internet links; and
- integration of new technology and training.

Historical Perspective

State funding of regional public library systems was established to provide equitable library services across Minnesota. Telecommunications aid supports electronic resource sharing through the most cost-effective means possible. The telecommunications aid program began in 1996 to encourage interconnectivity and more equity of access.

Key Activity Goals

- Supports the infrastructure necessary to ensure adequate connectivity in libraries in order to provide efficient access to the internet by Minnesotans in order to conduct business with government (goals 34, 35).
- Meet educational goals (goals 10-14).
- Stimulate a vibrant economy (goals 38-40).
- Promote quality of life in rural communities (goal 49).
- Provides the infrastructure necessary to support statewide collaboration and resources sharing (goal 36, 37).

Key Measures

Quality library services are available for Minnesotans of all ages.

The RLTA program has enabled branch/member libraries of the regional public library systems to expand telecommunications bandwidth and connectivity.

- Some regional public library systems have shared T1 lines with public schools for cost savings.
- Other systems have experimented with telecommunications technology such as satellite, cable, fiber optics, wireless, and DSL in order to reduce costs.
- Improved bandwidth allows public libraries to expand services to include audio book download capabilities, remote meeting capacity, and video streaming for distance education.

As a result of improved connectivity, online public access catalogs make more resources available for Minnesotans to borrow or access, with the following results.

- Library to library requests filled between public libraries through interlibrary loan continued to increase rising 31.5% from 762,178 in 2005 to 1,002,529 in 2007, following a similar increase of 38% in the prior biennium.
- Uses of electronic resources in libraries reflects continued increases with usage gains between 2006 (10,544,565) and 2007 (11,145,837) uses.

Activity Funding

The RLTA budget activity is funded with state aid distributed on a prorated actual cost basis for regional public library system branches/members who meet the aid program criteria. The regional public library systems are required to apply for the federal E-rate program which provides discounts and/or reimbursements to assist eligible schools and libraries to obtain telecommunications and Internet access. The discounts or reimbursements depend upon the level of poverty and the urban/rural status of the population served by the applicant. The E-rate program is an unstable source of funding because federal funding is prorated based on national demand. Telecommunications vendor costs by sites vary considerably across the state. The need for more broadband access continues to increase in order to support more complex internet applications

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

Contact

Additional information is available from the Minnesota Department of Education, State Library Services (651) 582-8251, http://education.state.mn.us/MDE/Learning_Support/Library_Services/index.html.

DEPT OF EDUCATION

Program: LIBRARIES

Activity: Regional Libraries Telecommunication Aid Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	2,190	2,300	2,300	2,300	4,600
2	**Forecast Base**	**2,190**	**2,300**	**2,300**	**2,300**	**4,600**
	Governor's Recommendation					
	a. Aid Payment Shift			(230)	0	(230)
3	**Governor's Recommended Appropriation**			**2,070**	**2,300**	**4,370**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	2,300	2,300	2,300	2,300	4,600
4	Statutory Excess/(Shortfall)					0
5	Appropriated Entitlement	2,300	2,300	2,300	2,300	4,600
6	Adjustments					
7	**State Aid Entitlement Current Law**	2,300	2,300	2,300	2,300	4,600
	Appropriations Basis for State Aid					
	Prior Year (10%20%	120	230	230	460	690
	Current Year (90%80%)	2,070	2,070	1,840	1,840	3,680
	Total State Aid - General Fund	**2,190**	**2,300**	**2,070**	**2,300**	**4,370**

Budget Activities

⇒ Early Childhood/Family Education
⇒ School Readiness
⇒ Kindergarten Entrance Assessment
⇒ Health and Development Screening
⇒ Head Start Program
⇒ Infants and Toddlers-Part C
⇒ Educate Parents Partnership

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	54,140	63,448	63,448	63,448	126,896
Technical Adjustments					
End-of-session Estimate			(6,212)	(6,426)	(12,638)
November Forecast Adjustment		122	190	147	337
Subtotal - Forecast Base	54,140	63,570	57,426	57,169	114,595
Governor's Recommendations					
Aid Payments Shift		0	(3,620)	(59)	(3,679)
Total	**54,140**	**63,570**	**53,806**	**57,110**	**110,916**
Expenditures by Fund					
Direct Appropriations					
General	54,107	63,602	53,806	57,110	110,916
Statutory Appropriations					
Miscellaneous Special Revenue	30	30	30	30	60
Federal	12,063	12,739	12,786	12,886	25,672
Total	**66,200**	**76,371**	**66,622**	**70,026**	**136,648**
Expenditures by Category					
Total Compensation	90	97	120	125	245
Other Operating Expenses	762	1,232	1,177	1,172	2,349
Local Assistance	65,348	75,042	65,325	68,729	134,054
Total	**66,200**	**76,371**	**66,622**	**70,026**	**136,648**
Expenditures by Activity					
Early Child Family Ed	21,772	30,078	21,473	23,272	44,745
School Readiness	9,987	10,095	9,085	10,095	19,180
Kindergarten Entrance Exam	273	300	287	287	574
Health & Developmental Screen	2,624	3,592	3,466	3,961	7,427
Head Start	20,100	20,100	20,100	20,100	40,200
Infants & Toddlers	11,413	12,137	12,161	12,261	24,422
Educate Parents Partnership	31	69	50	50	100
Total	**66,200**	**76,371**	**66,622**	**70,026**	**136,648**
Full-Time Equivalents (FTE)	**1.4**	**1.3**	**1.3**	**1.3**	

Activity Description

Citation: M.S. 124D.13; 124D.135; 124D.15

The early childhood family education (ECFE) program is funded by state aid and local levy. The purpose of the program is to provide parenting education to support children's learning and development.

Activity at a Glance

FY 2007

- Over 274,300 children and parents participated.
- More than 19,900 referrals were made to ECFE from other community programs.
- More than 17,550 children were referred to other programs by EFCE.

Population Served

All families with children ages birth to kindergarten are eligible for ECFE. ECFE served 133,620 children and 150,370 parents in FY 2007 (duplicated counts). Expectant parents and family relatives may also participate. The program is administered through local school districts.

Services Provided

ECFE programs typically include the following components.

- parent discussion groups
- parent-child activities
- play and learning activities that promote children's development
- home visits
- special events for the entire family
- information on community resources

If funds are insufficient to provide programs for all children, ECFE is encouraged to emphasize programming for children birth to age three and encourage parents to involve four and five year old children in school readiness programs and other public and nonpublic early learning programs.

Historical Perspective

- ECFE pilot programs were established in 1974. In 1984, the legislature made it possible for any school district with a community education program to establish the program. ECFE was offered in all 348 independent and special school districts in FY 2008.

Key Activity Goals

- Families will provide a stable, supportive environment for their children (Milestones). ECFE programs educate parents and other relatives about child development.
- All children will be healthy and start school ready to learn (Milestones). ECFE programs include programs and activities to promote healthy child development.
- Improve student achievement/prepare students to compete in a global economy (agency goal). ECFE programs include activities to promote healthy child development.

Key Measures

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

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

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

- A 2003 study on parent involvement in kindergarten and grade three education comparing former ECFE participants and non-ECFE participants found that ECFE participating parents were more likely to
  - ⇒ read or tell stories with their child nearly every day (kindergarten-79% compared to 67%; grade three-48% compared to 38%),
  - ⇒ regularly visit libraries (kindergarten-37% compared to 25%; grade three-31% compared to 20%),
  - ⇒ volunteer in the classroom (kindergarten-65% compared to 39%; grade three-58% compared to 37%), and
  - ⇒ serve on PTA advisory committees or school site councils (kindergarten-20% compared to 6%; grade three-18% compared to 8%).

Activity Funding

A statutory formula generates annual revenue of $120 per district resident under the age of five, as reported by the district in its annual 0-4 Census count for the prior year. Statutes fix the amount of annual ECFE revenue from local levies at $22.135 million and require the department each levy cycle to set a tax rate that will generate this amount of revenue statewide. A district's levy may not exceed its formula revenue; a district with a property tax base that yields a levy less than its formula revenue is entitled to state aid for the amount of the difference. In 2008, 22 districts generated 100% of their revenue from levy. For FY 2009, the legislature lowered the levy cap on a one-time basis by $8.57 million to $13.565 million; all but nine districts will receive state aid in FY 2009.

In FY 2007, state aid and local levy comprise 87% of the revenue districts generate for ECFE programs, which includes fees, grants, and revenue from other sources. Statutes require that districts have a "reasonable sliding fee scale" for ECFE, but waive the fee for any participant not able to pay. In FY 2007, districts reported generating more than $6.3 million in fees, about 13% of total ECFE revenue.

Statutes require school districts to maintain a separate reserve account in the community service fund for ECFE. The ECFE reserve account average fund balance for the most recent three-year period must not exceed 25% of the prior year's program revenue.

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

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION

Program: EARLY CHILDHOOD & FAMILY SERVICES

Activity: Early Childhood & Family Education — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	21,092	29,324	29,324	29,324	58,648
	a. End of Session Estimate			(6,473)	(6,806)	(13,279)
	b. Cancellation					
	c. Transfer per M.S. 127A.41					
	d. November Forecast Adjustment		122	190	147	337
2	**Forecast Base**	**21,092**	**29,446**	**23,041**	**22,665**	**45,706**
	Governor's Recommendation					
	a. Aid Payment Shift			(2,223)	(48)	(2,271)
3	**Governor's Recommended Appropriation**			**20,818**	**22,617**	**43,435**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
4	Statutory Formula Aid	21,440	30,335	22,231	22,713	44,944
5	Statutory Excess/(Shortfall)		(135)			0
6	Appropriated Entitlement	21,440	30,200	22,231	22,713	44,944
7	Adjustments					
	a. Supplemental Appropriation		135			
	b. Cancellation					
	c. Transfer per M.S. 127A.41					
8	**State Aid Entitlement Current Law**	21,440	30,335	22,231	22,713	44,944
plus						
LEVY	**Levy**					
9	Local Levy Current Law	21,992	13,520	22,108	22,134	44,242
equals						
REVENUE	10 Current Law Revenue (State Aid & Levy)	43,432	43,855	44,339	44,847	89,186
	Appropriations Basis for State Aid					
	Prior Year (10%20%)	1,796	2,144	3,033	4,446	7,479
	Current Year (90%/80%)	19,296	27,302	17,785	18,171	35,956
	Transfer per M.S. 127A.41					
	Cancellation					
	Total State Aid - General Fund	**21,092**	**29,446**	**20,818**	**22,617**	**43,435**
	Additional ECFE Revenue-Fund 200					
	ECFE Partnership-Ucare	30	30	30	30	60

Activity Description

Citation: M.S. 124D.15; 124D.16

The purpose of the school readiness program is to prepare children to enter kindergarten. The program is administered through local school districts.

Population Served

The program serves children age three years to kindergarten entrance.

Activity at a Glance

FY 2007

- 55,940 children and parents participated in the program.
- Nearly 23,000 referrals were made to and from other community services and programs.
- Approximately 21,400 children received 30 or more hours per year of services.

Services Provided

Most school-based classroom programs are two and a half hours in length and vary from one day to five days per week. Other programs models include

- kindergarten transition classes for children and parents;
- one or two days of child-only activities added to early childhood family education (ECFE);
- early childhood special education and school readiness integrated classrooms;
- coordination of referrals and follow-up to early childhood screening;
- staff development and consultation for family child care providers; or
- comprehensive head start and family literacy/English language learner programs.

Programs include the following requirements.

- Assessment of child's cognitive skills at entrance to program and again at program exit to inform parents and improve program.
- Provision of comprehensive program content based on early childhood research and professional practice that is focused on children's cognitive skills and development and prepares children for the transition to kindergarten.

Historical Perspective

The school readiness program was established in 1991.

Key Activity Goals

- All children will be healthy and start school ready to learn (Milestones). School readiness programs prepare children for kindergarten entrance and arrange for early childhood screening and appropriate referral.
- Improve student achievement/prepare students to compete in a global economy (agency goal). School readiness assesses each child's cognitive skills at program entry and exit and provides comprehensive program content based on early childhood research and professional practice to promote kindergarten readiness.

Key Measures

- Since 1994, the department has provided training to early childhood teachers on child assessment in order to measure child progress of participating children. 63% of the school districts report using the work sampling system of child assessment.
- MDE assesses the school readiness of a random sample of kindergarten students in the domains of personal and social development, language and literacy, mathematical thinking, the arts, and physical development. Students who consistently perform the indicators in a domain are rated "proficient;" children who perform them sometimes but inconsistently are rated "in process;" and those who cannot perform them are rated "not yet."

Fall 2007 Readiness Levels by Domain

Developmental Domain	Not Yet	In Process	Proficient
Physical Development	3%	33%	65%
Personal & Social Development	8%	40%	52%
The Arts	5%	42%	53%
Language & Literacy	10%	40%	50%
Mathematical Thinking	9%	41%	50%

N = 6,493

Activity Funding

To be eligible to receive state aid, districts must submit a biennial school readiness plan. Each district receives a portion of the total appropriation to provide readiness activities that prepare children for kindergarten. Districts receive aid equal to the number of eligible four year olds in the district on October 1 for the previous school year times the ratio of 50% of the total school readiness aid for that year to the total number of eligible four year olds reported for the previous school year; plus the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program for the second previous school year times the ratio of 50% of the total school readiness aid for that year to the total number pupils in the state from families eligible for the free or reduced school lunch program for the second previous school year.

Statutes require school districts to maintain a separate reserve account in the community service fund for school readiness. The school readiness reserve account average fund balance for the most recent three-year period must not exceed 25% of the prior year's program revenue. If a district exceeds this limit, the district's state aid entitlement is decreased and the district must fund a portion of program costs with fund balance.

State aid for school readiness has changed little over the past ten years, and is currently funded at a base level of $10.095 million per year. FY 2007 formula calculation of state aid provided total aid ranging from $732 (Cyrus), $8,023 (Hayfield), $57,973 (Willmar), $114,770 (North St. Paul-Maplewood), $173,346 (Rochester), $386,118 (Anoka-Hennepin), to $850,040 (St. Paul) and $823,622 (Minneapolis). Based on total state aid of $9.095 milllion and participation of 55,940 children and parents, state aid funded an average of approximately $162 per participant in FY 2007.

School districts reported financial data that shows school readiness aid provided 59% of the program's total revenue in FY 2007, while 41% came from tuition and fees. Districts must adopt a sliding fee schedule based on family income, but must waive the fee for any participant not able to pay.

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION

Program: EARLY CHILDHOOD & FAMILY SERVICES

Activity: School Readiness

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	9,987	10,095	10,095	10,095	20,190
2	**Forecast Base**	**9,987**	**10,095**	**10,095**	**10,095**	**20,190**
	Governor's Recommendation					
	a. Aid Payment Shift			(1,010)	0	(1,010)
3	**Governor's Recommended Appropriation**			**9,085**	**10,095**	**19,180**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	10,095	10,095	10,095	10,095	20,190
4	Statutory Excess/(Shortfall)					0
5	Appropriated Entitlement	10,095	10,095	10,095	10,095	20,190
7	**State Aid Entitlement Current Law**	10,095	10,095	10,095	10,095	20,190
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	901	1,009	1,009	2,019	3,028
	Current Year (90%/80%)	9,086	9,086	8,076	8,076	16,152
	Total State Aid - General Fund	**9,987**	**10,095**	**9,085**	**10,095**	**19,180**

Activity Description

Citation: Laws M.S. 124D.162

This program provides funding for a kindergarten readiness assessment.

Activity at a Glance

- 6,500 entering kindergarteners were assessed in fall 2007.

Population Served

A random sample of 10% of incoming kindergarteners is assessed within the first six weeks of school.

Services Provided

Kindergarten teachers observe children in the classrooms during the initial six weeks of kindergarten in order to minimize the impact of kindergarten instruction on observational results. Teachers record their observations and submit documentation to the deparment where it is reviewed and forwarded for scanning. Results are compiled and given to participating school sites.

Aggregate results are used to inform school administrators, teachers, parents, early childhood teachers, child care providers, policymakers, and the public about progress towards the goal of ensuring that children are ready for kindergarten. It is expected that results will be used to plan children's transition from home to school, prepare for teacher conferences, and improve instruction and services to families.

Historical Perspective

The 2006 legislature established the program in statutes and appropriated state aid to implement the assessment study.

Key Activity Goals

Improve student achievement/prepare students to complete in a global economy (agency goal). The assessment study tracks the state's progress toward ensuring that children are ready for kindergarten.

Key Measures

MDE assesses the school readiness of a random sample of kindergarten students in the domains of personal and social development, language and literacy, mathematical thinking, the arts, and physical development. Students who consistently perform the indicators in a domain are rated "proficient;" children who perform them sometimes but inconsistently are rated "in process;" and those who cannot perform them are rated "not yet."

Fall 2007 Readiness Levels by Domain

Developmental Domain	Not Yet	In Process	Proficient
Physical Development	3%	33%	65%
Personal and Social Development	8%	40%	52%
The Arts	5%	42%	53%
Language and Literacy	10%	40%	50%
Mathematical Thinking	9%	41%	50%

Activity Funding

$287,000 is appropriated each year for this program.

Contact

Additional information is available from the Minnesota Department of Education, Division of Early Learning Services, (651) 582-8397,
http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION
Program: EARLY CHILDHOOD & FAMILY SUPP
Activity: KINDERGARTEN ENTRANCE EXAM

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	287	287	287	287	574
Subtotal - Forecast Base	287	287	287	287	574
Total	**287**	**287**	**287**	**287**	**574**
Expenditures by Fund					
Direct Appropriations					
General	273	300	287	287	574
Total	**273**	**300**	**287**	**287**	**574**
Expenditures by Category					
Total Compensation	90	97	120	125	245
Other Operating Expenses	183	203	167	162	329
Total	**273**	**300**	**287**	**287**	**574**
Full-Time Equivalents (FTE)	**1.4**	**1.3**	**1.3**	**1.3**	

Activity Description

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

Early childhood health and developmental screening promotes educational readiness and improved health of young children through the early detection of factors that may impede children's learning, growth, and development.

Activity at a Glance

In FY 2007, a total of 59,752 children were screened. This included:

- 4,893 children referred to the school readiness program.
- 5,787 families referred to early childhood family education.
- 1,610 children referred to head start.
- 398 parents referred to adult education/literacy.

Population Served

Every school board must provide for a mandatory program of early childhood developmental screening for children once before school entrance. A child need not submit to this screening if the child's health records indicate to the district that the child has received comparable developmental screening from a public or private health care provider. This program targets children who are between three and four years of age. Districts are required to notify each resident family with an eligible child of the availability of the program and the state's screening requirement.

Services Provided

A screening program must include the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. A district may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

Families may opt out by submitting a signed statement of conscientiously held beliefs. A district must provide the parent or guardian of the child screened with a record indicating the month and year the child received screening and the results of the screening.

Historical Perspective

The early childhood screening program was established in 1977.

Up until FY 2006, statutes set the targeted age for early childhood screening at between the ages of three and a half and four years. The 2005 legislature lowered the targeted ages to between three and four years and changed the aid formula to provide an incentive to districts to screen children within the targeted age range. The legislature also added the requirement that districts assign a student identification number to each child at the time of screening, or at the time health records are presented documenting a comparable screening by another provider.

The 2008 legislature increased aid amounts effective for FY 2009 to $75 for a child screened at age three, $50 at age four, and $40 for a child screening at age five or six before kindergarten. Districts receive $30 for a child screened within 30 days after kindergarten enrollment if the child has not previously been screened.

Key Activity Goals

- Families will provide a stable, supportive environment for their children (Milestones). Screening aims to increase parents' awareness of the connections between physical health, development and learning readiness, and to link families to community services; programs must also refer a child without health coverage to an appropriate health care provider.
- All children will be healthy and start school ready to learn (Milestones). Screening provides early detection of conditions that may interfere with young children's growth and development thereby promoting school readiness and improved health.

- Improve student achievement/prepare students to compete in a global economy (agency goal). Health and/or development conditions that can affect learning are identified early and timely referrals improve children's learning potential.

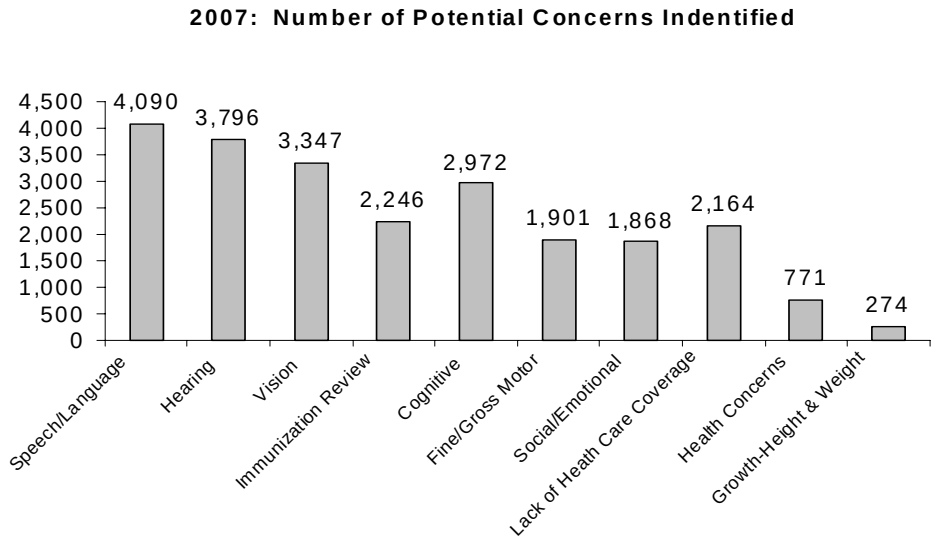
Key Measures

Increase the percentage of children who receive referrals and services to address health and developmental concerns.

- In FY 2007, nearly 24,000 referrals were made for potential health or developmental concerns identified at the time of early childhood health and developmental screening. Note: the department has implemented a Web-based application for reporting annual aggregated early childhood health and development screening data from school districts, including data on the status of children's immunizations, hearing, vision, growth, and access to health care coverage.
- In FY 2004, MDE translated the early childhood screening parent brochure into 10 languages to facilitate outreach to linguistically diverse families.

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

- provision of integrated regional staff development opportunities offered jointly by the Minnesota Departments of Education, Health, Human Services, and the state Head Start Collaboration Office;
- development of common screening forms for early childhood screening, child and teen checkups, and head start; and
- development of Minnesota child health and developmental screening quality indicators.



Activity Funding

Districts receive state aid for every child screened prior to kindergarten entrance or within 30 days after first entering kindergarten. Effective FY 2009, districts are reimbursed $75 for each child screened at age three; $50 for each child screened at age four; and $40 for each child screened at age five or six prior to kindergarten. Districts receive $30 for a child screened within 30 days after kindergarten enrollment if the child has not previously been screened.

Districts may not charge parents a fee for required screening, but they may charge fees for any of the optional screening components. If the amount of state aid is not sufficient, districts may make a permanent transfer from the general fund to pay for costs not covered by early childhood screening aid. Statutes also encourage districts to reduce screening costs by using volunteers, and public or private health care organizations.

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

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION

Program: EARLY CHILDHOOD AND FAMILY SUPPORT

Activity: Health and Development Screening — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	2,624	3,592	3,592	3,592	7,184
	a. End of Session Estimate			261	380	641
	b. November Forecast					
	c. Cancellation					
2	**Forecast Base**	**2,624**	**3,592**	**3,853**	**3,972**	**7,825**
	Governor's Recommendation					
	a. Aid Payment Shift			(387)	(11)	(398)
3	**Governor's Recommended Appropriation**			**3,466**	**3,961**	**7,427**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
3	Statutory Formula Aid	2,595	3,703	3,869	3,984	7,853
4	Statutory Excess/(Shortfall)					0
5	Appropriated Entitlement	2,595	3,703	3,869	3,984	7,853
6	Adjustments					
	a. Cancellation					
	b. Appropriation Reduction					
7	**State Aid Entitlement Current Law**	2,595	3,703	3,869	3,984	7,853
Appropriations Basis for State Aid						
	Prior Year (10%20%)	288	260	370	773	1,143
	Current Year (90%/80%)	2,336	3,333	3,096	3,188	6,284
	Cancellation					
	Total State Aid - General Fund	**2,624**	**3,592**	**3,466**	**3,961**	**7,427**

Activity Description

Citation: M.S. 119A.50-119A.545; 42 U.S.C.9840 et seq.

The head start program promotes school readiness of low-income children by enhancing cognitive, social, and emotional development in a supportive learning environment and through comprehensive health, educational, nutritional services. Research has shown that families with the highest risk factors gain the most from high quality early childhood programming.

Activity at a Glance

In FY 2007

- 36 head start programs served 17,639 children and families, approximately 15% with state funds.
- 14% of enrolled children had a diagnosed disability.

Population Served

Head start primarily serves three and four-year-olds from low-income families. Some programs serve infants, toddlers, and pregnant mothers in early head start. Programs predominantly serve children from families at or below the federal poverty level or participating in Minnesota Family Investment Program (MFIP). If this need has been met, the program may serve up to 35% of its enrollment with children from families whose incomes are between 100% and 130% of poverty. Up to 10% of the children enrolled may be from families that exceed the low-income guidelines. A child who is homeless or in foster care is automatically eligible. At least 10% of enrollment is reserved for children with diagnosed disabilities.

About 52% of the enrolled children are at least four years old; about 27% are from families who are English language learners. Approximately 53% have two parents or guardians, 73% have at least one parent working, and 13% have at least one parent in job training or school.

Services Provided

Head start provides a comprehensive program including health, nutrition, education, parent involvement, and social services to children and families. In addition to services focused on the child, approximately 86% of the enrolled families received one or more services such as assistance with housing and transportation, health and parenting education, adult education, and job training.

Programs operate a center-based, home-based, and/or combination option. Center-based programs must operate a minimum of 3.5 hours per day, four days per week, for 128 days per year supplemented with at least two home visits. Home-based programs must offer a minimum of 32 home visits of 1.5 hours each supplemented with at least 16 group socialization activities per year. In response to changing needs of children and their families, some programs also offer some full-day, full-year services through head start-child care partnerships. Other collaborative partners include public health, early childhood screening, early childhood special education, early childhood family education, school readiness, adult basic education, family literacy, public school kindergarten, and self-sufficiency programs.

Parents work in partnership with head start staff as volunteers and employees in parent education activities and in program governance. Former or current head start parents made up 28% of the staff and 40% of approximately 41,000 volunteers in 2007.

Historical Perspective

Head start began as a federal program in 1965 and was most recently federally reauthorized and amended in December 2007. In 1988, the Minnesota legislature first appropriated supplemental state funds. State funded head start programs are required to comply with federal head start requirements.

Key Activity Goals

Closing the achievement gap; reduce disparities in achievement between groups of students to enhance the opportunities for more at-risk students to succeed in life and to become productive citizens (agency strategic goal.) Head Start promotes the school readiness of children from families who are at or below the federal poverty level.

Key Measures

In FY 2007

- 96% of all enrolled children completed a medical examination
- 94% of children with identified health needs received treatment
- 87% of all enrolled preschool-age children completed a dental examination
- 82% of children with an identified dental need received treatment

Activity Funding

Federal head start funds flow directly from the federal office to 36 local head start programs ($84.7 million in FFY 2007 and $84.8 million in FFY 2008). At least 20% of the total cost of a head start program must come from local resources. In-kind contributions constitute much of this match through volunteer hours and donated space, materials, and services. The Minnesota legislature chose to use the existing federal programs, administrative structure, and program performance standards already in place. State allocation of funds is based equally on the program share of federal head start funds and on the proportion of eligible children in the grantee service area who are not currently being served.

Minnesota Head Start Collaboration Project – Minnesota annually receives a $125,000 federal grant from the head start federal office to create significant statewide collaboration between head start and local communities in order to meet the challenges of improving services for low-income children and their families.

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

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION
Program: EARLY CHILDHOOD & FAMILY SUPP
Activity: HEAD START

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	20,100	20,100	20,100	20,100	40,200
Subtotal - Forecast Base	20,100	20,100	20,100	20,100	40,200
Total	**20,100**	**20,100**	**20,100**	**20,100**	**40,200**
Expenditures by Fund					
Direct Appropriations					
General	20,100	20,100	20,100	20,100	40,200
Total	**20,100**	**20,100**	**20,100**	**20,100**	**40,200**
Expenditures by Category					
Local Assistance	20,100	20,100	20,100	20,100	40,200
Total	**20,100**	**20,100**	**20,100**	**20,100**	**40,200**

Activity Description

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

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

Activity at a Glance

FY 2007

- 3,924 Minnesota children and families received services through an individual family services plan.
- 96 community coordinating committees design comprehensive intervention services for very young children with disabilities.

Population Served

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

Services Provided

The program assists and provides funds to the 95 local Interagency Early Intervention Committees (IEICs) through the IEIC annual application planning process. IEICs are responsible for the development, coordination, and implementation of comprehensive local interagency early childhood intervention services for young children with disabilities and their families. IEIC members include representatives of school districts, county human service agencies, county boards, early childhood family education programs, parents of young children with disabilities under age 12, and health care providers.

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

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

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

Historical Perspective

Minnesota has participated in Part C (formerly Part H), IDEA (Individuals with Disabilities Education Act) since 1987.

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

Key Activity Goals

This program addresses the following Minnesota Milestones: 1) all children will be healthy and start school ready to learn; and 2) Minnesotans will excel in basic and challenging academic skills and knowledge.

Key Measures

The percentage of infants and toddlers birth to age three (particularly under one year of age) and their families who have IFSPs is increased and is proportional to the general state population. The goal is to have 2.44% of children in this age range participating in FY 2011.

The number of eligible children, birth to age three, with an IFSP on December 1 of each year has increased from 2,464 in 2000 to 3,924 in 2007.

	Children and Their Families with an IFSP on December 1			
	FY 2004	FY 2005	FY 2006	FY 2007
Number of children and their families participating with IFSPs	3,039	3,209	3,587	3,924
Percentage of children participating (est.)	1.50%	1.56%	1.70%	NA

The percentage of children participating is based upon federal estimates and is provided to the states by the U.S. Department of Education, Office of Special Education Programs.

Activity Funding

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

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

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Services at (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

DEPT OF EDUCATION
Program: EARLY CHILDHOOD & FAMILY SUPP
Activity: INFANTS & TODDLERS

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
Expenditures by Fund					
Statutory Appropriations					
Federal	11,413	12,137	12,161	12,261	24,422
Total	**11,413**	**12,137**	**12,161**	**12,261**	**24,422**
Expenditures by Category					
Other Operating Expenses	548	960	960	960	1,920
Local Assistance	10,865	11,177	11,201	11,301	22,502
Total	**11,413**	**12,137**	**12,161**	**12,261**	**24,422**

Activity Description

Citation: M.S. 124D.129

The purpose of this program is to work with health care providers and community organizations to provide parent information to parents of newborns at the time of birth.

Activity at a Glance

- Parent website receives approximately 10,000 views per month.
- Voted "Best Source of Information" by Minnesota Parent magazine readers.

Population Served

All parents of newborn children in Minnesota are potential customers of this program.

Services Provided

The department coordinates a partnership with early childhood organizations, including, but not limited to, early childhood family education, child care resource and referral, and interagency early intervention committees. Parents of newborns are provided informational materials and contacts for a broad range of subjects prior to hospital discharge. MDE has developed a Website (http://mnparentsknow.info) that provides information and links to resources on child development, parent education, child care, and consumer safety.

The Website continues to have new and expanded content. The interactive and innovative parent Website includes

- an interactive early childhood program directory;
- customized Google search providing users with research-based information evaluated by Tufts University using evaluation criteria developed by national scholars;
- over 75 videos on child development, health, and parenting topics;
- podcasts on relevant newborn topics;
- parenting A-Z topics on child development, parenting, child health, and consumer safety information;
- moderated parent forum; and
- periodic online surveys to parents on a variety of topics.

Key Activity Goals

- Families will provide a stable, supportive environment for their children (Milestones). The partnership's parent Website provides reliable, research-based information, and links to programs in one convenient and easily accessible location, so that families can create optimal stable environments for their children.
- All children will be healthy and start school ready to learn (Milestones). The partnership provides resources to support children's development and learning, as well as information and referrals that can lead to earlier detection and intervention for child health and development problems to improve children's learning potential.

Activity Funding

$80,000 was provided in FY 2007 to develop the program. The base for this program in FY 2008 and later years is $50,000.

Contact

Additional information is available from the Minnesota Department of Education, Early Learning Service, (651) 582-8397, http://education.state.mn.us/mde/Learning_Support/Early_Learning_Services/index.html.

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	50	50	50	50	100
Subtotal - Forecast Base	50	50	50	50	100
Total	**50**	**50**	**50**	**50**	**100**
Expenditures by Fund					
Direct Appropriations					
General	31	69	50	50	100
Total	**31**	**69**	**50**	**50**	**100**
Expenditures by Category					
Other Operating Expenses	31	69	50	50	100
Total	**31**	**69**	**50**	**50**	**100**

Budget Activities

⇒ Community Education
⇒ Adults with Disabilities Program
⇒ Hearing Impaired Adults
⇒ School Age Care Revenue

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	2,079	1,577	1,577	1,577	3,154
Technical Adjustments					
End-of-session Estimate			(230)	(333)	(563)
November Forecast Adjustment		0	19	(21)	(2)
Subtotal - Forecast Base	2,079	1,577	1,366	1,223	2,589
Governor's Recommendations					
Aid Payments Shift		0	(128)	14	(114)
Total	**2,079**	**1,577**	**1,238**	**1,237**	**2,475**
Expenditures by Fund					
Direct Appropriations					
General	2,078	1,577	1,238	1,237	2,475
Total	**2,078**	**1,577**	**1,238**	**1,237**	**2,475**
Expenditures by Category					
Local Assistance	2,078	1,577	1,238	1,237	2,475
Total	**2,078**	**1,577**	**1,238**	**1,237**	**2,475**
Expenditures by Activity					
Community Education	1,299	796	528	456	984
Adults W Disability	708	710	639	710	1,349
Hearing Impared Adults	70	70	70	70	140
School Age Care	1	1	1	1	2
Total	**2,078**	**1,577**	**1,238**	**1,237**	**2,475**

Activity Description

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

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

Activity at a Glance

- Every Minnesota school district operates a community education program.
- Programs serve participants of all ages from preschool through senior citizens.

Population Served

Every Minnesota school district operates a community education program. Programs serve children and adults of all ages.

Services Provided

Community education provides services beyond the regular K-12 program. Programs may include (as specified in M.S. 124D.20, subd. 8)

- adults with disabilities,
- adult basic education (ABE),
- youth development,
- youth service,
- early childhood family education (ECFE),
- school-age care,
- summer programs for elementary and secondary pupils,
- youth after-school enrichment programs, and
- non-vocational, recreational, and leisure activities.

School boards must establish a community education advisory council and, with some exceptions, must employ a licensed community education director.

Historical Perspective

State funding for community education began in 1971 to promote the community use of public schools facilities beyond the regular school day.

Key Activity Goals

- Minnesota's workforce will have the education and training to make the state a leader in the global economy (Milestones). Community education programs, including adult basic education, provide lifelong learning opportunities for persons of all ages.
- Our communities will be safe, friendly, and caring (Minnesota Milestones). Youth development and youth service programs provide young people opportunities to become active citizens, involved in their community. Youth after-school enrichment programs provide structured, supervised activities to support the social, mental, physical, and creative abilities of school-age youth during high-risk times.

Key Measures

The table below shows reported participants, not including those reported separately under ECFE, ABE, and early childhood screening.

	Numbers in Millions					
					Est.	Est.
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Participants	2.00	2.15	2.54	2.60	3.30	2.97

Activity Funding

The community education revenue formula has three components for FY 2007 and later. All districts receive general revenue equal to $5.42 times the greater of the district's resident population or 1,335. The general revenue rate for FY 2009 is $5.42. Districts that have implemented a youth development plan receive youth service revenue of $1 times the greater of 1,335 or the district's population. Districts that operate a youth after-school enrichment program receive additional revenue of $1.85 times the greater of 1,335 or the population of the district up to 10,000, plus $0.43 times the population in excess of 10,000. The community education levy is set at the lesser of a district's total community education revenue or 0.9% times its adjusted net tax capacity (ANTC). A district receives state aid if its tax capacity is not sufficient to generate a levy equal to its formula revenue.

Fees, federal and private grants, and other local revenue sources provide nearly five times the revenue for community education programs as the statutory formula generates in local levy and state aid. Districts reported nearly $187 million in revenue from these sources, more than 80% of the total FY 2007 revenue for community education programs, excluding ECFE, school readiness, and ABE.

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

Contact

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

DEPT OF EDUCATION

Program: COMMUNITY EDUCATION & PREVENTION

Activity: Community Education — Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	1,299	796	796	796	1,592
	a. End of Session Estimate			(230)	(333)	(563)
	b. Cancellation					0
	c. November Forecast Adjustment			19	(21)	(2)
2	**Forecast Base**	**1,299**	**796**	**585**	**442**	**1,027**
	Governor's Recommendation					
	a. Aid Payment Shift			(57)	14	(43)
3	**Governor's Recommended Appropriation**			528	456	984
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
4	Statutory Formula Aid	1,266	748	567	428	995
5	Statutory Excess/(Shortfall)					0
6	Appropriated Entitlement	1,266	748	567	428	995
7	Adjustments					
	a. Appropriation Reduction					
	b. Cancellation					
	c. Supplemental Appropriation					
8	**State Aid Entitlement Current Law**	1,266	748	567	428	995
plus						
LEVY	**Levy**					
9	Local Levy Current Law	37,151	38,091	38,546	39,112	77,658
equals						
REVENUE 10	Current Law Revenue (State Aid & Levy)	38,417	38,839	39,113	39,540	78,653
Appropriations Basis for State Aid						
	Prior Year (10%/20%)	195	122	74	113	187
	Current Year (90%/80%)	1,104	674	454	343	797
	Total State Aid - General Fund	**1,299**	**796**	**528**	**456**	**984**

Activity Description

Citation: M.S. 124D.56

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

Activity at a Glance

- 67 school districts were approved for adults with disabilities program aid in FY 2007. Of these, 63 districts levied a matching amount while four districts operated on an aid only pilot basis.

Population Served

The number of adults with disabilities participating in this program increased from approximately 9,000 in FY 1988 to 39,000 in 1999 and has grown to over 89,000 reported in FY 2007.

Services Provided

Community education programs locally administer the adults with disabilities program. Thirty of 67 supported school districts are in the seven-county metropolitan area. The local programs use the following service strategies to achieve their objectives.

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

Key Activity Goals

This program provides funding to support activities designed to help adults with disabilities participate in Minnesota's communities and economy.

Key Measures

Local community education teachers work with others to

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

Activity Funding

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

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

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

Contact

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

DEPT OF EDUCATION

Program: COMMUNICATION EDUCATION

Activity: Adults with Disabilities

Budget Activity Summary

			Dollars in Thousands				
			Current		Governor's Rec		Biennium
		Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
		General Fund					
	1	Total Current Appropriation	709	710	710	710	1,420
		a. Cancellation	(1)				
	2	**Forecast Base**	**708**	**710**	**710**	**710**	**1,420**
		Governor's Recommendation					
		a. Aid Payment Shift			(71)	0	(71)
	3	**Governor's Recommended Appropriation**			**639**	**710**	**1,349**
District Revenue Summary (Entitlement Basis)							
AID		**State Aid**					
	4	Statutory Formula Aid	710	710	710	710	1,420
	5	Statutory Excess/(Shortfall)					0
	6	Appropriated Entitlement	710	710	710	710	1,420
	7	Adjustments					
	8	**State Aid Entitlement Current Law**	710	710	710	710	1,420
plus							
LEVY		**Levy**					
	9	Local Levy Current Law	670	670	670	670	1,340
equals							
REVENUE	10	Current Law Revenue (State Aid & Levy)	1,380	1,380	1,380	1,380	2,760
Appropriations Basis for State Aid							
		Prior Year (10%20%)	70	71	71	142	213
		Current Year (90%/80%)	639	639	568	568	1,136
		Cancellation (PY 10%)	(1)				
		Total State Aid - General Fund	**708**	**710**	**639**	**710**	**1,349**

Activity Description

Citation: M.S. 124D.57

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

Activity at a Glance

- 15 sites received funding under this program in FY 2007 with aid ranging from $25 to more than $24,000.
- Requests exceeded available funding by $12,800.

Population Served

This program serves deaf and hard of hearing adults participating in adult education classes.

Services Provided

This program

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

Services provided include interpretation and note-taking.

Access to education programs for persons with disabilities is assured by the American with Disabilities Act (ADA). This program provides assistance with the one-time costs of interpreter and note-taker services. The aid allocation is not meant to support all the interpreter services for deaf and hard-of-hearing adult learners, but to help in unforeseen situations.

Key Activity Goals

This program provides services that improve the access to adult education classes for deaf and hard of hearing adults, allowing them to participate in Minnesota's communities and economy.

Key Measures

Approximately 63% of reimbursement requests come from school districts providing adult education. The remaining 37% come from other public and private organizations. During FY 2008, 15 different agencies received funds, ranging from over $24,000 for St. Paul College to $25 for a local school district to interpret a one-time community education class for one adult.

Activity Funding

The Minnesota Department of Education (MDE) provides reimbursement of the actual costs of direct services. The cost of providing interpreter services to one person for an activity/program is the same as providing that service to a group of people. The average cost for an hour of American sign language interpretation ranges between $50 and $80.

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

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

Contact

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

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	70	70	70	70	140
Subtotal - Forecast Base	70	70	70	70	140
Total	**70**	**70**	**70**	**70**	**140**
Expenditures by Fund					
Direct Appropriations					
General	70	70	70	70	140
Total	**70**	**70**	**70**	**70**	**140**
Expenditures by Category					
Local Assistance	70	70	70	70	140
Total	**70**	**70**	**70**	**70**	**140**

Activity Description

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

School age care (SAC) revenue is an equalized levy and aid program that supports the additional costs of providing after-school care for children with disabilities or children experiencing family or related problems of a temporary nature.

Activity at a Glance.

- 155 school districts certified levies for FY 2009.

Population Served

Services funded by this revenue are only for children with disabilities or children who experience problems of a temporary nature and participate in school age care programs.

Services Provided

School age care is a program for children from kindergarten through grade six to expand student's learning opportunities when school is not in session. Local school boards must develop the standards for the program, which must include the following components.

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

Historical Perspective

The Minnesota legislature authorized school boards to offer school age care programs in 1989; no levy was authorized or state aid appropriated. In 1992, the legislature authorized school age care revenue to pay for the additional costs of providing school age care to children with a disability or children "experiencing family or related problems of a temporary nature." The number of districts participating in this revenue program had grown from 79 in FY 1994 to 155 districts in FY 2009.

Key Activity Goals

All people will be welcomed, respected, and able to participate fully in Minnesota's communities and economy (Milestones). The school age care revenue program enables school districts to accommodate students with disabilities in before- and after-school care programs.

Activity Funding

School age care revenue is equal to the eligible annual additional costs of providing school age care services to children with disabilities or children who are experiencing a temporary family problem. The levy is equalized at a rate of $2,433 of adjusted net tax capacity per resident pupil unit. That is, districts with a per-pupil tax capacity less than this amount are eligible to receive state aid. Levy authority equals school age care revenue times the lesser of 1.0 or the ratio of the district's per-pupil tax capacity to $2,433. Aid equals the difference between revenue and levy authority. Most school districts accessing this revenue have tax capacities sufficient to generate 100% of their school age care revenue.

The School Age Care levy comprised around 10% of the total revenue school districts reported for before- and after-school care programs in FY 2007, 90% of which came from fees.

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

Contact

Additional information is available from the Minnesota Department of Education, Division of Program Finance at (651) 582-8467, http://education.state.mn.us/mde/Accountability_Programs/Program_Finance/index.html.

DEPT OF EDUCATION

Program: COMMUNITY EDUCATION

Activity: School Age Care

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	FY 2008	FY 2009	FY 2010	FY 2011	2010-11
	General Fund					
1	Total Current Appropriation	1	1	1	1	2
	a. End of Session Estimate					
	b. November Forecast Adjustment					
	d. Transfer per M.S. 127A.41					
2	**Governor's Recommended Appropriation**	**1**	**1**	**1**	**1**	**2**
	District Revenue Summary (Entitlement Basis)					
AID	**State Aid**					
3	Statutory Formula Aid	1	1	1	1	2
4	Statutory Excess/(Shortfall)					
5	Appropriated Entitlement	1	1	1	1	2
6	Adjustments					
7	a. Supplemental Appropriation					
	b. Transfer per M.S. 127A.41					
8	**State Aid Entitlement Current Law**	1	1	1	1	2
plus						
LEVY	**Levy**					
9	Local Levy Current Law					
equals						
REVENUE 10	Current Law Revenue (State Aid & Levy)	1	1	1	1	2
	Appropriations Basis for State Aid					
	Prior Year (10%)					
	Current Year (90%)	1	1	1	1	2
	Transfer per M.S. 127A.41					
	Total State Aid - General Fund	**1**	**1**	**1**	**1**	**2**

Budget Activities

⇒ Adult Basic Education
⇒ GED Tests

Dollars in Thousands

	Current FY2008	Current FY2009	Governor Recomm. FY2010	Governor Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	40,470	41,837	41,837	41,837	83,674
Technical Adjustments					
End-of-session Estimate			1,243	2,529	3,772
November Forecast Adjustment		0	(28)	(33)	(61)
Subtotal - Forecast Base	40,470	41,837	43,052	44,333	87,385
Governor's Recommendations					
Aid Payments Shift		0	(4,305)	(129)	(4,434)
Total	**40,470**	**41,837**	**38,747**	**44,204**	**82,951**
Expenditures by Fund					
Direct Appropriations					
General	40,396	41,860	38,747	44,204	82,951
Statutory Appropriations					
Federal	4,894	7,500	6,700	7,370	14,070
Total	**45,290**	**49,360**	**45,447**	**51,574**	**97,021**
Expenditures by Category					
Other Operating Expenses	0	55	0	0	0
Local Assistance	45,290	49,305	45,447	51,574	97,021
Total	**45,290**	**49,360**	**45,447**	**51,574**	**97,021**
Expenditures by Activity					
Adult Basic Education	45,188	49,212	45,322	51,449	96,771
Ged Tests	102	148	125	125	250
Total	**45,290**	**49,360**	**45,447**	**51,574**	**97,021**

Activity Description

Citation: M.S. 124D.52; 124D.53 ;
Federal Citation: Adult Education and Family Literacy Act, Chapter 2, Public Law 105-220, and Workforce Investment Act, Section 503. 20 U.S.C. 1201 et seq. (CFDA 84.002).

This state and federal funded program provides education opportunities for adults who lack basic academic skills and whose low educational levels are barriers to employment, self sufficiency, and postsecondary training.

Activity at a Glance

- 53 ABE consortia, 500 delivery sites statewide.
- 1,200 licensed teachers and 3,000 volunteers served over 75,000 students in FY 2007.
- One out of every 11 diplomas issued in Minnesota during 2007 was a GED or adult high school diploma.
- 48% of all enrollees were ESL students, 72% were parents, and 18% were unemployed.
- Research shows that the average GED or adult diploma graduate earns about $7,000 more per year than a dropout.

Population Served

Adults are eligible to participate when they are at least 16 years old, are not enrolled in school (formally withdrawn or dropped out), and function below the high school completion level in basic skills. The 2000 U.S. Census reports that 12% of Minnesotans over 25 lack high school equivalency, over 380,000 people. Over 300,000 Minnesota residents are immigrants or refugees in need of basic English skills. Enrollment in English as a Second Language (ESL) programs has doubled in the past five years. During FY 2008, over 32,000 adults enrolled in ESL classes and 45% of all enrollees in adult basic education (ABE) were ESL students. A majority of ESL students are at the lowest literacy levels.

Services Provided

ABE program options include the following program types.

- *GED* (General Education Development diploma) - high school equivalency program (a GED online program will begin in 2008)
- *Adult Diploma* - programs for adults leading to a Minnesota high school diploma
- *English as a Second Language* - for students whose native language is not English
- *Family Literacy* - features instruction for adults in literacy and parenting, and their children receive education services as well through other funding sources
- *Basic Skills Education* - for students who need to brush-up on some specific basic skills, such as math or reading (typically related to their employment)
- *Workforce Preparation* - literacy skills related to students' need to obtain, retain, or improve their employment. Instruction uses work-related content, often delivered at the learner's work site
- *U.S. Citizenship and Civics* - programs for legal noncitizens and immigrants to attain English and civic knowledge necessary for U.S. citizenship and civic participation

State ABE funding supports individual public school districts or groups of districts (consortia) and other eligible nonprofit providers including community-based organizations and correctional institutions. ABE is provided at over 500 sites located in every Minnesota county, at public schools, workforce centers, community/technical colleges, prisons/jails, libraries, learning centers, tribal centers, and nonprofit organizations. Programs have voluntarily formed ABE consortia (53 administrative units) to maximize efficiency and to share resources.

Key Activity Goals

By providing educational opportunities for adults who lack basic academic skills, this program promotes a Minnesota workforce that will have the education and training to be a leader in global economy.

Key Measures

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

Selected Outcome Results	FY 2000	FY 2008	Percent Change
Enrollment	73,213	74,656	1%
GED's Earned	6,885	6,170	-10%
H.S. Diplomas Earned	1,102	1,344	22%
Left Public Assistance	145	578	299%
Entered Post-Secondary Education	2,442	5,398	121%
Gained U.S. Citizenship or Civics Skills	884	1,095	24%
Able to Assist Children in School	12,221	14,491	19%
Gained or Better Employment	2,621	7,872	200%
Annual Cost Per Learner	$462	$655	42%

The state ABE program exceeded its nationally established accountability targets for the past six years. These targets include measurable outcomes of academic level completion, diploma/GED attainment, job placement/retention, and transition to higher education/training.

In December 2005, the federal ABE office conducted a four-day monitoring visit to Minnesota ABE. Their report commended the state on five administrative and programmatic issues and found zero deficiencies in the Minnesota ABE program.

Activity Funding

State ABE aid is distributed to approved consortia using a formula as specified in law:

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

Under the state funding formula, two funding caps are in law: 1) programs are held to an 11% or $10,000 growth cap (the greater of) on contact hour revenue; and 2) programs are held to a gross revenue per contact hour of $22 per prior year contact hour. The increase in learner contact hours over the past five years and the resulting contact hour revenue generated under the formula are shown in the table below.

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Contact Hours	4,170,176	4,420,210	4,845,106	4,994,916	5,216,421	5,214,101	5,054,208
% Increase in Contact Hours Over Prior Year	17.40	6.00	9.60	3.10	11.20	-0.04	-3.10
Contact Hour Revenue Rate Generated for Next Year Funding	$5.19	$4.80	$4.79	$4.61	$4.54	$5.01	$5.41

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

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

Contact

Additional information is available from the Minnesota Department of Education, Adult Basic Education, (651) 582-8442, http://education.state.mn.us/MDE/Learning_Support/Adult_Basic_Education_GED/Adult_Basic_Education/index.html.

DEPT OF EDUCATION

Program: SELF SUFFICIENT AND LIFELONG LEARNING

Activity: Adult Basic Education

Budget Activity Summary

		Dollars in Thousands				
		Current		Governor's Rec		Biennium
	Direct Appropriations by Fund	**FY 2008**	**FY 2009**	**FY 2010**	**FY 2011**	**2010-11**
	General Fund					
1	Total Current Appropriation	40,344	41,712	41,712	41,712	83,424
	a. End of Session Estimate			1,243	2,529	3,772
	b. November Forecast			(28)	(33)	(61)
	c. Cancellation	(50)				
2	**Forecast Base**	**40,294**	**41,712**	**42,927**	**44,208**	**87,135**
3	**Govenor's Recommendation**					
	a. Aid Payment Shift			(4,305)	(129)	(4,434)
4	**Governor's Recommended Appropriation**			**38,622**	**44,079**	**82,701**
District Revenue Summary (Entitlement Basis)						
AID	**State Aid**					
5	Statutory Formula Aid	40,651	41,829	43,050	44,336	87,386
6	Statutory Excess/(Shortfall)	(1)				0
7	Appropriated Entitlement	40,650	41,829	43,050	44,336	87,386
8	Adjustments					
	a. Cancellation					
	b. Appropriation Reduction					
9	**State Aid Entitlement Current Law**	40,650	41,829	43,050	44,336	87,386
10	**Other Revenue**					
	a. Federal					0
11	**Total All Sources Current Law**	40,650	41,829	43,050	44,336	87,386
Appropriations Basis for State Aid						
	Prior Year (10%20%)	3,759	4,065	4,182	8,610	12,792
	Cancellation (10%)	(50)				
	Cancellation (90%)					
	Current Year (90%/80%)	36,585	37,647	34,440	35,469	69,909
	Total State Aid - General Fund	**40,294**	**41,712**	**38,622**	**44,079**	**82,701**

Activity Description

Citation: M.S. 124D.55

This state aid program provides increased access for eligible individuals to complete the test of general educational development (GED) by paying a portion of the student's GED testing fees.

Activity at a Glance

- 58 GED testing centers.
- In Calendar Year 2007, 10,356 examinees took at least one GED test and 7,412 took all five tests.
- In 2007, 6,170 adults were granted GED diplomas in Minnesota.
- Individuals who receive their high school diploma or GED earn about $7,000 more per year than a dropout and gain access to postsecondary education.

Population Served

To be eligible to take the GED exam and have the cost subsidized by the state, an individual must meet four criteria:

1. be 19 years of age or obtain a waiver from the Minnesota Department of Education (MDE);
2. be a Minnesota resident and have been so for at least 90 days;
3. not be currently enrolled in a program leading to a high school diploma; and
4. not have the testing fee paid by another government agency.

Nearly all GED applicants qualify for GED test financial support.

In Calendar Year 2007

- 22.7 years = average age of GED examinee
- 10.2 years = average years of education of GED examinee
- 16-18 year olds accounted for 1,619 of the graduates, 26 % of the total

Services Provided

This budget activity provides supplementary funds to GED testing centers to help offset the cost of GED testing for eligible students. As a result of this subsidy, fees for individual GED examinees are reduced. There are 58 testing centers in Minnesota including nine at state correctional facilities.

The GED examination consists of a battery of five tests that measure major and lasting outcomes associated with a high school education. The five tests (social studies; science; language arts reading; language arts writing; and mathematics) employ a multiple-choice format with the two-part mathematics test also using alternative format questions. The writing skills test requires an essay. Most GED candidates are from low-income backgrounds and cannot afford the full cost of the five-test GED battery.

Successful completion of the GED test battery results in the awarding of a state of Minnesota GED diploma by MDE. A high school diploma or GED is required by many employers and virtually all of Minnesota's postsecondary educational institutions accept the GED as a valid high school credential for admission purposes.

Historical Perspective

State funding for the GED testing reimbursement program began in 1992 when the state began to pay the lesser of $20 or 60% of the fee charged to an eligible individual for the full battery of the GED test. The 2008 legislature raised this $20 subsidy to $40.

Key Activity Goals

By earning a State of Minnesota GED diploma, individuals are welcomed, respected, and able to participate fully in Minnesota's communities and economy.

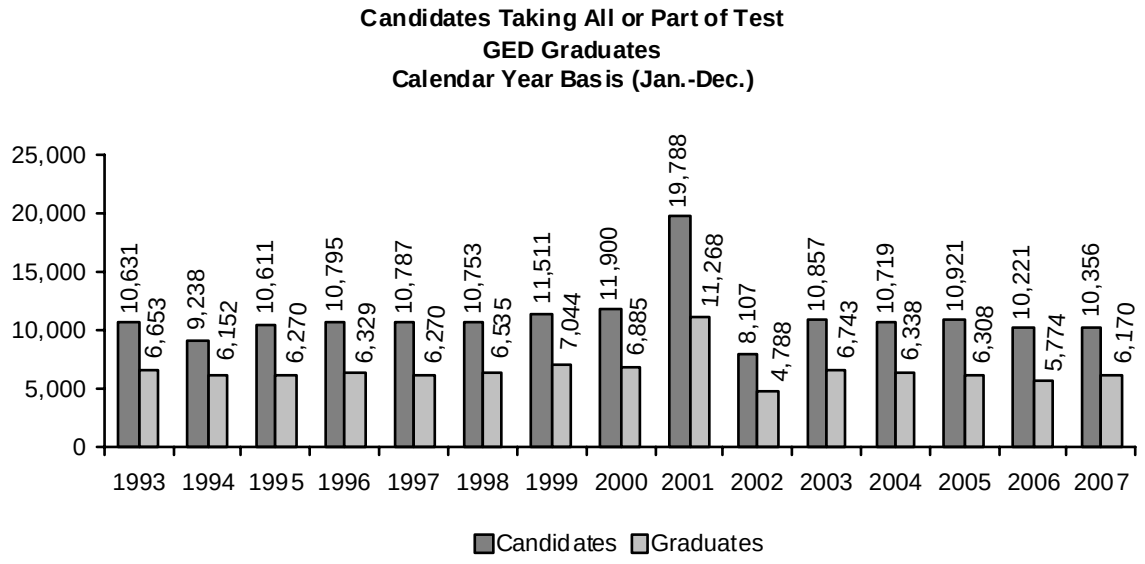
Key Measures

Provide increased access for eligible individuals to complete the GED test by paying a portion of the student's testing fees.

- GED testing data is reported on a calendar year basis (January through December annually).

Calendar Year 2007 Statistics

- Passing rate in Minnesota is 83 % (Top five in US).
- In 2007, more than one of 11 high school credentials issued in Minnesota was a GED or adult diploma. A total of 6,170 GEDs and 1,344 adult diplomas were earned.
- 46% of examinees wanted a GED to be able to further education; 46% for employment; and 4% for entrance into the military.



Activity Funding

Currently, the average GED test fee per participant is $95. In 1992, the state covered $9 of the total $15 test fee (60%). In 2007, the state covered $20 of the $95 test fee (21%).

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

Contact

Additional information is available from the Minnesota Department of Education, Adult Basic Education, (651) 582-8437, http://education.state.mn.us/mde/Learning_Support/Adult_Basic_Education_GED/index.html.

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	125	125	125	125	250
Subtotal - Forecast Base	125	125	125	125	250
Total	**125**	**125**	**125**	**125**	**250**
Expenditures by Fund					
Direct Appropriations					
General	102	148	125	125	250
Total	**102**	**148**	**125**	**125**	**250**
Expenditures by Category					
Local Assistance	102	148	125	125	250
Total	**102**	**148**	**125**	**125**	**250**

Statute requires a report of discontinued education aids or grants if there is an expenditure in FY 2007, FY 2008, and FY 2009.

	Dollars in Thousands		
Discontinued State Programs	FY 2007	FY 2008	FY 2009
Other General Education			
Special Education Task Force		20	20
Declining Pupil Aid Browns Valley		100	100
Declining Pupil Aid Red Lake		455	50
Declining Pupil Aid McGregor		100	
Rushford Peterson transportation aid		40	
Ed Ex-Innovation and Accountability			
St. Croix River Ed District (SCRED)		500	500
Best Practices Seminars	1,630		
Ed Ex-Special Student and Teacher			
First Grade Preparedness	7,250	7,250	7,250
Principals' Leadership Institute			275
MN Humanities Commission			275
Character Development	1,460		
Get Ready, Get Credit (CLEP)	42	71	1,279
Math & Teacher Science Academies		257	2,743
Science, Technology (STEM)		1,500	1,500
Site Based Governance Grants	29		
Scholars of Distinction	24		
World Language/Chinese Language	116	232	268
TIMMS Study	475		
NW Online College in High School	47		
Ed Ex-Indian Programs			
Amer Indian Scholarship	1,873		
Facilities and Technology			
Rocori School District	137	53	
Eden Valley Grant		125	
Technology/Deferred Maintenance		38,236	52,454
Disaster Relief Grants		14	
Plainview Grant		17	
Lewiston Disaster Relief		5	
Waseca Levy	316		
Community Ed & Prevention			
After School Community Learning Grants		2,633	2,600
Self Sufficiency and Life-long Learning			
Adult Literacy Grants	1,250	1,250	
Total	**$14,649**	**$52,858**	**$69,314**

*FY 2007 amounts are actuals. FY 2008 and FY 2009 are budgeted amounts.

DEPT OF EDUCATION
Program: DISCONTINUED PROGRAMS
Activity: STATE DISCONTINUED

Budget Activity Summary

Dollars in Thousands

	Current FY2008	Current FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Direct Appropriations by Fund					
General					
Current Appropriation	55,061	67,254	67,254	67,254	134,508
Technical Adjustments					
One-time Appropriations			(59,504)	(59,504)	(119,008)
Program/agency Sunset			(7,750)	(7,750)	(15,500)
Subtotal - Forecast Base	55,061	67,254	0	0	0
Total	**55,061**	**67,254**	**0**	**0**	**0**
Expenditures by Fund					
Direct Appropriations					
General	52,858	69,314	0	0	0
Total	**52,858**	**69,314**	**0**	**0**	**0**
Expenditures by Category					
Total Compensation	77	145	0	0	0
Other Operating Expenses	30	230	0	0	0
Payments To Individuals	71	1,279	0	0	0
Local Assistance	52,680	67,660	0	0	0
Total	**52,858**	**69,314**	**0**	**0**	**0**
Full-Time Equivalents (FTE)	**1.4**	**2.9**	**0.0**	**0.0**	

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010	Governor's Recomm. FY2011	Biennium 2010-11
Non Dedicated Revenue:					
Departmental Earnings:					
General	1,778	1,870	1,939	1,929	3,868
Other Revenues:					
General	6	5	0	0	0
Other Sources:					
General	5	0	0	0	0
Total Non-Dedicated Receipts	**1,789**	**1,875**	**1,939**	**1,929**	**3,868**
Dedicated Receipts:					
Departmental Earnings:					
Miscellaneous Special Revenue	6,998	4,769	5,599	5,633	11,232
Grants:					
Miscellaneous Special Revenue	2,112	1,774	1,676	1,677	3,353
Federal	573,889	626,400	639,866	661,573	1,301,439
Miscellaneous Agency	163	429	0	0	0
Other Revenues:					
Miscellaneous Special Revenue	3,918	3,741	3,750	3,750	7,500
Federal	49,283	54,239	59,743	65,717	125,460
Maximum Effort School Loan	1,818	1,626	1,500	1,500	3,000
Miscellaneous Agency	323	1,429	1,429	1,429	2,858
Gift	12	17	50	50	100
Other Sources:					
Miscellaneous Special Revenue	309	220	220	220	440
Maximum Effort School Loan	10	0	0	0	0
Miscellaneous Agency	177	0	0	0	0
Total Dedicated Receipts	**639,012**	**694,644**	**713,833**	**741,549**	**1,455,382**
Agency Total Revenue	**640,801**	**696,519**	**715,772**	**743,478**	**1,459,250**

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Fund 100 – State General				
MN Children's Museum – 002 – Laws 07, Chap. 146, Art. 7, Sect. 4, Subd. 2(e)	Grant to support activities of the Minnesota Children's Museum.	MN Children's Museum	$260,000	
Academy of Science – 003 – Laws 07, Chap. 146, Art. 7, Sect. 4, Subd. 2(f)	Grant to support activities of the Academy of Science.	Academy of Science	41,000	
Lancaster Loss of Sparsity Revenue – 007 – Laws 08, Art. 2, Sect. 51, Subd. 4	For a grant to Independent School District No. 356, Lancaster, to replace the loss of sparsity revenue.	Lancaster School District	100,000	
Board of Teaching – 008 – Laws 07, Chap. 146, Art. 7, Sect. 4, Subd. 2(g)			10,000	
Duluth Children's Museum – 013 - Laws 07, Chap. 146, Art. 7, Sect. 4, Subd. 2(i)	Grant to support the activities of the Duluth Children's Museum.	Duluth Children's Museum	50,000	
Flood Aid ISD 239 Enrollment Impact – 023 – Laws 07 1st SS, Chap. 2, Art. 1, Sect. 11, Subd. 2(a)	The MDE shall pay to the school district flood enrollment impact aid equal to $5,394 times the number of pupils lost as a result of the floods of August 2007. The district must provide to the MDE documentation of the number of pupils in average daily membership lost as a result of the flood.	ISD 239 Rushford Peterson School District	158,000	
Head Start – 081 – MS 08, Chap. 119A.50 - .545	The MDE is responsible for administering the Head Start program. The MDE shall allocate funds according to formula to public or private nonprofit agencies for the purpose of providing supplemental funds for the federal Head Start program. The MDE must distribute money appropriated to federally designated Head Start programs to expand services and to serve additional low-income children. Migrant and Indian reservation programs must be initially allocated money based on the programs' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start program must be funded at a per child rate equal to its contracted, federally funded base level at the start of the fiscal year. In allocating funds the MDE must assure that each Head Start program in existence in 1993 is allocated no less	Non-government Organizations	20,100,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	funding in any fiscal year than was allocated to that program in fiscal year 1993. Before paying money to the programs, the MDE must notify each program of its initial allocation, how the money must be used, and the number of low-income children to be served with the allocation based upon the federally funded per child rate. Each program must present a plan. For any program that cannot utilize its full allocation at the beginning of the fiscal year, the MDE must reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible programs. The MDE must develop procedures to make payments to programs based upon the number of children reported to be enrolled during the required time period of program operations. Enrollment is defined by federal Head Start regulations. The procedures must include a reporting schedule, corrective action plan requirements, and financial consequences to be imposed on programs that do not meet full enrollment after the period of corrective action. Programs reporting chronic under enrollment, as defined by the MDE, will have their subsequent program year allocation reduced proportionately. Funds made available by prorating payments and allocations to programs with reported under enrollment will be made available to the extent funds exist to fully enrolled Head Start programs through a form and manner prescribed by the department. A research-based early childhood literacy program premised on actively involved parents, ongoing professional staff development, and high quality early literacy program standards is established to increase the literacy skills of children participating in Head Start to prepare them to be successful readers and to increase families' participation in providing early literacy experiences to their children. Program providers must: work to prepare children to be successful learners; work to close the achievement gap for at-risk children; use an integrated approach to early literacy that daily offers a literacy-rich classroom learning environment composed of books, writing materials, writing centers, labels, rhyming, and other related literacy materials and opportunities; support children's home language while helping the children master			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	English and use multiple literacy strategies to provide a cultural bridge between home and school; use literacy mentors, ongoing literacy groups, and other teachers and staff to provide appropriate, extensive professional development opportunities in early literacy and classroom strategies for preschool teachers and other preschool staff; use ongoing data-based assessments that enable preschool teachers to understand, plan, and implement literacy strategies, activities, and curriculum that meet children's literacy needs and continuously improve children's literacy; and foster participation by parents, community stakeholders, literacy advisors, and evaluation specialists. Program providers are encouraged to collaborate with qualified, community-based early childhood providers in implementing this program and to seek non-state funds to supplement the program. Program providers interested in extending literacy programs to children in kindergarten through grade 3 may elect to form a partnership with an eligible organization, schools enrolling children in kindergarten through grade 3, and other interested and qualified community-based entities to provide ongoing literacy programs that offer seamless literacy instruction focused on closing the literacy achievement gap. To close the literacy achievement gap by the end of third grade, partnership members must agree to use best efforts and practices and to work collaboratively to implement a seamless literacy model from age 3 to grade 3. Literacy programs must collect and use literacy data to: evaluate children's literacy skills; and formulate specific intervention strategies to provide reading instruction to children premised on the outcomes of formative and summative assessments and research-based indicators of literacy development. The literacy programs under this paragraph also must train teachers and other providers working with children to use the assessment outcomes to develop and use effective, long-term literacy coaching models that are specific to the program providers. The MDE must collect and evaluate literacy data on children from age 3 to grade 3 who participate in literacy programs to determine the efficacy of early literacy programs on children's success in			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	developing the literacy skills that they need for long-term academic success and the programs' success in closing the literacy achievement gap.			
Inter-district Desegregation Transportation – 105 – MS 08 Chap. 124D.87	A district that provides transportation of pupils to and from an inter-district program for desegregation or integration purposes is eligible for state aid to reimburse the additional costs of transportation during the preceding fiscal year. A district in the metropolitan area may apply to the MDE for state aid to reimburse the costs of transporting pupils who are enrolled during the preceding fiscal year if the enrollment of the student in the nonresident district contributes to desegregation or integration purposes. The MDE shall develop the form and manner of applications for state aid, the criteria to be used to determine when transportation is for desegregation or integration purposes, and the accounting procedure to be used to determine excess costs. In determining aid amounts, the MDE shall consider other revenue received by the district for transportation for desegregation or integration purposes.	School Districts	13,078,000	
Non-Public Pupil Transportation – 106/906 – MS 08 Chap. 123B.92, Subd. 9	A district's nonpublic pupil transportation aid for the school year for transportation services for nonpublic school pupils equals the sum of the amounts computed. This aid does not limit the obligation to transport pupils. For regular and excess transportation an amount equal to the product of: the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times the ratio of the formula allowance for the current school year to the formula allowance for the second preceding school year. For nonpublic non-regular transportation an amount equal to the product of: the district's actual expenditure for nonpublic non-regular transportation during the second preceding school year; times the ratio of the formula allowance for the current school year to the formula allowance for the second preceding school year.	School Districts – Current Year Prior Year Total	 19,058,000 2,070,000 21,128,000	
One Room Schoolhouse – 125 – Laws 2005, 1st Special Session,	For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School.	ISD 690, Warroad	65,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Chap. 5, Art. 1, Sect. 54				
Student Organizations – MS 08, Chap. 124D.34 and 124D.355	The purpose of the Minnesota Foundation For Student Organization Act is to promote vocational student organizations and applied leadership opportunities in Minnesota public and nonpublic schools through public-private partnerships. The foundation is a nonprofit organization. The board of directors of the foundation and activities of the foundation are under the direction of the MDE. The foundation shall advance applied leadership and intra-curricular vocational learning experiences for students. These may include, but are not limited to: recognition programs and awards for students demonstrating excellence in applied leadership; summer programs for student leadership, career development, applied academics, and mentorship programs with business and industry; recognition programs for teachers, administrators, and others who make outstanding contributions to school-to-work programs; outreach programs to increase the involvement of urban and suburban students; organized challenges requiring cooperation and competition for secondary and postsecondary students; assistance and training to community teams to increase career awareness and empowerment of youth as community leaders; and assessment and activities in order to plan for and implement continuous improvement. To the extent possible, the foundation shall make these programs available to students in all parts of the state. The state shall identify and secure appropriate funding for the basic staffing of the foundation and individual student school-to-work student organizations at the state level. The foundation must seek private resources to supplement the available public money. Individuals, businesses, and other organizations may contribute to the foundation in any manner specified by the board of directors. All money received shall be administered by the board of directors.	Health Occupations Service Occupations and other related programs Trade and Industry Occupations Business Professionals of America Agriculture and Agribusiness Education Family, Career and Community Leaders of America Marketing Education	40,000 38,000 88,000 84,000 134,000 135,000 95,000	
Collaborative Urban Educator – 823/843/845 – Laws of 2007, Chap. 146, Art. 2, Sect. 14	For collaborative urban educator grants: $210,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; $159,000 each year is for the collaborative urban educator program at the University of St. Thomas; and $159,000 each year is for the Center for	Concordia College St. Thomas College Hamline University	212,000 223,000 179,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	Excellence in Urban Teaching at Hamline University. Grant recipients must collaborate with urban and non-urban school districts.			
Charter School Lease Aid – 824/924 – MS 08, Chap. 124D.11, Subd. 4	When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue is insufficient for this purpose, it may apply to the MDE for building lease aid for this purpose. The MDE must review and either approve or deny a lease aid application using the following criteria: the reasonableness of the price based on current market values; the extent to which the lease conforms to applicable state laws and rules; and the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs. The amount of building lease aid per pupil unit served for a charter school for any year shall not exceed the lesser of 90% of the approved cost or the product of the pupil units served for the current school year times the greater of the charter school's building lease aid per pupil unit served or $1,200.	Charter Schools – Current Year Prior Year Total	 33,476,000 3,296,000 36,772,000	
Charter School Start Up Aid – 825/925 – MS 08, Chap. 124D.11, Subd. 8	During the first two years of a charter school's operation, the charter school is eligible for aid to pay for start-up costs and additional operating costs. Start-up cost aid equals the greater of: $50,000 per charter school; or $500 times the charter school's pupil units served for that year.	Charter Schools – Current Year Prior Year Total	 1,867,000 161,000 2,028,000	
Summer Food Service Replacement – 833 – MS 08 124D.119	States funds are available to compensate department-approved summer food program sponsors for reduced federal operating reimbursement rates under Public Law 104-193, the federal summer food service program. A sponsor is eligible for summer food service replacement aid equal to the sum of the following amounts: for breakfast service, up to four cents per breakfast served by the sponsor during the current program year; for lunch or supper service, up to 14 cents per lunch or supper served by the sponsor during the current program year; and for supplement service, up to ten cents per supplement served by the sponsor during the current program year.	Cities and Towns, School Districts, State Agencies, and Non-government Organizations	150,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
International Baccalaureate (IB) - 834 – MS 08, Chap. 120B.13	The advanced placement and international baccalaureate programs are academic programs for mature, academically directed high school students. These programs, in addition to providing academic rigor, offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and the opportunity for high school students to compete academically on a global level. Advanced placement and international baccalaureate programs allow students to leave high school with the academic skills and self-confidence to succeed in college and beyond. The advanced placement and international baccalaureate programs help provide Minnesota students with world-class educational opportunity. Critical to schools' educational success is ongoing advanced placement/international baccalaureate-approved teacher training. A secondary teacher assigned by a district to teach an advanced placement or international baccalaureate course or other interested educator may participate in a training program offered by The College Board or International Baccalaureate North America, Inc. The state may pay a portion of the tuition, room, board, and out-of-state travel costs a teacher or other interested educator incurs in participating in a training program. The MDE shall determine application procedures and deadlines, select teachers and other interested educators to participate in the training program, and determine the payment process and amount of the subsidy. The procedures determined by the MDE shall, to the extent possible, ensure that advanced placement and international baccalaureate courses become available in all parts of the state and that a variety of course offerings are available in school districts. The MDE shall provide support programs during the school year for teachers who attended the training programs and teachers experienced in teaching advanced placement or international baccalaureate courses. The support programs shall provide teachers with opportunities to share instructional ideas with other teachers. The state may pay the costs of participating in the support programs, including substitute teachers, if necessary, and program affiliation costs. The state may pay all or part of the fee for	School Districts	770,000	
Advance Placement (AP) – A49 – MS 08, Chap. 120B.13		School Districts	3,754,000	
APIB Summer Workshops – 836 – MS 08, Chap. 120B.13		School Districts	543,000	
Pre AP – APIB Increase Student Participation – 886 -		School Districts	4,601,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	advanced placement or international baccalaureate examinations. The MDE shall pay all examination fees for all public and nonpublic students of low-income families and to the limit of the available appropriation shall also pay a portion or all of the examination fees for other public and nonpublic students sitting for an advanced placement examination, international baccalaureate examination, or both. The MDE shall determine procedures for state payments of fees. The colleges and universities of the Minnesota State Colleges and Universities system must award, and the University of Minnesota and private postsecondary institutions are encouraged to award, college credit to high school students who receive a score of three or higher on an advanced placement or four or higher on the international baccalaureate program examination.			
Concurrent Enrollment Program – 839 -	To establish a uniform standard by which concurrent enrollment courses and professional development activities may be measured, postsecondary institutions are encouraged to apply for accreditation by the National Alliance of Concurrent Enrollment Partnership. A district that offers a concurrent enrollment course is eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, districts only are eligible for aid if the college or university concurrent enrollment courses offered by the district are accredited by the National Alliance of Concurrent Enrollment Partnership, in the process of being accredited, or are shown by clear evidence to be of comparable standard to accredited courses. An eligible district shall receive $150 per pupil enrolled in a concurrent enrollment course. The money must be used to defray the cost of delivering the course at the high school. The MDE shall establish application procedures and deadlines for receipt of aid payments.	School Districts	2,500,000	
Regional Library Telecommunications – 846/946 – MS 08, Chap. 134.355, Subd. 8 - 10	A regional public library system may apply for regional library telecommunications aid. The aid must be used for data and video access maintenance, equipment, or installation of telecommunication lines. To be eligible, a regional public library system must be officially designated by the MDE as a regional public library system and each of its participating cities and counties	Other Government – Current Year Prior Year Total	 2,070,000 230,000 2,300,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	must meet local support levels. A public library building that receives this aid must be open a minimum of 20 hours per week. An application for regional library telecommunications aid must contain information to document the following: the connections are adequate and employ an open network architecture that will ensure interconnectivity and interoperability with school districts, postsecondary education, or other governmental agencies; that the connection is established through the most cost-effective means and that the regional library has explored and coordinated connections through school districts, postsecondary education, or other governmental agencies; that the regional library system has filed an e-rate application; and other information, as determined by the MDE, to ensure that connections are coordinated, efficient, and cost-effective, take advantage of discounts, and meet applicable state standards. The library system may include costs associated with cooperative arrangements with postsecondary institutions, school districts, and other governmental agencies. The MDE shall develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs of connections and funds available for this purpose. The MDE shall make payments directly to the regional public library system.			
ECL MN Reading Corp – 847 – MS 08 Chap. 119A.50, Subd. 3 Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 16	For early childhood literacy programs leveraging federal and private funding to support Ameri-Corps members serving in the Minnesota Reading Corps program established by Serve Minnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program. Also for words work grants for early childhood literacy allocated by the MDE.	Non-government Organizations	1,000,000	
ECL Words Works – 848 - MS 08 Chap. 119A.50, Subd. 3 Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 16		Non-government Organizations	679,000	
St. Croix River Education District – 850 - Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 17	For a grant to the St. Croix River Education District: These funds must be used to: deliver standardized research-based professional development in problem-solving, including response to intervention, scientifically based reading instruction, and standards-aligned instruction and assessment; provide	School District	500,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	coaching to targeted districts throughout the state; deliver large scale training throughout the state; provide ongoing technical assistance to schools; assist with implementing professional development content into higher education instructional curricula; and evaluate the effectiveness of project activities.			
Integration Aid – 866/966 – MS 08 124D.86	Integration revenue must be used for programs established under a desegregation plan filed with the MDE according to Minnesota Rules or under court order. The revenue must be used to create or enhance learning opportunities which are designed to provide opportunities for students to have increased interracial contacts through classroom experiences, staff initiatives, and other educationally related programs. Each year before a district receives any revenue the district must submit to the MDE, for review and approval, a budget detailing the costs of the desegregation/integration plan. A district's integration aid equals the difference between the district's integration revenue and its integration levy. The integration aid must be adjusted for each pupil residing in a district eligible for integration revenue and attending a nonresident district that is not eligible for integration revenue and has implemented a plan under Minnesota Rules if the enrollment of the pupil in the nonresident district contributes to desegregation or integration purposes. The adjustments must be made according to aid paid to a district serving nonresidents must be increased by an amount equal to the revenue per pupil unit of the resident district minus the revenue attributable to the pupil in the nonresident district for the time the pupil is enrolled in the nonresident district.	School Districts – Current Year Prior Year Total	 54,993,000 5,912,000 60,905,000	
MN Humanities Commission – 868 - Laws 08, Chap. 363, Art. 2, Sect. 51, Subd. 7	Grant to support the activities of the MN Humanities Commission.	MN Humanities Commission	275,000	
Principal's Leadership Institute – 869 – Laws 08, Chap. 363, Art. 2, Sect. 51, Subd. 5	The MDE may contract with the regents of the University of Minnesota to establish a Principals' Leadership Institute to provide professional development to school principals by: creating a network of leaders in the educational and business communities to communicate current and future trends in leadership techniques;	University of Minnesota	275,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	helping to create a vision for the school that is aligned with the community and district priorities; and developing strategies to retain highly qualified teachers. The University of Minnesota must cooperate with participating members of the business community to provide funding and content for the institute. Participants must agree to attend the Principals' Leadership Institute for four weeks during the academic summer and the Institute must incorporate program elements offered by leadership programs at the University of Minnesota and program elements used by the participating members of the business community to enhance leadership within their businesses. The board of each school district in the state may select a principal, upon the recommendation of the district's superintendent and based on the principal's leadership potential, to attend the institute. The school board shall forward its list of recommended participants to the MDE by February 1 each year. In addition, a principal may submit an application directly to the MDE by February 1. The MDE shall notify the school board, the principal candidates, and the University of Minnesota of the principals selected to participate in the Principals' Leadership Institute each year.			
Math Science Teacher Centers – 876 – Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 23	For grants to create teacher centers for mathematics and science teacher development.	School Districts and Higher Education	2,743,000	
Court Placed Special Education Revenue – 877 – MS 08, Chap. 125A.79, Subd. 4	For children who are nonresidents of Minnesota and are placed in the serving school district by court action, the serving school district shall submit un-reimbursed tuition bills for eligible services to the MDE instead of the resident school district. To be eligible for reimbursement, the serving school district, as part of its child intake procedures, must demonstrate good faith effort to obtain from the placing agency a financial commitment to pay tuition costs.	School Districts	74,000	
STEM Teacher Resource Centers – 879 – Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 25	For a grant to the Science Museum of Minnesota for the statewide science, technology, engineering, and math initiative: $750,000 each year is available for the teacher resource center	Non-government Organization	750,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
STEM Middle School – 880 - Laws 07, Chap. 146, Art. 2, Sect. 46, Subd. 25	and other related programs and $750,000 each year is available for the expansion and support of the middle school math and science initiative, including teacher workshops and expanded outreach programs in classrooms. This grant includes funding for an evaluation of the programs by an entity approved by the MDE.	Non-Government Organization	750,000	
World Languages – 887 – Laws 08, Chap. 146, Art. 2, Sect. 46, Subd. 21	Grant funds to provide expansion of world language programs in schools.	School Districts	268,000	
Alternative Facilities Bonding – 895/995 – MS 08, Chap. 123B.59	A district's alternative facilities aid is the amount equal to the district's annual debt service costs, provided that the amount does not exceed the amount certified to be levied for those purposes or the lesser of the district's annual levy amount, or one-sixth of the amount of levy that it certified for that purpose for taxes payable in 1998. An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has: more than 66 students per grade; over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older; insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and a ten-year facility plan approved by the MDE. An independent or special school district not eligible to participate in the alternative facilities bonding and levy program qualifies for limited participation in the program if the district has: one or more health and safety projects with an estimated cost of $500,000 or more per site that would qualify for health and safety revenue except for the project size; and insufficient funds from capital facilities revenue to fund those projects. Notwithstanding the square footage limitation a school district that qualified for eligibility as of July 1, 2007, remains eligible for funding as long as the district continues to meet the requirements. A district qualifying must have a ten-year facility plan approved by the MDE that includes an inventory of	School Districts –		
		Current Year	17,359,000	
		Prior Year	1,928,000	
		Total	19,287,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	projects and costs that would be eligible for: health and safety revenue, without restriction as to project size; disabled access levy; and deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities. Or if a district qualifies, the district must have a five-year plan approved by the MDE that includes an inventory of projects and costs for health and safety projects with an estimated cost of $500,000 or more per site that would qualify for health and safety revenue except for the project size limitation. The school district must: annually update the plans; biennially submit a facility maintenance plan; and indicate whether the district will issue bonds to finance the plan or levy for the costs.			
Electronic Library for Minnesota – 897 – Laws 07, Chap. 146, Art. 6, Sec. 3, Subd. 4	For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries.	Higher Education	900,000	
General Education – A01/B01 – MS 08, Chap. 126C.10	The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue. Each component of the formula is defined by statute. General education revenue can be used for all components of the formula.	School Districts – Current Year Prior Year Total	5,132,150,000 543,752,000 5,675,902,000	
Out of State Tuition – A04 – MS 08, Chap. 125A.79, Subd.8	For children who are residents of the state, receive special education services and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the MDE, the resident school district shall submit the balance of the tuition bills, minus the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to the pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit minus the special education contracted services initial revenue attributable to the pupil.	School Districts – Current Year	250,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Transportation Enrollment Options – A05 – MS 08, Chap. 124D.03 Subd. 8, 124D.09 Subd. 22 and 124D.10 Subd. 16	**For enrollment options programs**, if requested by the parent of a pupil electing to participate in enrollment options programs, the nonresident district shall provide transportation within the district. The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. At the time a nonresident district notifies a parent or guardian that an application has been accepted the nonresident district must provide the parent or guardian with information regarding the transportation of nonresident pupils. **For post secondary enrollment options**, a parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution that the pupil attends. The state shall provide state aid to a district in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The reimbursement shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest postsecondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times ten. The	School Districts – Current Year	45,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	state must pay aid to the district. **For charter schools**, a charter school must notify the district in which the school is located and the MDE if it will provide its own transportation or use the transportation services of the district in which it is located for the fiscal year. If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to statutes. Provisions exist for the calculation of aid for charter schools providing transportation and for school districts when the charter school does not provide transportation.			
Special Education Aid – A06/B06 – MS 08, Chap. 125A.02, 125A.03, 125A.53, 125A.75, 125A.76, 125A.78, 125A.79	Every district must provide special instruction and services, either within the district or in another district, for all children with a disability, including providing required services under federal regulations, to all children with disabilities including those children suspended or expelled from school for more than ten school days in that school year, who are residents of the district and who are disabled. For purposes of state and federal special education laws, the phrase "special instruction and services" in the state Education Code means a free and appropriate public education provided to an eligible child with disabilities and includes special education and related services defined in the IDEA. Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until July 1 after the child with a disability becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in law. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the MDE must cooperate with other districts to maintain a full range of programs for education and services for children with a disability. The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of	School Districts - Current Year Prior Year Total	 647,523,000 69,406,000 716,929,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	essential personnel providing home-based or community-based services to children with a disability under age five and their families. The aids provided for children with a disability must be paid to the district providing the special instruction and services. General education aid must be paid to the district of the pupil's residence. The total amount of aid paid may not exceed the amount expended for children with a disability in the year for which the aid is paid. The state must pay each district the actual cost incurred in providing instruction and services for a child whose district of residence has been determined and who is temporarily placed in a state institution, a licensed residential facility, or foster facility for care and treatment. The regular education program at the facility must be an approved program. Upon following the procedure specified by the MDE, the district may bill the state the actual cost incurred in providing the services including transportation costs and a proportionate amount of capital expenditures and debt service, minus the amount of the basic revenue of the district for the child and the special education aid, transportation aid, and any other aid earned on behalf of the child. The limit applies to aid paid. To the extent possible, the MDE shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The MDE may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states must be paid to the state treasury and placed in the general fund. Before June 1 of each year, each district providing special instruction and services to children with a disability, including children eligible for Part C must submit to the MDE an application for approval of these programs and their budgets for the next fiscal year. The application must include an enumeration of the costs proposed as eligible for state aid pursuant to this Sect. and of the estimated number and grade level of children with a disability in the district who will receive special instruction and services during the next fiscal year. The application must also include any other information deemed necessary by the MDE for the calculation of state aid and for the evaluation of the			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	necessity of the program, the necessity of the personnel to be employed in the program, for determining the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the MDE. The MDE shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability. The MDE shall not approve aid pursuant to this Sect. for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The MDE may withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the MDE shall approve, disapprove, or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The MDE shall provide procedures for districts to submit additional applications for program and budget approval during the fiscal year, for programs needed to meet any substantial changes in the needs of children with a disability in the district. The MDE may modify or withdraw the program or aid approval and withhold without at any time the MDE determines that the program does not comply with rules of the MDE or that any facts concerning the program or its budget differ from the facts in the district's approved application.			
Children with Disability Aid – A07 – MS 08, Chap. 125A.75, Subd. 3	The state must pay each district the actual cost incurred in providing instruction and services for a child whose district of residence has been determined statute, and who is temporarily placed in a state institution, a licensed residential facility, or foster facility for care and treatment. The regular education program at the facility must be an approved program. Upon following the procedure specified by the MDE, the district may bill the state the actual cost incurred in providing the services including transportation costs and a proportionate amount of capital expenditures and debt service, minus the amount of the basic revenue of the district for the child and the special education aid, transportation aid, and any other aid	School Districts – Current Year	2,282,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	earned on behalf of the child.			
Travel Home Base – A09/B09 – MS 08, Chap. 125A.75, Subd. 1	The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of essential personnel providing home-based or community-based services to children with a disability under age five and their families.	School Districts – Current Year Prior Year Total	 209,000 20,000 229,000	
Special Education Excess Cost – A10/B10 – MS 08, Chap. 125A.79	A district's special education excess cost aid equals the state total special education excess cost aid times the ratio of the district's initial excess cost aid to the state total initial excess cost aid. For children who are residents of the state, receive services and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the resident school district shall submit the balance of the tuition bills, minus the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to the pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit minus the special education contracted services initial revenue attributable to the pupil.	School Districts – Current Year Prior Year Total	 73,687,000 36,954,000 110,641,000	
First Grade Preparedness – A16 – MS 08, Chap. 124D.081	The purposes of the **first-grade preparedness** 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. A school district may receive first-grade preparedness revenue for qualifying school sites if the school board approves a resolution requiring the district to provide services to all children located in a qualifying school site attendance area. The MDE shall rank all school sites with kindergarten programs that do not exclusively serve students. The ranking must be from highest to lowest based on the site's free and reduced-price lunch count as a percent of the fall enrollment using the preceding October 1 enrollment data. Once a school site is calculated to be eligible, it remains eligible for the duration of the pilot program, unless the site's ranking falls below the state average for elementary schools. For each school site, the percentage used to calculate the	School Districts – Current Year	 7,250,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	ranking must be the greater of the percent of the fall kindergarten enrollment receiving free and reduced-price lunch, or the percent of the total fall enrollment receiving free and reduced-price lunch. The list of ranked sites must be separated into the following geographic areas: Minneapolis district, St. Paul district, suburban Twin Cities districts in the seven-county metropolitan area, and school districts in greater Minnesota. The MDE shall establish a process and timelines to qualify school sites for the next school year. School sites must be qualified in each geographic area from the list of ranked sites until the estimated revenue available for this program has been allocated. The total estimated revenue must be distributed to qualified school sites in each geographic area as follows: 25% for Minneapolis sites, 25% for St. Paul sites, 25% for suburban Twin Cities sites, and 25% for greater Minnesota. A qualifying school site must develop its first-grade preparedness program in collaboration with other providers of school readiness and child development services. A school site must offer a full-day kindergarten program to participating children who are five years of age or older for the full school day every day, a program for participating children who are four years old, or a combination of both. The program may offer as an option to family home visits and other practices as appropriate, and may provide such services with the consent of the parent or guardian. Program providers must ensure that the program supplements existing school readiness and child development programs and complements the services provided with compensatory revenue. Where possible, individuals receiving assistance under a family assistance plan can meet the work activity requirement of the plan by participating in a first-grade preparedness program as a volunteer. **Extended Day** - The board of a qualifying school district must develop and approve a plan to provide extended day services to serve as many children as possible. To accept children whose families participate in child care assistance programs and to meet the requirements of statutes, the board must formally approve the first-grade preparedness program. All revenue received must be allocated to the			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	qualifying school sites within the district. A qualifying school district is eligible for first-grade preparedness revenue equal to the basic formula allowance for that year times the number of children five years of age or older enrolled in a kindergarten program at the site on October 1 of the previous year times .53. This revenue must supplement and not replace compensatory revenue that the district uses for the same or similar purposes. A pupil enrolled in the first grade preparedness program at a qualifying school site is eligible for transportation. First grade preparedness revenue paid to a charter school for which a school district is providing transportation shall be decreased by an amount equal to the product of the formula allowance times .0485 times the pupil units calculated. This amount shall be paid to the school district for transportation costs. First grade preparedness revenue must be placed in a reserve account within the general fund and may only be used for first grade preparedness programs at qualifying school sites.			
Indian Teacher Prep Grants – A20 – M.S. 122A.63	A grant program is established to assist American Indian people to become teachers and to provide additional education for American Indian teachers. The MDE may award a joint grant to each of the following: the Duluth campus of the University of Minnesota and Independent School District No. 709, Duluth; Bemidji State University and Independent School District No. 38, Red Lake; Moorhead State University and one of the school districts located within the White Earth Reservation; and Augsburg College, Independent School District No. 625, St. Paul, and Special School District No. 1, Minneapolis. To obtain a joint grant, a joint application must be submitted to the MDE. The application must be developed with the participation of the parent advisory committee and the Indian advisory committee at the postsecondary institution. The joint application shall set forth: the in-kind, coordination, and mentorship services to be provided by the postsecondary institution; and the coordination and mentorship services to be provided by the school district. The MDE must submit the joint application to the American Indian Education Committee for review and comment. The	School Districts and Higher Education – Current Year	194,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	MDE may award a joint grant in the amount it determines to be appropriate. The grant shall include money for the postsecondary institution, school district, student scholarships, and student loans. At the time a student applies for a scholarship and loan, the student shall be provided information about the fields of licensure needed by school districts in the part of the state within which the district receiving the joint grant is located. The information shall be acquired and periodically updated by the recipients of the joint grant. Information provided to students shall clearly state that scholarship and loan decisions are not based upon the field of licensure selected by the student. The following Indian people are eligible for scholarships: a student, including a teacher aide employed by a district receiving a joint grant, who intends to become a teacher and who is enrolled in a postsecondary institution receiving a joint grant; a licensed employee of a district receiving a joint grant, who is enrolled in a master of education program; and a student who, after applying for federal and state financial aid and an Indian scholarship has financial needs that remain unmet. Financial need shall be determined according to the congressional methodology for needs determination or as otherwise set in federal law. A person who has actual living expenses in addition to those addressed by the congressional methodology for needs determination, or as otherwise set in federal law, may receive a loan according to criteria established by the MDE. A contract shall be executed between the state and the student for the amount and terms of the loan. The loan may be forgiven if the recipient is employed as a teacher in an eligible school or program in Minnesota. One-fourth of the principal of the outstanding loan amount shall be forgiven for each year of eligible employment, or a pro rata amount for eligible employment during part of a school year, part-time employment as a substitute teacher, or other eligible part-time teaching. Loans for $2,500 or less may be forgiven at the rate of up to $1,250 per year. The following schools and programs are eligible for the purposes of loan forgiveness: a school or program			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	operated by a school district; a tribal contract school eligible to receive aid; a Head Start program; an early childhood family education program; a program providing educational services to children who have not entered kindergarten; or a program providing educational enrichment services to American Indian students in grades K-12. If a person has an outstanding loan obtained through this program, the duty to make payments of principal and interest may be deferred during any time period the person is enrolled at least one-half time in an advanced degree program in a field that leads to employment by a school district. To defer loan obligations, the person shall provide written notification to the MDE and the recipients of the joint grant that originally authorized the loan. Upon approval by the MDE and the joint grant recipients, payments shall be deferred. The Indian teacher preparation loan repayment revolving account is established in the state treasury. Any amounts repaid or contributed by a teacher who received a scholarship or loan under this program shall be deposited in the account. All money in the account is annually appropriated to the MDE and shall be used to enable Indian students to participate in the program.			
Tribal Contract Schools – A21/B21 – MS 08, Chap. 124D.83	Each year each American Indian-controlled tribal contract or grant school authorized by the United States Code, title 25, Sect. 450f, that is located on a reservation within the state is eligible to receive tribal contract or grant school aid. The school must plan, conduct, and administer an education program that complies with the requirements of state or federal law . The school must comply with all other state statutes governing independent school districts or their equivalent in the federal law. The state tribal contract or grant school aid must be used to supplement, and not to replace, the money for American Indian education programs provided by the federal government. An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements is eligible to receive tribal contract or grant school aid. The amount of aid is derived by: multiplying the formula allowance less	Sovereign Entities – Current Year Prior Year Total	 1,659,000 183,000 1,842,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	$170, times the difference between the resident pupil units in average daily membership and the number of pupils for the current school year, weighted according to statute, receiving benefits or for which the school is receiving reimbursement; and adding to the result of an amount equal to the product of the formula allowance less $300 times the tribal contract compensation revenue pupil units; subtracting from the amount of money allotted to the school by the federal government through Indian School Equalization Program of the Bureau of Indian Affairs for the basic program for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, pre-kindergarten, operation and maintenance, and the amount of money that is received according to M.S. 124D.69; dividing the result by the sum of the resident pupil units in average daily membership, excluding M.S. 126C.05, Subd. 13, plus the tribal contract compensation revenue pupil units; and multiplying the sum of the resident pupil units in average daily membership plus the tribal contract compensation revenue pupil units by the lesser of $1,500 or the result. Pupil units for pupils enrolled in tribal contract schools shall be used only for the purpose of computing tribal contract aid.			
Early Childhood Tribal School – A22 – MS 08, Chap. 124D.83, Subd. 4	A school receiving aid under this section is eligible to receive early childhood family education revenue to provide early childhood family education programs for parents and children who are enrolled or eligible for enrollment in a federally recognized tribe. The revenue equals 1.5 times the statewide average expenditure per participant times the number of children and parents participating full time in the program. The program must comply with statutes, except that the school is not required to provide a community education program or establish a community education advisory council. The program must be designed to improve the skills of parents and promote American Indian	Sovereign Entities – Current Year	68,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	history, language, and culture. 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.			
Adult Basic Education – A25/B25 – MS 08, Chap. 124D.518,.52, .521, .522 and .531	An adult basic education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. A school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment. Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. Adult basic education aid must be spent for adult basic education purposes. A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and competency demonstration requirements established by the MDE. Each district, group of districts, or private nonprofit organization providing adult basic education programs must establish and maintain a reserve account within the community service fund for the receipt and disbursement of all funds related to these programs. All revenue received must be utilized solely for the purposes of adult basic education programs. State aid must not equal more than 100% of the un-reimbursed expenses of providing these programs, excluding in-kind costs. An adult basic education program may include as valid expenditures for the previous fiscal year program spending that occurs from July 1 to September 30 of the following year. A program may carry over a maximum of 20% of its adult basic education aid revenue into the	School Districts, Higher Education, State Agencies, Non-government Organizations, and Sovereign Entities -		
		Current Year	37,647,000	
		Prior Year	4,065,000	
		Total	41,712,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	next fiscal year. Program spending may only be counted for one fiscal year. An adult basic education consortium providing an approved adult basic education program may be its own fiscal agent and is eligible to receive state-aid payments directly from the MDE. The MDE, in consultation with the policy review task force may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The MDE may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services. The MDE must establish eligibility criteria and grant application procedures. Grants under this Sect. must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. The MDE may make grants under this Sect. from the state total adult basic education aid set aside for supplemental service grants. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult basic education instruction and service delivery. A grant to a single organization cannot exceed $100,000. Nothing prevents an approved adult basic education program from using state or federal aid to purchase supplemental services. The state total adult basic education aid equals: the state total adult basic education aid for the			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments; times the lesser of: 1.03; or the average growth in state total contact hours over the prior ten program years. Two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants. The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed and the state total basic population aid. A district is eligible for basic population aid if the district has a basic service level approved by the MDE or is a member of a consortium with an approved basic service level. Basic population aid is equal to the greater of $3,844 or $1.73 times the population of the district. Adult basic education programs approved by the MDE are eligible for revenue. Adult basic education revenue for each approved program equals the sum of: the basic population aid for districts participating in the program during the current program year; plus 84% times the amount computed times the ratio of the contact hours for students participating in the program during the first prior program year to the state total contact hours during the first prior program year; plus 8% times the amount computed above, times the ratio of the enrollment of students with limited English proficiency during the second prior school year in districts participating in the program during the current program year to the state total enrollment of students with limited English proficiency during the second prior school year in districts participating in adult basic education programs during the current program year; plus 8% times the amount computed in above, times the ratio of the latest federal census count of the number of adults aged 20 or older with no diploma residing in the districts participating in the program during the current program year to the latest federal census count of the state total number of adults aged 20 or older with no diploma residing in the districts participating in adult basic education programs during the current program			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	year. The total adult basic education aid for a program per prior year contact hour must not exceed $22 per prior year contact hour. For fiscal year 2009 and later the aid adjusted for changes in program membership, must not exceed the aid for that program for the first preceding fiscal year by more than the greater of 11% or $10,000. Adult basic education aid is payable to a program for un-reimbursed costs occurring in the program year. Any adult basic education aid that is not paid to a program because of the program aid limitation must be added to the state total adult basic education aid for the next fiscal year. Any adult basic education aid that is not paid to a program because of the program aid limitations must be reallocated among programs by adjusting the rate per contact hour. Adult basic education aid must be paid directly to the fiscal agent of each approved program. An approved program must have only one fiscal agent. A district that is part of a consortium may request direct payment of basic population aid. The district must make a written request to the MDE by June 15 for aid payments the following fiscal year. The request must include certification that: the district will deposit direct aid payments in a separate adult basic education account; and the district will use direct aid payments only for adult basic education instruction. Programs that receive aid under this section must maintain records that support the aid payments. The MDE may audit these records upon request. The MDE must establish procedures for conducting fiscal audits of adult basic education programs. The MDE must establish procedures to reconcile any discrepancies between aid payments based on information reported to the MDE and aid estimates based on a program audit. A consortium or district shall not spend more than 5% of the consortium or district's total adult basic education aid on administrative costs. Programs that receive aid must submit an annual report to the MDE that includes revenue and expense reports for each district and program, including instructional services offered in partnership with businesses and nonprofit organizations.			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Adults with Disabilities – A26/B26 - MS 08, Chap. 124D.56	A district that is eligible may receive revenue for a program for adults with disabilities. Revenue for the program for adults with disabilities for a district or a group of districts equals the lesser of: the actual expenditures for approved programs and budgets; or $60,000. Program aid for adults with disabilities equals the lesser of: one-half of the actual expenditures for approved programs and budgets; or $30,000. A district may levy for a program for adults with disabilities an amount up to the amount designated above. In the case of a program offered by a group of districts, the levy amount must be apportioned among the districts according to the agreement submitted to the department. A district may receive money from public or private sources to supplement revenue for the program for adults with disabilities. Aid may not be reduced as a result of receiving money from these sources. Revenue for the program for adults with disabilities may be used only to provide programs for adults with disabilities.	School Districts – Current Year Prior Year Total	 639,000 71,000 710,000	
Community Education Aid – A28/B28 – MS 08, Chap. 124D.18 to .20	The purpose of community education programs 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, by establishing a community education program. Each school board may initiate a community education program in its district and provide for the general supervision of the program. Each board may, as it considers appropriate, employ community education staff to further the purposes of the community education program. Total community education revenue equals the sum of a district's general community education revenue, youth service program revenue, and youth after-school enrichment revenue. To be eligible for community education revenue, a district must operate a community education. The general community education revenue for a district equals $5.42 for fiscal year 2007 and later, times the greater of 1,335 or the population of the district. Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals $1 times the greater of 1,335 or the population of	School Districts – Current Year Prior Year Total	 674,000 122,000 769,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	the district. Youth after-school enrichment revenue for a district operating youth after-school enrichment equals: $1.85 times the greater of 1,335 or the population of the district, not to exceed 10,000; and $0.43 times the population of the district, in excess of 10,000. Youth after-school enrichment revenue must be reserved for youth after-school enrichment programs. To obtain total community education revenue, a district may levy the amount raised by a maximum tax rate of .9% times the adjusted net tax capacity of the district. If the amount of the total community education levy would exceed the total community education revenue. If the amount of the community education levy for a district exceeds the district's community education revenue, the amount of the community education levy is limited to the district's community education revenue. A district's community education aid is the difference between its community education revenue and the community education levy. If the district does not levy the entire amount permitted, the community education aid must be reduced in proportion to the actual amount levied. General community education revenue may be used for: non-vocational, recreational, and leisure time activities and programs; programs for adults with disabilities, if the programs and budgets are approved by the department; 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. In addition to money from other sources, a district may use up to 10% of its community education revenue for equipment that is used exclusively in community education programs. This revenue may be used only for the following purposes: to purchase or lease computers and related materials; to purchase or lease equipment for instructional programs; and to purchase textbooks and library books. General community education revenue must not be used to subsidize			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	the direct activity costs for adult enrichment programs. Direct activity costs include, but are not limited to, the cost of the activity leader or instructor, cost of materials, or transportation costs. Youth service revenue may be used to implement a youth development plan approved by the school board and to provide a youth service program. Community education revenue, which includes aids, levies, fees, grants, and all other revenues received by the school district for community education programs, must be maintained in a reserve account within the community service fund. The sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions, must not be greater than 25% of the sum of the district's maximum total community education revenue, excluding adjustments under this subdivision, plus any fees, grants, or other revenue received by the district for community education programs for the prior year. If the sum of the average balances during the most recent three-year period in a district's community education reserve account and unreserved/undesignated community service fund account on June 30 of each year, adjusted for any prior reductions, is in excess of the limit, the district's community education state aid and levy authority for the current school year must be reduced by the lesser of the current year revenue under subdivision 1 or the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue times the ratio of the district's aid for the current year to the district's revenue for the current year. The levy reduction equals the excess reserve amount minus the aid reduction. If a district does not levy the entire amount permitted the revenue must be reduced in proportion to the actual amount levied. If a district anticipates that the reserve account may exceed the 25% limit because of extenuating circumstances, prior			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	approval to exceed the limit must be obtained in writing from the MDE.			
Health and Developmental Screening Aid – A30/B30 – MS 08 Chap. 121A.17 and .19	Every school board must provide for a mandatory program of early childhood developmental screening for children at least once before school entrance, targeting children who are between three and four years old. This screening program must be established either by one board, by two or more boards acting in cooperation, by service cooperatives, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory requirement for a student to continue attending kindergarten or first grade in a public school. A child need not submit to developmental screening provided by a board if the child's health records indicate to the board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. A student identification number, as defined by the MDE, shall be assigned at the time of early childhood developmental screening or at the time of the provision of health records indicating a comparable screening. Each school district must provide the essential data to the MDE. Districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers and public or private health care organizations or individual health care providers in implementing the program. A child must not be enrolled in kindergarten in a public school unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school. A screening program must include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, identification of risk factors that may influence learning, an interview with the	School Districts –	Current Year 3,333,000 Prior Year 259,000 Total 3,592,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. All screening components shall be consistent with the standards of the state MDE of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening. If a child is without health coverage, the school district must refer the child to an appropriate health care provider. A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history. If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required. Each school year, the state must pay a district for each child or student screened by the district. The amount of state aid for each child or student screened shall be: $75 for a child screened at age three; $50 for a child screened at age four; $40 for a child screened at age five or six prior to kindergarten; and $30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.			
Hearing Impaired Adults – A31 – MS 08, Chap. 124D.57	The MDE shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and have been denied access to educational opportunities because of the lack of support services or are presently enrolled or are contemplating enrollment in an educational program and would benefit from support services. The MDE shall also be responsible for conducting in-service training for public and private agencies regarding the needs of hearing impaired persons in the adult education system. The MDE may pay school districts or public or private community agencies for the following support services: interpreter services to provide translation for an individual or a group of students; or note taker services to convert spoken language to written language when the student must maintain visual contact with other persons such as an interpreter or instructor. Support services may be provided for: local school district adult education programs; adult technical college programs; and vocational education programs sponsored by public or private community agencies.	School Districts	70,000	
GED Tests – A32 – MS 08, Chap. 124D.549 and .55	The MDE shall pay 60% of the fee that is charged to an eligible individual for the full battery of a general education development (GED) test, but not more than $40 for an eligible individual.	School Districts, Higher Education and Sovereign Entities	148,000	
Early Childhood Family Education – A35/B35 – MS 08, Chap. 124D.13 and .135	A district that provides a community education program may establish an early childhood family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood family education program. The purpose of the early childhood family education program is to provide parenting education to support children's learning and development. Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents and other relatives of these children, and for expectant parents. To the extent that funds	School Districts – Current Year Prior Year Total	27,302,000 2,144,000 29,446,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	are insufficient to provide programs for all children, early childhood family education programs should emphasize programming for a child from birth to age three and encourage parents and other relatives to involve four- and five-year-old children in school readiness programs, and other public and nonpublic early learning programs. A district may not limit participation to school district residents. Early childhood family education programs must provide: programs to educate parents and other relatives about the physical, mental, and emotional development of children and to enhance the skills of parents and other relatives in providing for their children's learning and development; structured learning activities requiring interaction between children and their parents or relatives; structured learning activities for children that promote children's development and positive interaction with peers, which are held while parents or relatives attend parent education classes; information on related community resources; information, materials, and activities that support the safety of children, including prevention of child abuse and neglect; and a community outreach plan to ensure participation by families who reflect the racial, cultural, and economic diversity of the school district. The programs must include learning experiences for children, parents, and other relatives that promote children's early literacy skills. The program must not include activities for children that do not require substantial involvement of the children's parents or other relatives. The program must be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs must encourage parents to be aware of practices that may affect equitable development of children. The revenue for early childhood family education programs for a school district equals $112 for fiscal year 2007 and $120 for fiscal year 2008 and later, times the greater of: 150; or the number of people under five years of age residing in the district on October 1 of the previous school year. Data reported to the department may be used to determine the number of people under five years of age residing in the district. The MDE, with the assistance of the state demographer, shall review the			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	number reported by any district operating an early childhood family education program. If requested, the district shall submit to the MDE an explanation of its methods and other information necessary to document accuracy. If the MDE determines that the district has not provided sufficient documentation of accuracy, the MDE may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate. If a district complies with 124D.13, it must receive early childhood family education aid equal to the difference between the early childhood family education revenue and the early childhood family education levy. If the district does not levy the entire amount permitted, the early childhood family education aid must be reduced in proportion to the actual amount levied.			
School Readiness Program – A36/B36 – MS 08, Chap. 124D.15 and .16	A district or a group of districts may establish a school readiness program for children age three to kindergarten entrance. The purpose of a school readiness program is to prepare children to enter kindergarten. A school readiness program provider must: assess each child's cognitive skills when the child enters and again before the child leaves the program to inform program planning and promote kindergarten readiness; provide comprehensive program content based on early childhood research and professional practice that is focused on children's cognitive skills and development and prepares children for the transition to kindergarten, including early literacy skills; arrange for early childhood screening and appropriate referral; involve parents in program planning and decision making; coordinate with relevant community-based services; and cooperate with adult basic education programs and other adult literacy programs. A district is eligible to receive school readiness aid for eligible pre-kindergarten pupils enrolled in a school readiness program if the biennial plan required has been approved by the MDE. For fiscal year 2002 and thereafter, a district must receive school readiness aid equal to: (1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50% of the total school readiness aid for that year to the total number of four-year-old	School Districts – Current Year Prior Year Total	 9,086,000 1,009,000 10,095,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	children reported to the MDE for the previous school year; plus (2) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program for the previous school year times the ratio of 50% of the total school 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 for the previous school year. School readiness aid shall be used only to provide a school readiness program and may be used to provide transportation. Not more than 5% of program revenue may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under sections 125A.03 to 125A.24 and 125A.65. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings. School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in a reserve account within the community service fund. The average balance, during the most recent three-year period, in a district's school readiness reserve account on June 30 of each year, adjusted for any prior reductions, must not be greater than 25% of the district's school readiness annual revenue for the prior year, excluding adjustments. If a district's adjusted average school readiness reserve over the three-year period is in excess of the limit the district's current year school readiness state aid must be reduced by the lesser of the excess reserve amount or the current year aid. If a district anticipates that the reserve account may exceed the 25% limit because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the MDE.			
School Age Care – A39 – MS 08, Chap. 124D.19, Subd. 11 and 124D.22	A school board may offer, as part of a community education program, a school-age care program for children from kindergarten through grade 6 for the purpose of expanding students' learning opportunities. If the school board chooses not to offer a school-age care program, it may allow an appropriate insured community group, for profit entity or nonprofit organization to use available	School Districts	1,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	school facilities for the purpose of offering a school-age care program. A school-age care program must include the following: adult supervised programs while school is not in session; parental involvement in program design and direction; partnerships with the K-12 system, and other public, private, or nonprofit entities; opportunities for trained secondary school pupils to work with younger children in a supervised setting as part of a community service program; and access to available school facilities, including the gymnasium, sports equipment, computer labs, and media centers, when not otherwise in use as part of the operation of the school. The school district may establish reasonable rules relating to access to these facilities and may require that: the organization request access to the facilities and prepare and maintain a schedule of proposed use; the organization provide evidence of adequate insurance to cover the activities to be conducted in the facilities; and the organization prepare and maintain a plan demonstrating the adequacy and training of staff to supervise the use of the facilities. The district may charge a sliding fee based upon family income for school-age care programs. The district may receive money from other public or private sources for the school-age care program. The board of the district must develop standards for school-age child care programs. The district shall maintain a separate account within the community services fund for all funds related to the school-age care program. A district is encouraged to coordinate the school-age care program with its special education, vocational education, adult basic education, early childhood family education programs, kindergarten through grade 12 instruction and curriculum services, youth development and youth service agencies, and with related services provided by other governmental agencies and nonprofit agencies. A district that offers a school-age care program is eligible for school-age care revenue for the additional costs of providing services to children with disabilities or to children experiencing			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	family or related problems of a temporary nature who participate in the school-age care program. The school-age care 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 who participate in the school-age care program. To obtain school-age care revenue, a school district may levy an amount equal to the district's school-age care 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 before the year the levy is certified by the resident pupil units in the district for the school year to which the levy is attributable, to $2,433. A district's school-age care aid is the difference between its school-age care revenue and its school-age care levy. If a district does not levy the entire amount permitted, school-age care aid must be reduced in proportion to the actual amount levied.			
Success for the Future – A40/B40 – M.S. Chap. 124D.81	Each fiscal year the MDE must make grants to no fewer than six American Indian education programs. At least three programs must be in urban areas and at least three must be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal, charter, or alternative schools. The MDE shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements. Each district or participating school submitting a proposal must develop and submit with the proposal a plan which shall: identify the measures to be used to meet the requirements; identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program; describe how district goals and objectives as well as the objectives of the program are to be achieved; demonstrate that required and elective courses as structured do not have a discriminatory effect; describe how each school program will be organized, staffed, coordinated, and monitored; and project	School Districts and Non-government Organizations – Current Year Prior Year Total	 1,924,000 213,000 2,137,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	expenditures for programs. Each district receiving a grant must ,each year conduct a count of American Indian children in the schools of the district; test for achievement; identify the extent of other educational needs of the children to be enrolled in the American Indian education program; and classify the American Indian children by grade, level of educational attainment, age and achievement. Participating schools must maintain records concerning the needs and achievements of American Indian children served. In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment and classification of American Indian children must be selected and administered so as not to be racially or culturally discriminatory and must be valid for the purpose of identifying, testing, assessing, and classifying American Indian children. Participating schools and districts must keep records and afford access to them as the MDE finds necessary to ensure that American Indian education programs are implemented in conformity with law. Each school district or participating school must keep accurate, detailed, and separate revenue and expenditure accounts for pilot American Indian education programs funded under this section. A district or participating school providing American Indian education programs shall be eligible to receive moneys for these programs from other government agencies and from private sources when the moneys are available. A district or school is not prohibited from implementing an American Indian education program which is not in compliance if the proposal and plan for that program is not funded by this grant program.			
Health and Safety Aid – A42/B42 – MS 08, Chap. 123B.57	To receive health and safety revenue for any fiscal year a district must submit to the MDE an application for aid and levy by the date determined by the MDE. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management, including indoor air quality management. The application	School Districts – Current Year Prior Year Total	 96,000 23,000 119,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year. Upon approval through the adoption of a resolution by each of an intermediate district's member school district boards and the approval of the MDE, a school district may include its proportionate share of the costs of health and safety projects for an intermediate district in its application. Health and safety projects with an estimated cost of $500,000 or more per site, approved after February 1, 2003, are not eligible for health and safety revenue. Health and safety projects with an estimated cost of $500,000 or more per site, approved after February 1, 2003, that meet all other requirements for health and safety funding, are eligible for alternative facilities bonding and levy revenue. A school board shall not separate portions of a single project into components to qualify for health and safety revenue, and shall not combine unrelated projects into a single project to qualify for alternative facilities bonding and levy revenue. A district must adopt a health and safety program. The program must include plans, where applicable, for hazardous substance removal, fire and life safety code repairs, regulated facility and equipment violations, and health, safety, and environmental management, including indoor air quality management. A district's health and safety revenue for a fiscal year equals the district's alternative facilities levy under plus the greater of zero or: (1) the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, excluding expenditures funded with bonds issued, or certificates of indebtedness, or capital notes, or other federal, state, or local revenues, minus (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 through 1989, plus (b) the district's health and			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	safety revenue under this subdivision, for years before the fiscal year to which the levy is attributable. A district's health and safety aid is the difference between its health and safety revenue and its health and safety levy. If a district does not levy the entire amount permitted, health and safety aid must be reduced in proportion to the actual amount levied. Health and safety aid may not be reduced as a result of reducing a district's health and safety levy.			
Debt Service Aid – A43/B43 – MS 08, Chap. 123B.53	The debt service equalization revenue of a district equals the sum of the first tier debt service equalization revenue and the second tier debt service equalization revenue. The first tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue minus the amount raised by a levy of 15% times the adjusted net tax capacity of the district minus the second tier debt service equalization revenue of the district. The second tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, excluding alternative facilities levies minus the amount raised by a levy of 25% times the adjusted net tax capacity of the district. A district's debt service equalization aid is the sum of the district's first tier debt service equalization aid and the district's second tier debt service equalization aid. A district's first tier debt service equalization aid equals the difference between the district's first tier debt service equalization revenue and the district's first tier equalized debt service levy. A district's second tier debt service equalization aid equals the difference between the district's second tier debt service equalization revenue and the district's second tier equalized debt service levy. Eligible debt service revenue of a district is defined as follows: the amount needed to produce between five and 6% in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects, including the amounts necessary for repayment of energy loans, debt service loans and capital loans, lease purchase payments, alternative facilities levies, minus the amount of debt service excess levy reduction for that school year calculated according to the procedure	School Districts – Current Year Prior Year Total	 7,660,000 1,449,000 9,109,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	established by the MDE. These obligations are excluded from eligible debt service revenue: obligations under Sect. 123B.61; the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust; obligations issued under Laws 1991, Chap. 265, Art. 5, Sect. 18, as amended by Laws 1992, Chap. 499, Art. 5, Sect. 24; and obligations under Sect. 123B.62. If a preexisting school district reorganized and is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting districts. For purposes of this Sect., the adjusted net tax capacity determined shall be adjusted to include the tax capacity of property generally exempted from ad valorem. The following portions of a district's debt service levy qualify for debt service equalization: debt service for repayment of principal and interest on bonds issued before July 2, 1992; debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the MDE and, if necessary, adjusted to reflect a 20-year maturity schedule; and debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment, if the MDE has determined that the district has met the criteria and if the bond schedule has been approved by the MDE and, if necessary, adjusted to reflect a 20-year maturity schedule. The department shall determine the eligibility for sparsity at the location of the new facility, or the site of the new facility closest to the nearest operating school if there is more than one new facility. Debt service for repayment of principal and interest on bonds issued after July 1, 1997, does not qualify for debt service equalization aid unless the primary purpose of the facility is to serve students in kindergarten through grade 12.			
Equity Telecommunications Access – A46 – MS 08, Chap. 125B.26	For fiscal year 2006 and later, a district or charter school's Internet access equity aid equals the district or charter school's approved cost for the previous fiscal year according exceeding $15 times the district's adjusted marginal cost pupil units	School Districts	8,743,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	for the previous fiscal year or no reduction if the district is part of an organized telecommunications access cluster. Equity aid must be distributed to the telecommunications access cluster for districts that are members of the cluster or to individual districts and charter schools not part of a telecommunications access cluster. A district or charter school shall submit its actual telecommunications/Internet access costs for the previous fiscal year, adjusted for any e-rate revenue received, to the department by August 15 of each year as prescribed by the MDE. Costs eligible for reimbursement under this program are limited to the following: ongoing or recurring telecommunications/Internet access costs associated with Internet access, data lines, and video links providing the equivalent of one data line, video link, or integrated data/video link that relies on a transport medium that operates at a minimum speed of T1 for each elementary school, middle school, or high school, including the recurring telecommunications line lease costs and ongoing Internet access service fees; or the equivalent of one data line or video circuit, or integrated data/video link that relies on a transport medium that operates at a minimum speed of T1 for each district, including recurring telecommunications line lease costs and ongoing Internet access service fees; recurring costs of contractual or vendor-provided maintenance on the school district's wide area network to the point of presence at the school building up to the router, codec, or other service delivery equipment located at the point of presence termination at the school or school district; recurring costs of cooperative, shared arrangements for regional delivery of telecommunications/Internet access between school districts, postsecondary institutions, and public libraries including network gateways, peering points, regional network infrastructure, Internet2 access, and network support, maintenance, and coordination; and service provider installation fees for installation of new telecommunications lines or increased bandwidth. Costs not eligible for			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	reimbursement under this program include: recurring costs of school district staff providing network infrastructure support; recurring costs associated with voice and standard telephone service; costs associated with purchase of network hardware, telephones, computers, or other peripheral equipment needed to deliver telecommunications access to the school or school district; costs associated with laying fiber for telecommunications access; costs associated with wiring school or school district buildings; costs associated with purchase, installation, or purchase and installation of Internet filtering; and costs associated with digital content, including online learning or distance learning programming, and information databases. To be eligible for aid, a district or charter school is required to file an e-rate application either separately or through its telecommunications access cluster and have a current technology plan on file with the department. Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid. MDE shall develop criteria for approving costs submitted by organized school districts and charter schools. Districts shall provide each year upon formal request by or on behalf of a nonpublic school, not including home schools, located in that district or area, ongoing or recurring telecommunications access services to the nonpublic school either through existing district providers or through separate providers. The amount of district aid for telecommunications access services for each nonpublic school equals the lesser of: 90% of the nonpublic school's approved cost for the previous fiscal year according to subdivision 1 exceeding $10 for fiscal year 2006 and later times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year; or the product of the district's aid per pupil unit according to subdivision 4 times the number of weighted pupils enrolled at the nonpublic school as of October 1 of the previous school year. Nonpublic school pupils shall be weighted by grade level using the weighting factors defined in law. Each			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	year, a district providing services may claim up to 5% of the aid for costs of administering this subdivision. No district may expend an amount for these telecommunications access services which exceeds the amount allocated under this subdivision. The nonpublic school is responsible for the Internet access costs not covered by law. At the request of a nonpublic school, districts may allocate the amount directly to the nonpublic school to pay for or offset the nonpublic school's costs for telecommunications access services; however, the amount allocated directly to the nonpublic school may not exceed the actual amount of the school's ongoing or recurring telecommunications access costs.			
Declining Pupil Aid, Browns Valley – A61 – Laws 07, Chap. 146, Art. 1, Sect. 24, Subd. 11	For declining pupil unit aid to Independent School District No. 801, Browns Valley.	School District	100,000	
Abatement Aid – A62/B62 – MS 08, 127A.49	Whenever the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the MDE the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the MDE shall pay an abatement adjustment to the district in an amount calculated according to the provisions in statute. This amount shall be deducted from the amount of the levy.	School Districts – Current Year Prior Year Total	 1,268,000 139,000 1,407,000	
Non-public Pupil Aid – A64/B64 – MS 08 Chap. 123B.40 through 123B.48	Funds are to provide for distribution of educational aids such as textbooks, standardized tests and pupil support services so that every school pupil in the state will share equitably in education benefits and therefore further assure all Minnesota pupils and their parent's freedom of choice in education. MDE shall make such payments to school districts or intermediary service areas as are needed to meet contractual obligations incurred for the provision of benefits to nonpublic school students and an additional sum for the administration equal to 5% of the district or area allocation for that year.	School Districts – Current Year Prior Year Total	 15,010,000 1,598,000 16,608,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
School Lunch Aid – A65 – MS 08, Chap. 124D.111 and 124D.1115	Each school year, the state must pay participants in the national school lunch program the amount of 12 cents for each full paid, reduced, and free student lunch served to students. A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department. In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities. Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund. That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department. Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless two conditions apply: the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and the department has approved the	Counties, School Districts, State Agencies, and Non-government Organizations	12,299,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	purchase of the equipment. If the two conditions apply, the equipment may be purchased from the food service fund. If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company. A district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the MDE by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year. If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.			
School Breakfast – A66 – MS 08, Chap. 124D.1158 and 124D.117	The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn. Public and nonpublic schools that participate in the federal school breakfast program may receive state breakfast aid. Schools shall encourage all children to eat a nutritious breakfast, either at home or at school, and shall work to eliminate barriers to breakfast participation at school such as inadequate facilities and transportation. Each school year, public and nonpublic schools that participate in the federal school breakfast program are eligible for the state breakfast program. Each school year, the state must reimburse each participating school 30 cents for each reduced price breakfast and 55 cents for each fully paid breakfast. A school that receives school breakfast aid under this Sect. must make breakfast	Counties, School Districts, State Agencies, and Non-government Organizations	4,841,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	available without charge to all participating students who qualify for free or reduced price meals. A district must offer a school breakfast program in every school building in which at least 33% of the school lunches served during the second preceding school year were served free or at a reduced price. A school in which fewer than 25 pupils are expected to take part in the program is exempt. It also does not apply to a district that does not participate in the national school lunch program.			
School Milk – A68 – MS 08, Chap. 124D.118 and 124D.114	The school milk program established to provide districts in the state with added resources so that all kindergarten students in public and nonpublic schools may have access to wholesome milk on a daily basis. Each district in the state is encouraged to participate in the state-supported school milk program for kindergartners. Participating districts must provide one serving of milk on each school day to each kindergarten student attending a public or nonpublic school in the district. No student is required to accept the milk that is provided by the district. The program must be promoted and operated under the direction of the MDE or the designee. MDE shall: encourage all districts to participate in the school milk program for kindergartners; prepare program guidelines which will effectively and efficiently distribute appropriated and donated money to participating districts; and seek donations and matching funds from appropriate private and public sources. Program guidelines may provide for disbursement to districts through a mechanism of prepayments or by reimbursement for approved program expenses. Reimbursement is made for each participating public or nonpublic school 20 cents for each half-pint of milk that is served to kindergarten students and is not part of a school lunch or breakfast.	School Districts and Non-government Organizations	1,555,000	
Declining Pupil Aid, Red Lake – A67 – Laws 07, Chap. 146, Art. 1, Sect. 24, Subd. 11	For a grant to Independent School District No. 38. Red Lake, for declining pupil aid.	School District	50,000	
Compensatory Pilot Grants – Laws 2005, 1st Special Session, Chap. 5, Art. 1, Sect. 50	A pilot program is created to allow a school district to allocate compensatory revenue among school buildings according to each building's school performance measures. An identified district may submit an application to the MDE for a plan to allocate	ISD 279 Osseo ISD 281 Robbinsdale ISD 286 Brooklyn Center ISD 535 Rochester ISD 833 South Washington County	210,000 160,000 75,000 165,000 65,000 1,500,000 2,175,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	compensatory revenue to school sites based on student performance. The application must include a written resolution approved by the school board that: identifies the test results that will be used to assess student performance; describes the method for distribution of compensatory revenue to the school sites; and summarizes the evaluation procedure the district will use to determine if the redistribution of compensatory revenue improves overall student performance.	ISD 11 Anoka Hennepin Total		
Public Library Basic Grant – A71/B71 – MS 08, Chap. 134.355	Basic system support grants and regional library telecommunications aid provide the appropriations for the basic regional library system. Any regional public library system which qualifies may apply for an annual grant for regional library basic system support. Regional public library districts may not compensate board members using grant funds. The amount of each grant for each fiscal year shall be calculated as follows. 51.5% of the available grant funds shall be distributed to provide all qualifying systems an equal amount per capita. Each system's allocation pursuant to this subdivision shall be based on the population it serves. 12.5% of the available grant funds shall be distributed to provide all qualifying systems an equal amount per square mile. Each system's allocation pursuant to this subdivision shall be based on the area it serves. 5% of the available grant funds shall be paid to each system as a base grant for basic system services. 25% of the available grant funds shall be distributed to regional public library systems based upon the adjusted net tax capacity per capita for each member county or participating portion of a county as calculated for the second year preceding the fiscal year for which the grant is made. Each system's entitlement shall be calculated as follows. Multiply the adjusted net tax capacity per capita for each county or participating portion of a county by .0082. Add sufficient grant funds that are available to raise the amount of the county or participating portion of a county with the lowest value calculated to the amount of the county or participating portion of a county with the next highest value calculated. Multiply the amount of the additional grant funds by the population of the	Other Government – Current Year Prior Year Total	 12,213,000 925,000 13,138,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	county or participating portion of a county. Continue the process by adding sufficient grant funds that are available under this subdivision to the amount of a county or participating portion of a county with the next highest value to raise it and the amount of counties and participating portions of counties with lower values up to the amount of the county or participating portion of a county with the next highest value, until reaching an amount where funds available under this subdivision are no longer sufficient to raise the amount of a county or participating portion of a county and the amount of counties and participating portions of counties with lower values up to the amount of the next highest county or participating portion of a county. If the point is reached using the process and the remaining grant funds are not adequate for raising the amount of a county or participating portion of a county and all counties and participating portions of counties with amounts of lower value to the amount of the county or participating portion of a county with the next highest value, those funds are to be divided on a per capita basis for all counties or participating portions of counties that received grant funds under the first calculation. Population shall be determined according to law.			
Multi-county, Multi-type Library – A72/B72 – MS 08 Chap. 134.353-354	The MDE may provide development grants to multi-county, multi-type library systems. In awarding a development grant, the MDE shall consider the extra costs incurred in systems located in sparsely populated and large geographic regions. The MDE may also provide operating grants to multi-county, multi-type library systems. In awarding an operating grant, the MDE shall consider the extra costs incurred in systems located in sparsely populated and large geographic areas.	Other Government –		
		Current Year	1,170,000	
		Prior Year	130,000	
		Total	1,300,000	
Magnet School Grant – A80 – MS 08, Chap. 124D.88	The MDE, in consultation with the desegregation/integration office, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs. Grant recipients must use the grant money under paragraph to establish or operate a magnet school or a magnet program and provide all students with	School Districts	759,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	equal educational opportunities. Grant recipients may expend grant money on: teachers who provide instruction or services to students in a magnet school or magnet program; educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program; clerical support needed to operate a magnet school or magnet program; equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program; minor remodeling needed to operate a magnet school or magnet program; transportation for field trips that are part of a magnet school or magnet program curriculum; program planning and staff and curriculum development for a magnet school or magnet program; disseminating information on magnet schools and magnet programs; and indirect costs calculated according to the state's statutory formula governing indirect costs.			
Youth Works – A88 – MS 08, Chap. 124D.36 -.45	The youth works program is established to fulfill the purposes of renew the ethic of civic responsibility in Minnesota; empower youth to improve their life opportunities through literacy, job placement, and other essential skills; empower government to meet its responsibility to prepare young people to be contributing members of society; help meet human, educational, environmental, and public safety needs, particularly those needs relating to poverty; prepare a citizenry that is academically competent, ready for work, and socially responsible; demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community; demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth; create linkages for a comprehensive youth service and learning program in Minnesota including school age programs, higher education programs, youth work programs, and service corps programs; and coordinate federal and state activities that advance the program purposes. The youth works program must supplement existing programs and services. The program must not displace existing	Non-government Organization	900,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	programs and services, existing funding of programs or services, or existing employment and employment opportunities. No eligible organization may terminate, layoff, or reduce the hours of work of an employee to place or hire a program participant. No eligible organization may place or hire an individual for a project if an employee is on layoff from the same or a substantially equivalent position. An eligible organization interested in receiving a grant may prepare and submit an application to the Minnesota commission on national and community service. The commission must use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the commission may select at least one residential proposal and one nonresidential proposal.			
Consolidation Aid – B73 – MS 08, 123.485	A district that has been reorganized after June 30, 1994 is eligible for consolidation transition revenue. Revenue is equal to the sum of aid and levy. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district: to offer early retirement incentives; to reduce operating debt; to enhance learning opportunities for students in the reorganized district; for other costs incurred in the reorganization. Revenue received may be expended for operating, facilities, and/or equipment.	School Districts – Prior Year	21,000	
Deferred Maintenance Aid – C05 – MS 08, Chap. 123B.591	An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy is eligible to receive deferred maintenance revenue. The deferred maintenance revenue for an eligible school district equals the product of $60 times the adjusted marginal cost pupil units for the school year times the lesser of one or the ratio of the district's average age of building space to 35 years. For fiscal year 2008 and later, a district's deferred maintenance aid equals its deferred maintenance revenue minus its deferred	School Districts	2,330,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	maintenance levy times the ratio of the actual amount levied to the permitted levy. Deferred maintenance revenue must be maintained in a reserve account within the general fund. Deferred maintenance revenue may be used only for expenditures that would be eligible for alternative facilities bonding and levy if the district qualified for that revenue.			
School Technology – C06 – MS 08, Chap. 126C.10, Subd. 14 and Laws 07, Chap. 146, Art. 09, Sect. 17, Subd. 8	Total operating capital revenue may be used only for the following purposes: to acquire land for school purposes; to acquire or construct buildings for school purposes; to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement; to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers; for a surplus school building that is used substantially for a public non-school purpose; to eliminate barriers or increase access to school buildings by individuals with a disability; to bring school buildings into compliance with the State Fire Code; to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs; to clean up and dispose of polychlorinated biphenyls found in school buildings; to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel; for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years; to improve buildings that are leased; to pay special assessments levied against school property but not to pay assessments for service charges; to pay principal and interest on state loans for energy conservation or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act; to purchase or lease interactive telecommunications equipment; by board resolution, to transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations or pay principal and interest	School Districts	52,454,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	on debt service loans or capital loans; to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts; to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other non-instructional equipment; to purchase or lease assistive technology or equipment for instructional programs; to purchase textbooks; to purchase new and replacement library media resources or technology; to purchase vehicles; to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for: managing and reporting learner outcome information for all students under a results-oriented graduation rule; managing student assessment, services, and achievement information required for students with individual education plans; and other classroom information management needs; and to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software. For fiscal years 2008, and 2009 only, school technology and operating capital aid equals $40 for fiscal year 2008 and $55 for fiscal year 2009 times the district's adjusted marginal cost pupil units for that fiscal year.			
After School Community Learning – C18 – Laws 07, Chap. 146, Art. 9, Sect. 17, Subd. 12	For after school community learning grants.	Cities and Towns, School Districts, Higher Education, and Non-government Organizations	2,498,000	
Fund 200 – Special Revenue				
ECFE Partnership	Money provided from U-Care to be distributed to ECFE program providers to support ECFE programs. Partnership ended with activity in FY 2008.	School Districts	30,000	
Commodity Donated Food	A revolving fund is established for the purpose of depositing cash received for commodity donated foods that have been lost, damaged, recalled, or diverted for processing. The state shall use the fund to issue payments for the value of the lost, damaged, recalled, or diverted commodity	School Districts, State Agencies and Non-government Organizations	6,533,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	donated foods and related costs.			
WJ – Spanish Outreach	The Online Computer Library Center provided one time funding to pass through to library systems for an opportunity to receive training for up to three staff members who will use that training to conduct outreach workshops to train other library staff throughout the state on how to conduct additional outreach activities for Spanish speaking individuals in their communities.	Other Government	1,000	
Mott Foundation Grant	Provide support and development of the Statewide Afterschool Network, a coalition of public and private organizations dedicated to ensuring beneficial options for youth to learn, develop and contribute during non-school hours.	Higher Education	38,000	
Refugee Child School Impact	Provide funding to eligible school districts to design and implement activities that will enhance the service capacity of schools to address rapidly increasing number of refugee students newly resettled in Minnnesota.	School Districts	550,000	
ESL – Refugees DHS Grant	To continue ESL services for eligible refugees (funding first awarded in 2007) and to reduce the number of refugees currently on ESL waiting lists. Additionally, this project will provide a greater level of intensity of ESL services to eligible refugees.	School Districts	580,000	
Radiological Grant HSEM	To provide emergency response capability to meet certain specialized needs identified in the Minnesota Emergency Operations plan to assure constant readiness and compliance with federal and state regulations and guidance as required by the Federal Emergency Management Agency and the Emergency Response Plan for Nuclear Power Plants.	School Districts	44,000	
Fund 210 – Endowment School Fund				
Endowment School Apportionment – MS 08 Chap. 127A.33	The Permanent School Fund is a trust fund created by the Minnesota State Constitution and designated as a long-term source of revenue for public schools. Proceeds from land sales, mining royalties, timber sales, lake shore and other leases are invested in the Fund. Income generated by the fund's assets is used to offset state school aid payments.	School Districts	28,222,000	
Fund 300 – Federal				
Special Education State Improvement – 301 – IDEA, Part D., Subpart 1	To assist SEA's in reforming and improving their systems for personnel preparation and professional development of individuals providing early intervention,	School Districts, Higher Education and Non-government Organizations	626,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	educational and transition services, to improve results for children with disabilities. This is a project grant that must be used for program objectives. No matching requirement.			
Charter School Facilities -354 – ESEA of 1965, as amended, Title V Part B, Subpart 1. 20 U.S.C. 8061-8067	Supports the planning and development of charter schools facilities and the dissemination of information on charter schools. This is a project grant to assist charter schools with planning and costs of facilities. Funds are awarded to sub-grantees that are eligible enabling them to plan and provide for the school facility. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate. No matching requirement.	Charter Schools	8,034,000	
Charter School – 355 - ESEA of 1965, as amended, Title V Part B, Subpart 1. 20 U.S.C. 8061-8067	Supports the planning, development and initial implementation of charter schools and the dissemination of information on charter schools. This is a project grant. Funds are awarded to sub-grantees that are eligible enabling them to plan and implement a charter school. Grantees can receive up to three years assistance of which, up to 18 months of can be used for planning and program design and/or not more than two years for initial implementation. This program is subject to non-supplanting requirements and must use a restricted indirect cost rate. No matching requirement.	Charter School	7,000,000	
Head Start – 365 – Head Start Act, as amended; Improving Head Start for School Readiness Act of 2007, Public Law 110-134	To promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services. To involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals. Parent participation is emphasized in the administration of local Head Start programs. This is a project grant. At least 90% of enrollees must be income eligible. There are exceptions to increase the 10% to up to 45% if a program can demonstrate they are serving all of the income eligible families in their service area. A 20% of the total program cost must be provided by Head Start grantees. The match can be waived if certain conditions apply. Match can be cash or in-kind.	Non-government Organization	4,000	
School Breakfast – 400 – Child Nutrition	To assist states in providing a nutritious nonprofit breakfast service for school	Counties, School Districts, State	29,956,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
Act of 1966, as amended, U.S.C. 1773, 1779, Public Laws 104-193, 100-435, 99-661, 97-35	children, through cash grants and food donations. This is a formula grant program. Funds are available to reimburse participating public and non-profit private schools, K-12 and residential child care institutions for breakfasts that meet the nutritional requirements set by USDA and served to eligible children. Rates are adjusted annually to reflect changes in the Food Away From Home series of the CPI for all urban consumers. There is a cap on the maximum rate that can be charged for reduced rate students. Rates are also adjusted for schools that serve 40% or more free and reduced for two consecutive years. Participating schools must agree to serve free and reduced price meals to eligible children and operate the program on a nonprofit basis for all children. Funds are provided on a block grant program from the federal government for breakfast, lunch, special milk, summer food, and CACFP. These funds are formula driven allocated based on: multiplying the number of paid breakfasts served to eligible children by the National Average Payment (NAP); multiplying the number of breakfasts served free to eligible children by a NAP prescribed by the Secretary of Agriculture for free breakfasts; and multiplying the number of reduced price breakfasts served to eligible children by a NAP prescribed by the Secretary for reduced-price breakfast. The sum of the three computations is the amount given the grantee. This program has no maintenance of effort requirements.	Agencies, and Non-government Organizations		
National School Lunch Program – 403 – National School Lunch Act, as amended, 42 U.S.C. 1751,1760,1779	To assist states, through cash grants and food donations, in making the school lunch program available to school children and to encourage the domestic consumption of nutritious agricultural commodities. This is a formula grant program. Funds are available to each State to reimburse participating public and/or non-profit private schools, k-12 and residential care institutions, for lunches meeting the nutritional requirements set by USDA and served to eligible children. Schools may also be reimbursed for snacks served to children enrolled in after school hour care programs. Rates are adjusted on an annual basis to reflect changes in the Food Away From Home series of the CPI for all urban consumers. There is a maximum cap that can be charged for reduced rate students. Schools serving 60% or more	Counties, School Districts, State Agencies, and Non-government Organizations	115,788,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	free and reduced lunches for two consecutive years are eligible for an additional general cash assistance for all lunches served. Rates are adjusted annually. This is part of the block grant. There is a formula for general cash for food assistance (Sect. 4) and special cash assistance (Sect. 11) provided. State receives a payment from Sect. 4 for every lunch served in a federal fiscal year and in addition, a payment from Sect. 11 for each lunch served to a child eligible for free or reduced price lunch. The amounts are determined by the National Average Payment factors. The formula is: multiply the total number of eligible paid lunches and free and reduced price lunches served during the year by the Sect. 4 NAP factor; multiply the number of free lunches served by the Sect. 11 NAP factor for free lunches; multiply the number of lunches served at reduced price by the Sect. 11 NAP factor for reduced lunches; multiply the total number of lunches served in school food authorities serving over 60% or more free and reduced in the 2nd preceding school year by the additional rate for 60% schools; and add together the four products. As matching funds, each participating state is required to appropriate from State revenues an amount equal to 30% of the Sect. 4 funds made available to the state in the 1980-81 school year.			
Special Milk Program for Children – 404 – Child Nutrition Act of 1966, as amended, 42 U.S.C. 1772 and 1779	Subsidies are provided to schools and institutions to encourage the consumption of fluid milk by children. This is a formula grant program. Funds are made available to States to encourage the consumption of milk in public and private nonprofit schools for K-12, public and private nursery schools, child care centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children (except Job Corps Centers) that do not participate in a meal service program of the National School Lunch or Child Nutrition Acts. The funds are available based on the number of half pints of milk served to non-needy children and the rate is established by law based on the average cost of a half pint of milk. This program is part of the block grant. The rate is adjusted each year to correspond to the change in the Producer Price Index for Fluid Milk Products. The cost of milk in excess of the reimbursement must be	School Districts and Non-government Organizations	903,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	borne by sources within the State. There is no maintenance of effort requirement.			
Child and Adult Food Care Program – Commodities – 405 – Richard B. Russell National School Lunch Act, as amended, Sect. 9, 11, 14, 16 and 17, as amended, 89 Stat. 522-525, 42 U.S.C. 1758, 1759a, 1762a, 1765 and 1766	State assistance through grant-in-aid and other means, to initiate and maintain nonprofit food services programs for children, elderly or impaired adults in nonresidential day care facilities and children in emergency shelters. The USDA Food Distribution Program provides foods to children and helps farmers by supporting domestic agriculture and removing surplus commodities from the market. For the National School Nutrition Program (NSLP), the Food Distribution Program complements the Federal cash reimbursement of eligible meals served, providing additional non-cash assistance to schools in the form of USDA Commodities. All sponsors participating in the NSLP are required to participate in the Food Distribution Program. In addition to the cash reimbursements, schools receive commodity foods, purchased with "Commodity Entitlement," at a value set by USDA for each reimbursable meal served during a school year. Schools can also receive "Bonus Commodities" as they are available from surplus agricultural stocks. The State surveys School Food Authorities to determine demand and orders and coordinates distribution of a wide variety of USDA commodities.	Counties, School Districts, State Agencies, and Non-government Organizations	845,000	
Child and Adult Care Food Program Food Service – 407 - Richard B. Russell National School Lunch Act, as amended, Sect. 9, 11, 14, 16 and 17, as amended, 89 Stat. 522-525, 42 U.S.C. 1758, 1759a, 1762a, 1765 and 1766	State assistance through grant-in-aid and other means, to initiate and maintain nonprofit food services programs for children, elderly or impaired adults in nonresidential day care facilities and children in emergency shelters. Funds are available for eligible institutions to reimburse their costs in providing meals and snacks to homeless children in emergency shelters and children and adults receiving nonresidential day care (including after school programs). Disbursement is made on the basis of the number of lunches, suppers, breakfasts and snacks served using annually adjusted reimbursement rates. Programs can receive reimbursement for 3 meals per day, per participant. The program is available in child care centers and homes to children up to age 12 (except for children of migrant workers that participate up to age 15) and individuals with disabilities without regard for age who are participating in a center or home where the majority of the children are 18 or younger.	Counties, School Districts, State Agencies, and Non-government Organizations	54,311,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	Children in emergency centers participate through age 18. After school care programs, reimbursement is available for snacks. For adult day care centers, functionally impaired adults 18 and older or all adults 60 and older (not residents of an institution) are eligible. This is part of the block grant. Funds are provided based on the rates of reimbursement multiplied by the number of meals served. Rates are adjusted annually based on the Food at Home series of the CPI for all urban consumers. The reimbursement for this program is passed on by sponsoring organizations to the day care home providers under their auspices. There is no maintenance of effort requirement .			
FNS FFY 2002 Award Prior Claims - 500	CACFP claims payments processed that had been in process for prior closed federal fiscal year.	Non-Government Organizations	1,069,000	
Child and Adult Care Food Program Sponsor Administration – 408 - Richard B. Russell National School Lunch Act, as amended, Sect. 9, 11, 14, 16 and 17, as amended, 89 Stat. 522-525, 42 U.S.C. 1758, 1759a, 1762a, 1765 and 1766	State assistance through grant-in-aid and other means, to initiate and maintain nonprofit food services programs for children, elderly or impaired adults in nonresidential day care facilities and children in emergency shelters. Funds are available for eligible institutions to reimburse their costs in providing meals and snacks to homeless children in emergency shelters and children and adults receiving nonresidential day care (including after school programs). Centers participating in this program are required to have sponsors that monitor activities of participating providers to assure compliance with all program requirements for food served, nutritional value and claims. The funds are provided to sponsors to cover the cost of administering the program requirements at all sponsored locations.	Non-government Organizations	6,928,000	
Summer Food Service Program for Children State Administration – 410 – Richard B. Russell National School Lunch Act, Sect. 9, 13 and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a	Assistance provided to states to conduct nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	Non-government Organization	39,000	
Summer Food Program Sponsor – G15 - Richard B. Russell National School Lunch Act, Sect. 9, 13 and 14, as	Assistance provided to states to conduct nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation. Food service centers	Cities and Towns, School Districts, State Agencies, Non-government Organizations	281,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
amended, 42 U.S.C. 1758, 1761 and 1762a	participating in this program are required to have sponsors that monitor activities of participating providers to assure compliance with all program requirements for food served, nutritional value and claims. The funds are provided to sponsors to cover the cost of administering the program requirements at all sponsored locations.			
Summer Food Program Operations – G16 - Richard B. Russell National School Lunch Act, Sect. 9, 13 and 14, as amended, 42 U.S.C. 1758, 1761 and 1762a	Assistance provided to states to conduct nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation. Funds are available for eligible service institutions that provide free meals to children in areas that at least 50% of the children meet the income eligibility criteria for free and reduced price lunches. Meals may be served to children 18 and under and to individuals over 18 who participate in State approved school programs for persons with disabilities. The program generally operates May through September at site locations where regularly scheduled food services are provided for children. Reimbursement may be provided for one meal and 1 snack or 2 meals per child per day. Camps and sites serving primarily children of migrant workers may be approved for 3 meals per day. This is part of the block grant. Reimbursements are provided on a per meal basis with the rate adjusted January 1 to reflect changes in the Food Away From Home series of the CPI. There is no maintenance of effort requirement.	Cities and Towns, School Districts, Higher Education, State Agencies, Non-government Organizations	2,824,000	
Team Nutrition Training – J12 – National School Lunch Act, Sect. 6(a)(3) Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Act of 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003 Public Law 104-280, 105-86, 105-277, 106-78, 106-387, 107-229	Team Nutrition Training Grants for Health School meals is a national plan for training and technical assistance for supporting USDA goals for nutritional requirements in school meals. The goal is to improve children's lifelong eating and physical activity habits by using the principles of the Dietary Guidelines for Americans and the Food Guide System. Funding is provided to state agencies to establish or enhance sustainable infrastructures for implementing training using behavior focused strategies. This is a competitive grant application process. There are no matching requirements.	Non-government Organizations	7,000	
Adult Basic Education – Basic Grants to States – 421 – Adult Education and Family Literacy Act; 20	To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs. Participation in these programs	Counties, School Districts, Higher Education, State Agencies, and Non-government	7,795,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
U.S.C. 1209 et seq.	is limited to adults and out-of-school youths aged 16 and older. This is a formula grant. Specific performance measures are indicated in the Act and include: demonstrated improvements in literacy skills levels in reading, writing and speaking in the English language, numeracy, problem solving, English language acquisition and other literacy skills; placement, retention or completion of postsecondary education, training, unsubsidized employment, or career advancement; receipt of a high school diploma or equivalent; other objective, quantifiable measures, as identified by the State. Up to 12.5% of the State allotment can be used for State leadership activities (including professional development); 82.5 shall be used to support local programs and corrections education and other institutionalized individuals (with not more than 8.25% going to corrections or other institutionalized individuals); 5% may be used for State administrative costs. The program is subject to non-supplanting and must use a restricted indirect cost rate. Each state received an initial allotment of $250,000 plus an amount calculated on the basis of the ratio of adults 16 and older who are not enrolled or required to be enrolled in secondary school under State law. No State shall receive less than 90% of its allotment for the preceding fiscal year. Eligible outlying agencies must provide a nonfederal contribution in an amount equal to 12% of the total amount of funds expended for adult education and literacy activities. Maintenance of effort is required.	Organizations		
Migrant Education – 422 - Elementary and Secondary Education Act of 1965, Title I, Part C, as amended. 20 U.S.C. 6391 et seq.	To assist States to ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet. This is a formula grant program. Program funds are used to support high quality and comprehensive educational programs that address the needs of migratory children. Funds are allocated through a statutory formula based on each State's per pupil expenditure and the number of eligible full-time and part-time equivalent migrant students aged three through twenty-one residing within the State. In determining the full-time and part-time equivalent number of migratory children who are in a State during the summer months, the	School Districts, Higher Education and Non-government Organizations	2,054,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	Secretary adjusts the number to take into account the special needs of those children for summer and/or intersession programs and the additional costs of operating such programs during the summer. Beginning in 2003, each State will receive at least 100% of its fiscal year 2002 allocation and any amount in excess of that appropriation will be distributed by the formula included above.			
Neglected and Delinquent -423 - Elementary and Secondary Education Act; Title I, Part D, Subpart 1	To help provide education continuity for children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released from State institutions. This is a formula grant program. Funds are used for educational or educationally related services. State juvenile institutions are eligible to use funds for institution wide programs that integrate activities with other Federal, State, and local education programs in the institution. In facilities not operating institution wide programs, services must be used to supplement, not supplant, those normally provided with State funds.	State Agencies	262,000	
Deaf Blind Center – 424 - Individuals with Disabilities Education Act (IDEA), Part D, Subpart 2, Sect. 663, as amended, 20 U.S.C. 1463	To promote academic achievement and improve results for children with disabilities by supporting technical assistance, supporting model demonstration projects, dissemination useful information, and implementing activities that are supported by scientifically based research. This is a project grant. Funds must be used to support the objectives of the program. USDE can require a recipient of a grant, contract or cooperative agreement to share in the cost of a project.	School District	175,000	
LSTA Title I – Grants to States for Library Services – 426 - Museum and Library Services Act, codified at 20 U.S.C. Sect. 9101 et seq	To promote improvement in library services in all types of libraries to better serve the people of the United States. To facilitate access to resources in all types of libraries for the purpose of cultivating an educated and informed citizenry and to encourage resource sharing among all types of libraries for the purpose of achieving economical and efficient delivery of library services to the public. This is a formula grant program. To make grants to state library administrative agencies which shall expend funds, either directly or through sub-grants, for: expanding services for learning and access to information and educational resources in a variety of formats, in all types of libraries, for individuals of all ages; developing	School Districts, Higher Education, Other Government, and State Agencies	2,701,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	library services that provide all users access to information through local, state, regional, national, and international electronic networks; providing electronic and other linkages between and among all types of libraries; developing public and private partnerships with other agencies and community-based organizations; targeting library services to help increase access and ability to use information resources for persons of diverse geographic, cultural, and socioeconomic backgrounds; persons with disabilities; and persons with limited functional literacy or information skills; and targeting library and information services to help increase access and ability to use information resources for persons who have difficulty using a library and for underserved urban and rural communities, including children from birth through age 17 from families with incomes below the poverty line. The amount a State receives under this program consists of a minimum allotment set by Congress (20 USCS 9131(b)) plus an additional amount based on the most current published population estimates available the first day of the federal fiscal year from the Bureau of the Census. The federal share is 66% and the state matching requirement is 34%.			
Rural and Low Income Schools – 428 - Elementary and Secondary Education Act, Title VI, Part B	To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. This is a formula grant program. Grantees under the Small, Rural School Achievement Program component may use program funds to carry out activities authorized under: Title I-Part A (Grants to LEAs); Title II- Part A (Improving Teacher Quality State Grants); Title II-Part D (Educational Technology State Grants); Title III (Language Instruction for Limited English Proficient and Immigrant Students); Title IV-Part A (Safe and Drug-Free Schools and Communities State Grants); Title IV-Part B (21st Century Community Learning Centers); and Title V-Part A (State Grants for Innovative Programs). Grantees under the Rural and Low- Income School Program component may use program funds for: teacher recruitment and retention; teacher professional development; educational technology; parental involvement activities; activities authorized under ESEA Title IV-Part A	School Districts	75,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	(Safe and Drug-Free Schools and Communities); activities authorized under ESEA Title I-Part A (Grants to LEAs); and activities authorized under ESEA Title III (Language Instruction for Limited English Proficient and Immigrant Students). For the Small, Rural School Achievement Program component, LEA allocations are based on a statutory formula which weighs ADA numbers and the LEAs prior year's allocations under ESEA Title II-subpart 2, Title II-Sect. 2412(a)(2)(A), Title IV- Sect. 4114, and Title V-Part A. Contact the program office for more specific information. For the Rural and Low-Income School Program component, SEA allocations are based on the ADA numbers of eligible LEA recipients. SEA's may make sub-grants through formula or by competition.			
School Dropout Prevention – 431 - Elementary and Secondary Education Act of 1965, as amended; Title I, Part H	To support effective, sustainable and coordinated dropout prevention and reentry programs in high schools with annual dropout rates that exceed their state average annual dropout rate. Middle schools that have students who continue on to these high schools are also supported. This grant is a project grant. Grant recipients must implement proven strategies for reducing the number of students who drop out before completing secondary school and for assisting youth to reenter school after they have dropped out. These strategies may include: identify students at risk of dropping out; providing at-risk students with services designed to prevent them from dropping out; identifying and encouraging youth who already have dropped out to reenter school; and implementing other comprehensive approach. Specifically authorized activities include: professional development; reduction in pupil-teacher ratios; counseling and mentoring for at-risk students; and implementing comprehensive school reform models. There is no matching requirement.	School Districts	60,000	
Preschool Grant – Part B – 434 - Individuals with Disabilities Education Act (IDEA), Part B, Sect. 619, as amended, 20 U.S.C. 1419	To provide grants to States to assist them to make available special education and related services for children with disabilities ages 3 through 5 years, and at a State's discretion, to 2 year old children with disabilities who will reach age three during the school year. This is a formula grant program. Funds are used by State education agencies: to provide a free appropriate public education (FAPE) to	School Districts, Higher Education and Non-government Organizations	6,697,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	preschool children with disabilities ages 3 through 5, and at the State's discretion, to 2-year old children with disabilities who will reach age 3 during the next school year; to administer Sect. 619; and for support services, direct services, activities to meet the State's performance goals, to supplement other funds used for a Statewide coordinated service system designed to improve results for children and families, to provide early intervention services in accordance with Part C to children ages 3 through 5 who would otherwise be eligible under the Preschool Grants program, and to continue service coordination or case management for families who receive services under Part C. Preschool Grants are awarded to States based on a statutory formula. A State first receives the amount it received under this program in federal fiscal year 1997. If the appropriation for this program in any subsequent fiscal year exceeds the amount for the preceding fiscal year, 85% of the excess appropriation over the fiscal year 1997 appropriation is awarded to States based on their relative populations of children aged 3 through 5, and 15% of the excess appropriation is awarded based on the State's relative population of all children aged 3 - 5 living in poverty. The formula also provides several floors and ceilings regarding the amount a State can receive in a year. The Act also specifies how funds are allocated when the appropriation is less the amount provided in the prior fiscal year.			
Infant and Toddlers – Part C – 435 - Individuals with Disabilities Education Act (IDEA), Part C, as amended, 20 U.S.C. 1431-1444	To provide grants to States to assist them to implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families. This is a formula grant program. Funds are used to assist States in implementing and maintaining their Statewide systems of early intervention services. Funding may also be used to provide direct services for eligible infants and toddlers with disabilities aged birth through 2 and their families that are not otherwise provided by other public or private sources, to expand and improve services for infants and toddlers with disabilities that are otherwise available and to provide a free appropriate public education, in accordance with Part B of	School Districts and Non-Government Organizations	5,131,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	IDEA, to children with disabilities from their third birthday to the beginning of the following school year. States also have the discretion to provide services to infants and toddlers who are at risk of having substantial developmental delays if they do not receive appropriate early intervention services. The Individuals with Disabilities Education Improvement Act of 2004 amended IDEA to allow states, at their discretion, to continue to serve children with disabilities under this program beyond age 2 until the children enter or are eligible to enter kindergarten or elementary school, if the children are otherwise eligible for services under the Preschool Grants Program (84.173), and previously received services under this program. Awards are based on each applicants proportionate share of children, aged birth through two years, in the general population, based on the most recent satisfactory data available from the United States Bureau of the Census. No State shall receive less than 0.5% of the funds available for all States. The Department of Interior receives 1.25% of the amount available to States. The Outlying Areas receive up to 1% of the funds appropriated.			
Drug and Violence Prevention – 437/438 - Elementary and Secondary Education Act, Title IV, Part A, Subpart 1, as amended. 20 U.S.C. 7111-7117	To offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco, and drugs, involve parents, and are coordinated with related Federal, State, and community efforts and resources. This is a formula grant program. Drug prevention programs must convey a clear and consistent message that the illegal use of alcohol and other drugs is wrong and harmful. Generally, funds under the program may not be used for construction, medical services, or drug treatment or rehabilitation. This program is subject to maintenance of effort requirements. The statutory formula used to determine each State's allotment is authorized by Title IV, Part A, Subpart 1, Elementary and Secondary Education Act, as amended (ESEA). This program has maintenance of effort requirements; see funding agency for further details. From the total appropriation, 1% or $4.75 million (whichever is greater) is reserved for the Outlying Areas, 1% or $4.75 million (whichever is greater) is reserved for the	Counties and School Districts	4,104,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	Bureau of Indian Affairs for programs for Indian youth, and 0.2% is reserved for programs for Native Hawaiians. The Department allocates the remaining funds by formula to States, half on the basis of school-aged population and half on the basis of State shares of ESEA Title I Concentration Grants funding for the previous year, provided that no State receives less than the greater of: (1) one-half of 1% of the total, or (2) the amount it received under the program in fiscal year 2001. Of each State's allocation, the Governor may elect to administer up to 20% of the funds; the remainder is administered by the State educational agency. The SEA must sub-grant at least 93% to LEAs. LEA allocations are based 60% on ESEA Title I Concentration Grant funding for the preceding year and 40% on enrollment.			
Homeless Children – 440 - McKinney-Vento Homeless Assistance Act, Title VII, Subtitle B	To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States, Outlying Areas, and the Bureau of Indian Education (BIE) to: (1)establish or designate an Office of Coordinator of Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3)make sub-grants to local educational agencies to support the education of those children. This is a formula grant program. SEAs and LEAs may use funds for a wide variety of activities that facilitate the educational success of homeless children and youth. Such activities include: tutoring summer enrichment programs, the provision of school supplies, and professional development designed to heighten educators' understanding of and sensitivity to the needs of homeless children and youth. Services provided with these funds cannot replace the regular academic program and must expand upon or improve services provided as part of the regular academic program. Each State educational agency receives an amount that bears the same ratio to the amount appropriated for this program as the amount allocated under Sect. 1122 of the Elementary and Secondary Education Act bears to the total allocations made under Sect. 1122. States shall not receive less	School Districts	650,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	than $150,000, 0.25% of the total, or the amount of the State's fiscal year 2001 award.			
Even Start – 441 - Elementary and Secondary Education Act, as amended; Title I, Part B, Subpart 3. 20 U.S.C. 6362	To help break the cycle of poverty and illiteracy and improve the educational opportunities of low-income families, by integrating early childhood education, adult literacy or adult basic education, and parenting education into a unified family literacy program. This is both a formula and project grant program. Sub-grants are used for activities such as recruitment and screening of children and parents, design of programs, instruction of children and parents, support services, staff training, evaluation, and coordination with other programs. The Federal share of the cost of a sub-grant project is not more than 90% in the first year, 80% in the second year, 70% in the third year, 60% in the fourth year, and 50% in any subsequent year. Federal funds are distributed to SEAs based on their relative shares of Title I, Part A of ESEA.	School Districts	621,000	
Title V – State Grants for Innovative Programs – 449 - Elementary and Secondary Education Act of 1965, Title V, Part A	To assist State and local educational agencies in the reform of elementary and secondary education. This is a formula grant program. Funding may be used for the following purposes: to support local education reform efforts; to provide funding to enable state educational agencies and local educational agencies to implement promising educational reform programs and school improvement programs that rely on scientifically based research; to provide a continuing source of innovation and educational improvement, including support programs that provide library services and instructional and media materials; to meet the educational needs of all students, including at-risk youths; and to develop and implement education programs to improve school, student, and teacher performance, including professional development activities and class-size reduction programs. The Department is authorized to reserve up to 1% of the funds for the Outlying areas. The balance is allotted to SEAs based on the State's relative share of the Nation's school-aged population. The SEA is authorized to reserve up to 15% of the funds for State administration and technical assistance, of which not more than 15% may be used for administrative expenses. The balance of the funds the State receives is distributed to the LEAs on	School Districts	1,367,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	the basis of the formula developed by the State and approved by the USDOE.			
Title I Grants to LEAS – 450 - Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq	To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. This is a formula grant program. Use of funds varies, depending on whether a school is operating a schoolwide program under Sect. 1114 of Title I or a targeted assistance program under Sect. 1115. A school with at least a 40% poverty rate may choose to operate a schoolwide program under Sect. 1114 that allows Title I funds to be combined with other Federal, State, and local funds to upgrade the school's overall instructional program. All other participating schools must operate targeted assistance programs, which provide extra instruction to those children failing, or most at risk of failing, to meet challenging State academic standards. Targeted assistance programs must ensure that Title I services supplement, not supplant the regular education programs normally provided by State and local educational agencies. The statute includes four separate formulas for allocating Title I Grants to LEAs. Under the statute, Basic and Concentration Grants are funded at the 2001 appropriation level. Basic Grants are allocated to almost all local educational agencies based on each State's per-pupil expenditure for education and the number of school-aged children from low-income families. Concentration Grants are allocated to LEAs having more than 6,500 children from low-income families or a poverty rate of more than 15%. In addition, funds appropriated in excess of the fiscal year 2001 level are to be distributed as Targeted Grants, which make higher payments to LEAs with higher numbers or percentages of poor children. The law also includes a separately authorized Education Finance Incentive Grants formula, which incorporates factors designed to measure a State's commitment to provide sufficient education funding, as well as how equitably that funding is distributed across districts. Allocations from all four formulas are combined into a single award to eligible LEAs. Within LEAs, funds are targeted to schools with the greatest percentages of poor children. The Bureau of Indian Affairs, Outlying Areas, and the	School Districts	114,596,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	Pacific Regional Education Laboratory also receive funding.			
Children with Disabilities – 451 - Individuals with Disabilities Education Act (IDEA), Part B, Sect. 611-618, as amended, 20 U.S.C. 1411-1418	To provide grants to States to assist them in providing a free appropriate public education to all children with disabilities. This is a formula grant program. Funds are used by State and local educational agencies, in accordance with the IDEA, to help provide the special education and related services needed to make a free appropriate public education available to all eligible children and, in some cases, early intervening services. Funds are awarded based on a statutory formula. In general, subject to minimum and maximum funding requirements, if the funds available to States increase from one year to the next, each of the states first received what it received in 1999. Eighty-five percent of the remaining funds are distributed based on the relative number of children with disabilities in the age range for which States mandate services; 15% of the remaining funds are distributed based on the relative numbers of those children living in poverty. If the amount available to these entities decreases from one year to the next, each entity receives what it did in 1999. Remaining funds are distributed in proportion to the increase these entities received between 1999 and the present year. Most of the funds must be distributed to local education agencies directly serving children. States may retain the remaining funds for state-level activities including administration of, support of, and direct services to children with disabilities. There are excess cost requirements.	School Districts, Higher Education, State Agencies, and Non-government Organization	180,480,000	
Education Technology (Enhancing Education through Techology Program) - 452 - Elementary and Secondary Education Act of 1965, as amended, Title II, Part D, Subparts 1 and 2	To provide grants to SEAs on a formula basis to (a) improve student academic achievement through the use of technology in schools; (b) assist all students in becoming technologically literate by the end of eighth grade; and (c) encourage the effective integration of technology with teacher training and curriculum development to establish successful research-based instructional methods. This is a formula grant program. At least 95% of awards to SEAs must be used to make sub-grants to LEAs. Half of the sub-grant funds (the 95%) must be used for formula awards to eligible local educational agencies (LEAs) that receive funds under Title I, Part A. The remaining one-half provides competitive awards to eligible local entities. In the U.S. DOE FY 2006	School Districts	4,084,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	appropriations bill, Congress also included language overriding this statutory provision and included language that provides SEAs with the flexibility to reserve up to 100% of their allocations for competitive awards to eligible entities. These provisions continue to apply under the FY 2008 appropriation. Each LEA and eligible entity receiving funds under this program must use at least 25% of its funds to provide professional development; the remaining funds must be used to carry out other activities consistent with the purposes of the program and the district's local technology plan. Funds are allocated to States proportionate to their share under Part A of Title I of ESEA but with a minimum allocation to any State of one-half of 1% of the amount appropriated.			
21st Century Community Learning – 461 - Elementary and Secondary Education Act of 1965, as amended, Title IV, Part B	To create community learning centers that provide academic enrichment opportunities for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student standards in core academic subjects, such as reading and math; offers students a broad array of enrichment activities that should complement their regular academic programs; and offers literacy and other educational services to the families of participating children. This is a formula grant program. Projects funded under this program must be for the purpose of meeting the needs of the residents of rural and inner city communities, through the creation or expansion of community learning centers. Funds are allocated to States in proportion to each state's share of funds in the previous fiscal year under Part A of Title I of the ESEA, except that no state may receive less than 0.5 of 1% of the amount available to states.	Schools Districts, Higher Education, State Agencies, Non-government Organization, and Sovereign Entity	9,739,000	
English Language Acquisition – 464 - Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sect.s 3101-3129	To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaska Native children with certain modifications relative to the unique status of native American language under Federal Law. This is both formula and project grant program. The Department makes awards	School Districts	7,926,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	to States using a formula based on their numbers of limited English proficient (LEP) children and immigrant children. States must use at least 95% of their allotments to award local educational agencies sub-grants to assist limited English proficient students learn English and meet challenging State academic content and student achievement standards and to provide immigrant students enhanced instructional opportunities. States may reserve up to 5% of their allotments for administrative costs and technical assistance to sub-grantees. The Department awards funds to Outlying Areas for such activities in developing instructional programs for LEP students by hiring tutors, conducting professional development for paraprofessionals, training teachers, hiring teachers for "new-comer" programs, and purchasing and developing materials to be used in the classroom for the instruction of LEP students. Grants for Native American projects are used to increase English proficiency and student academic achievement for LEP students and provide high-quality professional development training for teachers and support personnel. Training must improve teacher instruction and assessment capabilities, and enhance their ability to understand and use curricula, assessment measures, and instructional strategies for LEP students. Training must also be based upon scientifically based research and be of sufficient intensity and duration to have a positive and lasting impact. Funds may also be used for identifying, acquiring, and upgrading curricula, instructional materials, educational software, and assessment procedures. State grants will be issued on a formula basis based on the count of LEP students and the count of immigrant children. Eighty percent of the funds are allocated based on the State's portion of the LEP count as compared to the total LEP count for all States, and 20% are allocated based on the state's portion of the immigrant children count as compared to the count for all States. Outlying area grants are issued on a formula basis based on the number of LEP students in the particular outlying area as compared to the LEP count for all of the outlying areas. The amount of Native American institutions discretionary grants based is based on			

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	budget request.			
Improving Teacher Quality – 465 - Elementary and Secondary Education Act of 1965, Title II, Part A	To provide grants to State Educational Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. This is a formula grant program. At least 95% of awards to SEAs must be used to make sub-grants to LEAs for the following purposes: to assist schools in effectively recruiting and retaining highly qualified teachers; to afford to LEAs the means of recruiting, hiring, and retaining teachers; to make available professional development activities that address subject matter knowledge; and other activities. Improving Teacher Quality State Grants funds are distributed by formula. Each State receives the amount of funds that it received from the antecedent Eisenhower Professional Development State Grants and Class Size Reduction programs in fiscal year 2001. Remaining funds are then allocated to States by formula based 35% on States' relative share of the population aged 5 to 17 and 65% on States' relative share of poor children aged 5 to 17, with each State receiving at least one-half of 1% of these remaining funds.	School Districts	34,836,000	
Reading First – 468 - Elementary and Secondary Education Act of 1965, as amended, Title I, Part B, Subpart 1	To ensure that every student can read at grade level or above by the end of third grade. The Reading First program provides assistance to States and districts in establishing reading programs for students in kindergarten through third grade that are based on scientifically based reading research. Reading First also focuses on teacher development and ensuring that all teachers, including special education teachers, have the tools they need to effectively help their students learn to read. The program provides assistance to States and districts in preparing teachers to identify specific reading barriers facing their students. This is a project grant program. Each State educational agency (SEA) receiving a grant shall use the funds to establish reading programs that are based on scientifically based reading	School Districts	3,412,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	research. The Department awards grants through a formula based on the State's share of children aged 5-17 whose families have incomes below the poverty line, after first reserving 1/2 of 1% for the Outlying Areas and 1/2 of 1% for Bureau of Indian Education schools.			
Vocational Education Act – 482 - Carl D. Perkins Career Technical Education Act of 2006, Title I	To develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and tech education programs. This is a formula grant program. Each State may keep up to 5% of its award for state administration and up to 10% of its award to fund leadership activities. Each State must distribute at least 85% of its award to local agencies to fund secondary and postsecondary institutions that provide career and technical education services, from which the state may choose to award an amount equivalent to 10% of its award to make awards to local agencies in rural areas, areas with high percentages of career and technical education students, and areas with high numbers of career and technical education students. The funding formula is based on State per-capita income and population in three age cohorts (15-19, 20-24, and 25-65). The formula provides for a minimum State allocation of at least 0.5% of the total, and a "hold-harmless" provision in the formula ensures that no State's share of the appropriation is less than its share of the fiscal year 1998 appropriation. A special provision limits the increase a State with an initial allocation of the 0.5% minimum may receive, resulting in a number of States that receive an allocation of less than 0.5% of the total. If appropriations result in the amount of funds for allocation to States exceeding the amount of funds allocated to States from the FY 2006 appropriation, up to one-third of the additional funds are allotted to States with FY 2006 grants that are less than the minimum 0.5% grant amount and the remainder would flow to the other States. In addition, the Pacific territories receive 0.13% of the total appropriated for State Grants to operate the same kinds of career and technical education programs as the States. Also, 1.25% of the total appropriation for State Grants is set aside for grants to federally recognized Indian tribes and tribal organizations, and 0.25% is set aside for competitive grants to	School Districts, Higher Education, State Agencies, and Non-government Organizations	6,025,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	organizations that primarily serve and represent Hawaiian Natives. The Bureau of the Census supplies the population data; the Department of Labor supplies the per-capita income data. Sect. 102 of the Perkins Act requires 50/50 matching for State administration. No match is required for American Samoa, the Northern Mariana Islands, the Virgin Islands, Guam, or the Republic of Palau. The Perkins Act describes maintenance of effort requirements.			
Voluntary School Choice – 486 - Elementary and Secondary Education Act, as amended; Title V, Part B, Subpart 3; 20 U.S.C. 7225-7225g	To support efforts to establish or expand intra-district, inter-district, and open enrollment public school choice programs to provide parents, particularly parents whose children attend low-performing public schools, with expanded education options and with greater choice for their children's education. This is a project grant program. An eligible entity that receives a grant under this subpart may use the grant funds for: planning or designing a program (for not more than 1 year); the cost of making tuition transfer payments to public elementary schools or secondary schools to which students transfer under the program; the cost of capacity-enhancing activities that enable high-demand public elementary schools or secondary schools to accommodate transfer requests under the program; the cost of carrying out public education campaigns to inform students and parents about the program; and other costs reasonably necessary to implement the program. An eligible entity that receives a grant under this subpart may not use the grant funds for school construction. The eligible entity may use not more than 5% of the funds made available through the grant for any fiscal year for administrative expenses. There is no matching requirement.	School Districts and Non-government Organizations	2,886,000	
Learn and Serve America School and Community Based Programs – 497 - National and Community Service Act of 1990, as amended	To encourage elementary and secondary schools and community-based agencies to create, develop, and offer service- learning opportunities for school- age youth; educate teachers about service- learning and incorporate service-learning opportunities into classrooms to enhance academic learning; coordinate adult volunteers in schools; and introduce young people to a broad range of careers and encourage them to pursue further education and training. This is a project grant program. Grant funds may be used for a wide range of activities including:	School Districts	202,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
	planning and capacity building; operating and expanding service-learning programs through grants to local partnerships; implementing and expanding school-based programs involving adult volunteers to use service-learning to improve the education of students; and providing training and technical assistance to qualified organizations. Corporation assistance may not be used to provide religious instruction, conduct worship services or engage in any form of proselytization; to assist, promote, or deter union organizing; to finance, directly or indirectly, any activity designed to influence the outcome of an election to any public office; or to impair existing contracts for service of collective bargaining agreements. The Corporation's share of the total cost of carrying out a funded program may not exceed 90% for the first program year; 80% for the second year; 70% for the third year; 50% for the fourth and any subsequent year.			
School Improvement Grants – J99 - Sect. 1003(g) of the Elementary and Secondary Education Act (ESEA), as amended (Public Law 107-110)(115 Stat. 1442, 20 U.S.C. 6303(g)).	To strengthen the capacity of States to carry out their program improvement responsibilities required of Title I of the ESEA by building State capacity to provide leadership in implementing effective school improvement strategies for local educational agencies (LEAs) and schools that have been identified for improvement, are in corrective action, and are in the restructuring process and providing resources to LEAs to support school improvement activities, including the development and implementation of effective restructuring plans. This is a project grant program. A State educational agency (SEA) must allocate at least 95% of the amount of the funds it receives directly to LEAs for schools that have been identified for improvement, corrective action, or restructuring to carry out activities. An SEA may retain up to 5% of the grant amount received for administration, evaluation, and technical assistance expenses. At the LEA level, these funds may be used for any reasonable costs associated with carrying out school improvement, corrective action, or restructuring activities. There are no matching requirements.	School Districts	5,205,000	
Fresh Fruit and Vegetable Program – K14 - National School Lunch Act, as amended, 42 U.S.C.	To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. This is a project grant	School Districts	893,000	

Program Name Federal or State or Both (citation)	Purpose	Recipient Type (s) Eligibility Criteria	Budgeted FY 2009	Most Recent Federal Award (cite year)
1769	program. The National School Lunch Act, Federally appropriated Fresh Fruit and Vegetable Program funds are available to a specified number of State agencies: 25 schools in each of eight designated states (Indiana, Iowa, Michigan, Mississippi, North Carolina, Pennsylvania, Ohio, Washington); and 25 schools among three Indian Tribal Organizations in 3 designated states (Arizona, South Dakota, and New Mexico). Participating public and nonprofit private schools of high school grade or under are reimbursed free to school children outside of the lunch or breakfast food service periods. All participating schools must agree to serve fresh fruits and vegetables free to all enrolled children, and to publicize fresh fruit and vegetable availability within the school. Funds are allocated to each State based on the enrollment of schools selected for participation. There is no matching requirement.			
Enhanced Assessment Grant – K19 –	To enhance the assessment program to provide access to all student content on grade level assessments.	Non-government Organization	830,000	
Fund 610 – Miscellaneous Agency				
Bush Foundation ESL	To provide additional ESL services to supplement state and federal initiatives.	School Districts	20,000	
FNS Restitution Recapture	To return funds overpaid to providers.	Non-government Organizations	66,000	
NGA – STEM Grant	To develop and implement comprehensive plans to engage in K-12 science, technology, engineering and math education redesign that supports a state economy's innovation capacity. Funds are granted to MDE from the Bill and Melinda Gates Foundation to grant to schools.	School Districts	475,000	

Federal Program ($ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
Adult Basic Education 421	152	SO	676	986	963	983
	40,151	GPS	4,348	7,024	6,312	69,21
	1,443	GCBO	876	771	738	799
	40,496	TOTAL	5,900	8,781	8,013	8,703
Byrd Honors Scholarships 436		GI	675	804	700	700
Carl Perkins Act – Vocational Education 482	475	SO	796	909	944	970
	0	GPS	6,977	6,020	6,020	6,020
	0	GCBO	5	5	5	5
	475	TOTAL	7,778	6,934	6,969	6,995
Charter School – Facilities Grant 354	0	SO	81	142	0	0
	32,817	GPS	6,514	8,034	0	0
	33,817	TOTAL	6,595	8,176	0	0
Charter School – Start-up 355	268	SO	370	452	546	570
	1,801	GPS	6,884	7,000	7,500	7,500
	2,069	TOTAL	7,254	7,452	8,046	8,070
Comprehensive School Health Programs 481		SO	347	578	587	599
Comprehensive School Health Improve Health & Educational Outcomes K60		SO	0	63	0	0
Comprehensive School Health Expanding Technical Assistance K66		SO	0	60	9	0
Early Childhood – Head Start 365		SO	132	124	128	131
Early Childhood – Special Education Preschool Grant Part B 434		SO	471	628	651	668
		GPS	6,317	6,618	6,655	6,755
		GCBO	77	79	80	80
		TOTAL	6,865	7,325	7,386	7,503
Early Childhood – Special Education Infants & Toddlers Grant Part C 435		SO	919	1,439	1,461	1,473
		GPS	5,026	5,000	5,000	5,000
		GCBO	44	131	131	131
		Total	5,989	6,570	6,592	6,604
ESEA – Safe & Drug Free Schools 357		SO	184	72	0	0
ESEA – Consolidated Administration Funding 420	155	SO	2,427	2,284	2,478	2,616
ESEA – Migrant Education 422		SO	139	136	138	140
		GPS	1,592	1,626	1,676	1,676
		GCBO	422	428	428	428
		TOTAL	2,153	2,190	2,242	2,244
ESEA – Migrant Education Information System MSIX J22		SO	0	34	0	0
ESEA – Migrant Education Coordination K24		SO	0	71	0	0
ESEA – Neglected and Delinquent 423		GPS	170	262	200	200
ESEA – Foreign Lanaguage Assistance 425	232	GPS	185	0	0	0
ESEA – Rural & Low Income Schools 428		GPS	72	75	75	75

Federal Program ($ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
ESEA – Drop Out Prevention 431		SO	1,087	505	613	618
		GPS	6	60	60	60
		TOTAL	1,093	565	673	678
ESEA – Drug & Violence Prevention 437 and 438		SO	355	563	568	569
		GPS	3,286	4,104	4,343	4,543
		TOTAL	3,641	4,667	4,911	5,112
ESEA – Even Start Family Literacy 441		SO	53	80	82	83
		GPS	673	621	644	644
		TOTAL	726	701	726	727
ESEA – Title V 449		SO	190	268	277	287
		GPS	1,497	1,367	1,500	1,500
		Total	1,687	1,635	1,777	1,787
ESEA – Title I 450		SO	196	182	191	197
		GPS	106,846	114,596	118,988	124,488
		Total	107,042	114,778	119,179	124,685
ESEA – Enhancing Technology State Grants 452	0	SO	118	90	94	96
	45,858	GPS	2,379	4,084	2,700	2,700
	45,858	TOTAL	2,497	4,174	2,794	2,796
ESEA – School Reform 454		GPS	275	0	0	0
ESEA – 21st Century Community Learning 461	56	SO	290	382	398	409
	1,738	GPS	6,370	6,589	6,589	6,589
	839	GCBO	3,127	3,150	3,150	3,150
	2,633	TOTAL	9,787	10,121	10,137	10,148
ESEA – State Assessments 462	16,349	SO	7,531	7,074	7,137	7,177
ESEA – English Language Acquisition 464		GPS	5,464	7,926	8,025	8,025
ESEA – Title II Improving Teacher Quality 465	914	SO	1,209	1,948	2,130	2,186
	0	GPS	33,426	34,836	34,836	34,836
	914	TOTAL	34,635	36,784	36,966	37,022
ESEA – Reading First 468		SO	1,282	790	642	0
		GPS	8,088	3,412	3,000	500
		TOTAL	9,370	4,202	3,642	500
ESEA – Voluntary Public School Choice 486	538	SO	511	618	631	416
	0	GPS	1,400	2,339	2,000	2,100
	0	GCBO	320	547	550	600
	538	TOTAL	2,231	3,504	3,181	3,116
ESEA – Math Science Partnerships 498	31	SO	42	106	108	108
	1,726	GPS	1,399	2,545	2,200	2,000
	0	GCBO	171	0	0	0
	1,757	TOTAL	1,612	2,651	,2,308	2,108
ESEA – School Improvement Grants J99		SO	0	119	120	121
		GPS	0	5,205	5,000	5,000
		TOTAL	0	5,324	5,120	5,121
ESEA – Enhanced Assessment Grant K19		SO	0	830	830	0
FNS – Breakfast 400	4,534	GPS	25,785	28,364	31,200	34,320
	107	GCBO	1,448	1,592	1,752	1,927
	4,641	TOTAL	27,233	29,956	32,952	36,247
FNS – Lunch 403	11,407	GPS	100,645	110,590	121,649	133,815
	687	GCBO	4,617	5,198	5,718	6,289
	12,094	TOTAL	105,262	115,788	127,367	140,104
FNS – Special Milk 404	862	GPS	201	218	240	264
	80	GCBO	620	685	753	829
	942	TOTAL	821	903	993	1,093

Federal Program ($ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
		GPS	58	65	71	78
		GCBO	710	780	858	944
FNS Commodities 405		TOTAL	768	845	929	1,022
FNS – CACFP Audit 406		SO	666	913	944	971
FNS – CACFP Food Service 407 and 500		GPS	665	783	861	947
		GCBO	48,709	54,597	58,882	64,770
		TOTAL	49,374	55,380	59,743	65,717
FNS – CACFP Sponsor Administration 408		GCBO	6,358	6,928	7,481	8,115
FNS – Summer Food Service Program State Administration Expense 410		SO	79	117	84	86
FNS – State Administration Expense G11	163	SO	2,927	4,093	4,303	4,462
FNS – Summer Food Program Sponsor Admin G15		GPS	209	214	236	259
		GCBO	46	67	73	80
		TOTAL	255	281	309	339
FNS – Summer Food Program G16		GPS	2,023	2,344	2,618	2,955
		GCBO	479	480	569	642
		TOTAL	2,502	2,824	3,187	3,597
FNS – Wellness Program H09		SO	15	0	0	0
FNS – Team Nutrition Training J12		SO	0	47	122	68
		GCBO	0	7	16	0
		TOTAL	0	54	138	68
FNS – Fresh Fruits and Vegetables K14		GPS	0	893	982	1,081
Homeless Children 440		SO	55	138	136	137
		GPS	714	650	650	650
		TOTAL	769	788	786	787
Institute of Museum & Library Services – Grants to States 426	575	SO	543	656	669	684
	13,532	GPS	1,826	2,701	2,410	2,210
	14,107	TOTAL	2,369	3,357	3,079	2,894
Learn & Serve America School Based Programs 497		SO	135	120	126	131
		GPS	169	202	202	202
		TOTAL	304	322	328	333
Longitudinal Data Systems 302 and K02		SO	1,149	2,125	1,500	1,500
Special Education - State Improvement Grant 301		SO	430	595	605	613
		GPS	691	626	600	515
		TOTAL	1,121	1,221	1,205	1,128
Special Education - General Supervision Enhancement Grant 307 and 330		SO	250	735	279	279
Special Education – Deaf and Blind Center 424		GPS	263	175	175	175
Special Education – Children with Disabilities 451	580	SO	14,170	16,723	17,251	17,586
	961,025	GPS	170,406	179,075	183,210	184,710
	0	GCBO	971	1,405	1,405	1,405
	961,605	TOTAL	185,547	197,203	201,866	203,701
Teacher Quality Enhancement Grant 469		SO	122	0	0	0
		GPS	306	0	0	0
		TOTAL	428	0	0	0
USDE Contract – NAEP 463		SO	82	136	139	140

Federal Program ($ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
USDE Contract – PBDMI 483		SO	8	12	12	12
State Operations	20,257	SO	40,037	47,943	47,896	47,086
Grants to Political Subdivisions	1,115,683	GPS	513,155	555,350	567,445	588,232
Grants to Individuals	0	GI	675	804	700	700
Grants to Community Based Organizations	3,156	GCBO	69,000	77,743	83,571	91,275
Total	1,139,096		622,867	681,840	699,612	727,293

Key:
Primary Purpose
SO = State Operations
GPS = Grants to Political Subdivision
GI = Grants to Individuals
GCBO = Grants to Community Based Organizations