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https://education.mn.gov/

AT A GLANCE

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

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

MDE supports (2023):

- 849,936 students in prekindergarten through grade 12.
- Over 135,000 children participating in early learning programs.
- 329 school districts, 181 charter schools, and four tribal schools.
- 47,615 adult learners in fiscal year (FY) 2023.

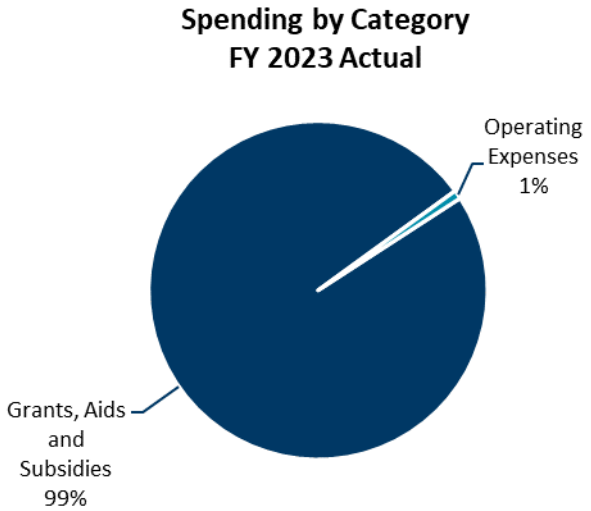
PURPOSE

The MDE mission is: "Ensuring every child receives a quality education, no matter their race or zip code." MDE is striving to make Minnesota the Education State, where the public education system is intentionally designed to help each individual student thrive.

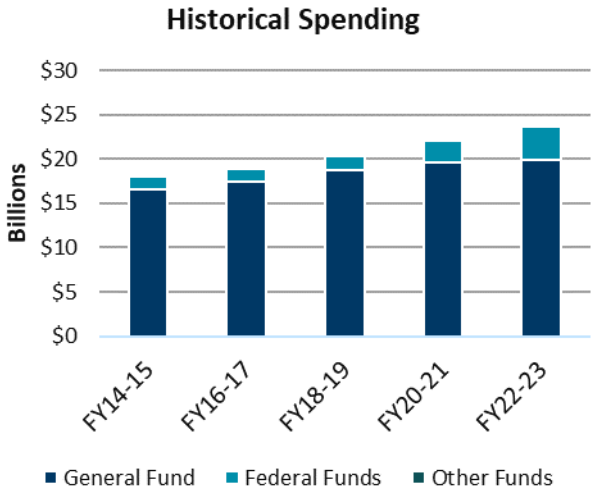
In this work, MDE's key objectives are:

- Every student deserves a world-class education.
- Every student deserves to attend a safe, nurturing learning environment.
- Every student deserves to learn in a classroom with caring, qualified teachers.
- MDE will provide leadership, support, and partnership to schools and libraries across the state.

BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

In FY 2022-2023, 83 percent of education funding originated from the state general fund, 15 percent was from federal funds, and 2 percent was from other funds. In FY 2023, total spending was $11.97 billion; $11.81 billion was passed through the agency as grants and aids, $99.48 million went towards operating expenses, and $51.75 million was spent on employee compensation.

STRATEGIES

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

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

Direct Support

- Department programs provide direct support in continuous improvement of teaching and learning to schools and districts. The Regional Centers of Excellence, now contained within the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) Regional Teams in the Minnesota Service Cooperatives, provide strategic instructional and leadership support and implementation of best practice strategies to improve teaching and learning in the classroom. While the most intensive support is aimed at those schools that need the most assistance, direct support is available to all districts, as needed, through the Regional Centers.

Prekindergarten through Grade 12 Systems

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

Guidance, Technical Assistance, and Funding

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

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	9,856,556	10,094,351	11,550,805	12,282,447	12,429,992	12,932,042	12,415,125	12,763,547
2000 - Restrict Misc Special Revenue	6,820	6,575	8,776	11,549	13,782	8,102	13,782	8,102
2001 - Other Misc Special Revenue	84,299	93,617	297,741	202,087	72,487	43,437	102,487	43,437
2301 - Arts & Cultural Heritage	2,602	2,793	3,000	2,750				
2403 - Gift	124	137	115	217	126	126	126	126
3000 - Federal	1,972,232	1,661,730	1,431,244	1,441,065	997,283	1,000,054	997,283	1,000,054
3015 - ARP-State Fiscal Recovery	49,599	66,144	402					
3801 - Endowment School	35,327	40,878	50,944	57,957	59,170	59,532	59,170	59,532
6000 - Miscellaneous Agency	1	0	2	6	5	5	5	5
Total	**12,007,559**	**11,966,226**	**13,343,028**	**13,998,078**	**13,572,845**	**14,043,298**	**13,587,978**	**13,874,803**
Biennial Change				3,367,321		275,037		121,675
Biennial % Change				14		1		0
Governor's Change from Base								(153,362)
Governor's % Change from Base								(1)

Expenditures by Program								
Education Leadership and Support	184,119	248,598	186,274	181,167	131,258	119,993	138,729	122,058
General Education	7,389,486	7,489,154	8,114,214	8,328,601	8,475,743	8,713,379	8,515,513	8,717,798
Other General Education	50,737	58,989	106,694	128,397	111,942	74,198	88,222	19,178
Choice Programs	177,589	188,708	190,627	232,737	222,297	227,163	222,297	227,163
Indian Education	14,875	14,472	19,197	39,004	31,052	32,203	31,052	32,203
Innovation and Accountability	11,696	12,498	12,472	11,964	11,903	11,903	11,903	11,903
Student and Teacher Opportunities	865,238	1,035,707	885,477	1,013,289	493,466	505,934	503,406	437,169
Special Education	1,947,762	2,068,781	2,513,095	2,782,540	2,978,235	3,220,199	2,959,907	3,169,005
Facilities and Technology	139,219	136,070	135,904	177,711	147,526	143,886	147,526	143,886
Nutrition	948,706	426,115	703,712	729,530	751,863	773,525	751,863	773,525
Libraries	22,650	21,520	47,439	50,140	46,894	47,264	46,894	47,264
Early Childhood and Family Support	194,920	201,826	337,168	246,446	93,294	94,263	93,294	94,263
Community Education	3,802	5,089	32,051	16,171	15,669	16,047	15,669	16,047
Self Sufficient and Lifelong Learning	56,760	58,697	58,703	60,381	61,703	63,341	61,703	63,341
Total	**12,007,559**	**11,966,226**	**13,343,028**	**13,998,078**	**13,572,845**	**14,043,298**	**13,587,978**	**13,874,803**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Category								
Compensation	47,595	51,746	58,652	75,976	68,819	65,022	71,949	67,435
Operating Expenses	90,169	99,476	113,651	174,515	84,624	80,486	90,369	81,529
Grants, Aids and Subsidies	11,869,748	11,814,081	13,169,203	13,746,666	13,418,481	13,897,790	13,424,739	13,725,839
Capital Outlay-Real Property		0						
Other Financial Transaction	47	922	1,523	921	921		921	
Total	**12,007,559**	**11,966,226**	**13,343,028**	**13,998,078**	**13,572,845**	**14,043,298**	**13,587,978**	**13,874,803**
Total Agency Expenditures	12,007,559	11,966,226	13,343,028	13,998,078	13,572,845	14,043,298	13,587,978	13,874,803
Internal Billing Expenditures	6,366	7,122	6,740	8,053	7,194	7,065	7,194	7,065
Expenditures Less Internal Billing	**12,001,193**	**11,959,103**	**13,336,288**	**13,990,025**	**13,565,651**	**14,036,233**	**13,580,784**	**13,867,738**
Full-Time Equivalents	**396.76**	**445.87**	**451.00**	**558.78**	**495.99**	**468.20**	**510.09**	**479.60**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	9,771,818	10,012,515	11,479,127	11,948,012	12,329,299	12,846,580	12,298,722	12,648,526
Levies	3,366,835	3,383,167	3,753,609	3,995,163	4,097,189	4,169,585	4,097,189	4,131,295
District Revenue	13,138,653	13,395,682	15,232,736	15,943,175	16,426,488	17,016,165	16,395,911	16,779,821
Direct Appropriation	10,287,641	10,263,846	12,115,606	12,373,989	12,386,350	12,896,817	12,401,333	12,728,172
Open Appropriation	3,288							
Balance Forward In	3,200	22,747	375	147,131				
Transfers In	1,075	1,519	39,945	1,799	79,566	81,189	80,885	82,495
Transfers Out	82,029	82,334	425,632	240,472	35,924	45,964	67,093	47,120
Cancellations	342,952	111,117	32,359					
Balance Forward Out	13,667	310	147,130					
Expenditures	**9,856,556**	**10,094,351**	**11,550,805**	**12,282,447**	**12,429,992**	**12,932,042**	**12,415,125**	**12,763,547**
Biennial Change in Expenditures				3,882,346		1,528,782		1,345,420
Biennial % Change in Expenditures				19		6		6
Governor's Change from Base								(183,362)
Governor's % Change from Base								(1)
Full-Time Equivalents	140.28	151.92	167.69	237.20	205.01	206.01	219.11	217.41
2000 - Restrict Misc Special Revenue								
Balance Forward In	4,886	5,986	8,050	7,944	5,668	441	5,668	441
Receipts	7,560	8,160	8,669	9,509	8,555	8,028	8,555	8,028
Internal Billing Receipts	6,366	7,092	6,857	8,053	7,194	6,930	7,194	6,930
Transfers Out				236				
Balance Forward Out	5,626	7,571	7,943	5,668	441	367	441	367
Expenditures	**6,820**	**6,575**	**8,776**	**11,549**	**13,782**	**8,102**	**13,782**	**8,102**
Biennial Change in Expenditures				6,930		1,559		1,559
Biennial % Change in Expenditures				52		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	27.79	32.05	32.41	47.06	44.83	19.89	44.83	19.89
2001 - Other Misc Special Revenue								
Balance Forward In	7,164	16,823	20,901	105,319	39,050		39,050	
Receipts	300	368	511	580	483	483	483	483

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Transfers In	77,427	77,459	381,647	242,238	32,954	42,954	62,954	42,954
Transfers Out	18	50		107,000				
Balance Forward Out	575	982	105,318	39,050				
Expenditures	**84,299**	**93,617**	**297,741**	**202,087**	**72,487**	**43,437**	**102,487**	**43,437**
Biennial Change in Expenditures				321,912		(383,904)		(353,904)
Biennial % Change in Expenditures				181		(77)		(71)
Governor's Change from Base								30,000
Governor's % Change from Base								26
Full-Time Equivalents	6.38	7.27	11.18	14.79	3.47	4.62	3.47	4.62

2301 - Arts & Cultural Heritage

Balance Forward In	38	110	0					
Direct Appropriation	2,710	2,710	3,000	2,750	0	0	0	0
Cancellations	35	27						
Balance Forward Out	110							
Expenditures	**2,602**	**2,793**	**3,000**	**2,750**				
Biennial Change in Expenditures				354		(5,750)		(5,750)
Biennial % Change in Expenditures				7		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

2403 - Gift

Balance Forward In	151	167	171	268	80		80	
Receipts	137	104	212	29	46	126	46	126
Balance Forward Out	164	133	268	80				
Expenditures	**124**	**137**	**115**	**217**	**126**	**126**	**126**	**126**
Biennial Change in Expenditures				70		(80)		(80)
Biennial % Change in Expenditures				27		(24)		(24)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.02						

2820 - Maximum Effort School Loan

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Balance Forward In	42	28	27	25	26	26	26	26
Transfers Out	42	28	27	25	26	26	26	26
Net Loan Activity	28	27	25	26	26	26	26	26
Balance Forward Out	28	27	25	26	26	26	26	26

3000 - Federal

Balance Forward In	3	3		172				
Receipts	1,972,229	1,661,732	1,431,417	1,440,893	997,283	1,000,054	997,283	1,000,054
Transfers Out	0							
Balance Forward Out	0	5	173					
Expenditures	**1,972,232**	**1,661,730**	**1,431,244**	**1,441,065**	**997,283**	**1,000,054**	**997,283**	**1,000,054**
Biennial Change in Expenditures				(761,653)		(874,972)		(874,972)
Biennial % Change in Expenditures				(21)		(30)		(30)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	220.74	252.38	239.72	259.73	242.68	237.68	242.68	237.68

3015 - ARP-State Fiscal Recovery

Balance Forward In	57,917	66,142						
Direct Appropriation	48,981	1,600	420					
Cancellations		1,597	18					
Balance Forward Out	57,300							
Expenditures	**49,599**	**66,144**	**402**					
Biennial Change in Expenditures				(115,341)		(402)		(402)
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.57	2.23						

3801 - Endowment School

Transfers In	35,327	40,878	50,944	57,957	59,170	59,532	59,170	59,532
Expenditures	**35,327**	**40,878**	**50,944**	**57,957**	**59,170**	**59,532**	**59,170**	**59,532**
Biennial Change in Expenditures				32,696		9,801		9,801

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Biennial % Change in Expenditures				43		9		9
Governor's Change from Base								0
Governor's % Change from Base								0

6000 - Miscellaneous Agency

Balance Forward In	1	1	1	1				
Receipts	1	0	2	5	5	5	5	5
Balance Forward Out	1	1	1					
Expenditures	**1**	**0**	**2**	**6**	**5**	**5**	**5**	**5**
Biennial Change in Expenditures				7		2		2
Biennial % Change in Expenditures				612		28		28
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Direct				
Fund: 1000 - General				
FY2025 Appropriations	**12,348,179**	**12,348,179**	**12,348,179**	**24,696,358**
Base Adjustments				
All Other One-Time Appropriations		(13,059)	(13,059)	(26,118)
Current Law Base Change		197,859	670,391	868,250
Allocated Reduction	(200)	(200)	(200)	(400)
Programs and Services Moving to DCYF		(227,800)	(229,450)	(457,250)
Minnesota Paid Leave Allocation		45	45	90
November Forecast Adjustment	26,010	81,326	120,911	202,237
Forecast Base	**12,373,989**	**12,386,350**	**12,896,817**	**25,283,167**
Change Items				
Fraud Detection and Prevention		550	550	1,100
Compensatory Revenue Modification		39,864	4,419	44,283
Additional Unemployment Insurance Aid for Hourly Workers		28,989	(19,883)	9,106
Transfer Collaborative Urban and Greater Minnesota Educators of Color Grant		5,440	5,440	10,880
Transfer Teacher Mentorship and Retention Grants to Minnesota Department of Education		4,500	4,500	9,000
Repurpose Summer Food Service Program				
Legal Services Costs		6,000		6,000
Operating Adjustment		677	1,365	2,042
Reduce Special Education Transportation Reimbursement		(17,317)	(31,311)	(48,628)
Eliminate Alternative Teacher Compensation Revenue			(78,705)	(78,705)
Eliminate Nonpublic Pupil Education Aid		(25,845)	(26,677)	(52,522)
Eliminate Nonpublic Pupil Transportation Aid		(27,875)	(28,343)	(56,218)
Total Governor's Recommendations	**12,373,989**	**12,401,333**	**12,728,172**	**25,129,505**
Fund: 2301 - Arts & Cultural Heritage				
FY2025 Appropriations	**2,750**	**2,750**	**2,750**	**5,500**
Base Adjustments				
Current Law Base Change		(2,750)	(2,750)	(5,500)
Forecast Base	**2,750**			
Total Governor's Recommendations	**2,750**			
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	**11,549**	**13,782**	**8,102**	**21,884**
Forecast Base	**11,549**	**13,782**	**8,102**	**21,884**
Total Governor's Recommendations	**11,549**	**13,782**	**8,102**	**21,884**

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	**202,087**	**72,487**	**43,437**	**115,924**
Forecast Base	**202,087**	**72,487**	**43,437**	**115,924**
Change Items				
Additional Unemployment Insurance Aid for Hourly Workers		30,000		30,000
Total Governor's Recommendations	**202,087**	**102,487**	**43,437**	**145,924**
Fund: 2403 - Gift				
Planned Spending	**217**	**126**	**126**	**252**
Forecast Base	**217**	**126**	**126**	**252**
Total Governor's Recommendations	**217**	**126**	**126**	**252**
Fund: 3000 - Federal				
Planned Spending	**1,441,065**	**997,283**	**1,000,054**	**1,997,337**
Forecast Base	**1,441,065**	**997,283**	**1,000,054**	**1,997,337**
Total Governor's Recommendations	**1,441,065**	**997,283**	**1,000,054**	**1,997,337**
Fund: 6000 - Miscellaneous Agency				
Planned Spending	**6**	**5**	**5**	**10**
Forecast Base	**6**	**5**	**5**	**10**
Total Governor's Recommendations	**6**	**5**	**5**	**10**
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	**9,509**	**8,555**	**8,028**	**16,583**
Total Governor's Recommendations	**9,509**	**8,555**	**8,028**	**16,583**
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	**580**	**483**	**483**	**966**
Total Governor's Recommendations	**580**	**483**	**483**	**966**
Fund: 2403 - Gift				
Forecast Revenues	**29**	**46**	**126**	**172**
Total Governor's Recommendations	**29**	**46**	**126**	**172**
Fund: 3000 - Federal				
Forecast Revenues	**1,440,893**	**997,283**	**1,000,054**	**1,997,337**
Total Governor's Recommendations	**1,440,893**	**997,283**	**1,000,054**	**1,997,337**

(Dollars in Thousands)

	FY25	FY26	FY27	Biennium 2026-27
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	5	5	5	10
Total Governor's Recommendations	5	5	5	10
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	1,043	1,043	1,043	2,086
Total Governor's Recommendations	1,043	1,043	1,043	2,086

Change Item Title: Fraud Detection and Prevention

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	550	550	550	550
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	550	550	550	550
FTEs	**3**	**3**	**3**	**3**

Recommendation:

The Governor recommends an annual $550,000 to fund three full-time equivalent (FTE) staff and software to provide needed support for the Minnesota Department of Education's (MDE) infrastructure to prevent, identify, and take action against program participants who are found to have engaged in fraud, waste, and abuse.

Rationale/Background:

MDE is in a continuous improvement process for increasing and honing its tools for identifying and preventing fraud, waste, and abuse. This includes maximizing available regulatory tools under law, which MDE program areas do with the advice of legal counsel from the Office of General Counsel. It also includes robustly investigating allegations of fraud, waste, and abuse through investigations in the Office of Inspector General. MDE established a General Counsel role in 2022 and an Office of Inspector General (OIG) in 2023. The Legislature provided further needed clarifications for MDE's Office of Inspector General in 2024.

Both Offices play pivotal roles in MDE's overall approach to fraud prevention, detection, and sanctioning of program participants, but are still growing and have observed need for additional staff based on increased regulatory and investigatory needs.

These needs include legal support for increased program integrity and oversight in nutrition and charter school programming, OIG investigative capacity, and investment in case tracking and financial analysis software to effectively address fraud. Additional resources are necessary to use a legal and investigatory infrastructure to detect fraud, use legal enforcement tools for compliance and program integrity issues, and investigate and prove fraud, waste, and abuse when it is occurring so that MDE can impose appropriate sanctions.

This proposal supports One Minnesota goal of fiscal accountability, customer experience, and measurable results by addressing fraud, waste, and abuse. This proposal builds upon previous work by MDE to increase program integrity in department programs.

Proposal:

The proposal includes four pieces: one FTE for legal counsel focused on nutrition programs, one FTE for legal counsel focused on charter schools, one FTE for an OIG investigator, and funds for case tracking and financial analysis software. This proposal funds each of the two legal counsel FTEs at $170,000 annually. The OIG investigator is funded at $145,000 annually. The case tracking and financial analysis software is funded at $65,000 annually. The positions and software will ensure MDE can:

- Utilize the maximum regulatory tools to ensure compliance and prevent fraud in MDE's nutrition programs and with charter schools, including defending regulatory actions upon legal challenge – by ensuring needed legal support for nutrition and charter programs
- Investigate fraud, waste, and abuse in MDE department programs by ensuring adequate investigative capacity, and
- Track OIG cases and use data tools to analyze financial data to detect fraud, waste, and abuse

Legal Counsel Support for Nutrition Programs

MDE administers federal nutrition programs for the state of Minnesota, which are primarily governed by federal regulations. MDE has encountered program integrity challenges in implementing and overseeing these programs, often rooted in court determinations about the limits of MDE's authority based on the regulations.

This position, located under the Office of General Counsel, would provide needed legal advice and support to ensuring MDE is asserting regulatory authority over nutrition program participants to the maximum extent possible under law, including by:

- Advising MDE's Nutrition Division on legal parameters for regulatory actions, such as approving or denying applications, imposing administrative reviews, issuing serious deficiencies, and proposing termination or permanent disqualification
- Assisting the Nutrition Division with defending these decisions through any appeal process
- Providing legal advice to develop and implement additional regulatory oversight mechanisms allowable under law.

This position is necessary because the federal regulations are often confusing or ambiguous in their implementation, which has led to significant litigation on MDE's use of these tools in the past. Legal counsel would advise the Nutrition Division along the way and ensure enforcement actions hold up on appeal. This is crucial to ensuring the program is preventing fraud before it begins and immediately and appropriately intervening when it is suspected. This position would be funded at $170,000 annually.

Legal Counsel Support for Charter School Programs

MDE's responsibilities for oversight of charters, and the system of authorizers, is complex. It is not always clear under statute what authority MDE has to address issues that arise with charter schools or authorizers, including concerns that could relate to potential fraud, waste, or abuse. Additionally, as MDE has implemented oversight and controls in operations, MDE has experienced legal challenges to its oversight efforts.

This position, located under the Office of General Counsel, would provide needed legal advice and support to ensure MDE effectively exercises its required and available oversight of charter schools and authorizers and can address program integrity-related challenges that arise. For example, this includes:

- Advising MDE's Charter Center staff on challenges to grant oversight when charter schools engage legal counsel to challenge grant oversight determinations.
- Advising Charter Center staff on its oversight abilities under statute when program integrity concerns arise, to ensure both that any enforcement actions are defensible on any appeal and that all legal options for enforcement mechanisms are considered.
- Assisting the Charter Center with defending enforcement decisions upon legal challenge.
- Advising the Charter Center on handling any complaints that members of the public raise regarding charter schools and ensuring appropriate handling of any aspects of them requiring additional referral.

MDE's authority with regard to charter schools leaves room for interpretation and MDE is experiencing increasing challenges, particularly program integrity and fiscal oversight challenges, with charter schools. Decisions about enforcement actions need to be consistent and legally sound so that MDE does not expend additional, unnecessary resources on appellate challenges to enforcement decisions. This position would be funded at $170,000 annually.

Office of Inspector General Investigator
MDE's OIG is investigating cases of possible fraud, waste, and abuse, and as it has gotten this work underway, is already encountering a volume that requires additional staffing to ensure timely, thorough and complete investigations.

Investigators are essential in meeting the OIG statutory mandate to investigate fraud, waste or abuse in MDE's public programs. Investigators are the technical experts on fraud, waste and abuse sufficient to conduct independent and objective investigations into Department Programs across MDE. They direct the activities of analysts and other staff on investigations and lead and/or coordinate investigations with internal and external investigators. They also support law enforcement and prosecutors in pursuing criminal prosecution. Investigators also recommend civil and/or administrative actions to MDE either during or at the conclusion of an investigation and/or prosecution.

Increasing OIG capacity to investigate fraud, waste, and abuse includes the ability to address more complaints faster. By timely addressing complaints of fraud, waste and abuse, MDE would be able to: 1) address fraudulent conduct quickly, i.e. stopping the fraud from continuing which allows MDE to preserve and ensure that the intended goods and services are there for children and families in the departments programs , and 2) increase trust in MDE when fraud, waste and abuse are address timely or when it can quickly determine allegations are unsupported or unfounded.

The OIG investigator would be funded at $145,000 annually.

Case Tracking and Financial Analysis Software
The OIG is experiencing a large volume of complaints. Agile and responsive software that log, track and analyze cases and information is important in streamlining investigations and ensure greater visibility in noticing trends over time and reporting on the OIG work.

Tracking complaints, cases, and investigative activity is essential in any investigative office. Many case tracking systems require yearly licenses, which can range from $2,000 to $4,000 per user. With the current OIG staffing, 13 licenses would be necessary. With additional staffing proposed, 1 additional license would be needed for a total of 14.

To effectively address fraud, MDE needs the ability to conduct in-depth investigations into suspicious activities. In-depth investigations include the need to conduct reviews of financial records, analyze financial flows, and investigate and identify suspicious activity and transactions. The use of software that can scan banking and financial records is essential in investigations. It allows an investigator to take that next step into financial forensic investigations to combat fraud, waste, and abuse. Simply upload diverse financial evidence like bank statements, checks, and other transactional records into banking record software. State-of-the-art algorithms quickly translate this raw data into clean, structured spreadsheets. In doing so, it liberates Investigators from tedious data entry, allowing them to focus on insightful analysis. Meanwhile, these systems are built to automatically flag any financial inconsistencies, ensuring Investigators do not miss any anomalies. Some AI versions will also do transcripts and translations, as well as scan texts and other communications. Bank analytical software requires an annual maintenance charge of around $9,500 a year.

Case tracking and financial analysis software would cost $65,000 annually.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		550,000	550,00	1,100,000	550,000	1,100,000	550,000
Total All Funds		550,000	550,00	1,100,000	550,000	1,100,000	550,000

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	1 FTE Nutrition		170,000	170,000	340,000	170,000	170,000	340,000
1000	1 FTE Charter Schools		170,000	170,000	340,000	170,000	170,000	340,000
1000	OIG Investigator		145,000	145,000	290,000	145,000	145,000	290,000
1000	Case Tracking Software		65,000	65,000	130,000	65,000	65,000	130,000

Impact on Children and Families:

Children, youth, and families benefit from MDE programs that are fairly administered. Children, youth, and families benefit when MDE program funds are only used for the benefit of intended beneficiaries. This proposal will help ensure more children, youth, and families have access to MDE programs and public resources by ensuring resources are used effectively and directed to intended recipients.

Equity and Inclusion:

Increased program integrity measures in MDE will ensure that public funds will go where they are intended. Because communities of color disproportionately rely on department programs, ensuring funds are appropriately dispersed will indirectly address this inequity.

Tribal Consultation:

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

__ Yes
_X_ No

Results:

Part A: Performance Measures

This proposal aims to prevent, identify, and take swift action against program participants engaging in fraud, waste, and abuse. Three FTEs are requested (legal counsel focused on nutrition programs, legal counsel focused on charter schools, and an OIG investigator), along with funds for case tracking and financial analysis software.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of fraud cases discovered	Quantity	Case tracking and financial analysis software	NA	An increase in the number of fraudulent cases identified is expected in the short term
MDE program areas effectively utilize fraud prevention and detection	Quality	Tracking fraud detection	NA	Number of fraud detection or prevention measures increases
MDE implements enforcement actions against non-compliant program participants and successfully defends those actions on appeal	Quality	Tracking enforcement and legal action	NA	MDE succeeds in defending enforcement actions against legal challenges

Measure	Measure type	Measure data source	Most recent data	Projected change
Payments made to fraudulent entities	Result	State accounting system data	NA	Elimination of payments to entities committing fraud on MDE programs

Part B: Use of Evidence

MDE has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

MDE has not identified any evidence-based practices that will be supported by the proposal.

Change Item Title: Compensatory Revenue Modification

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	39,864	4,419	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	39,864	4,419	0	0
FTEs	**0.4**	**0**	**0**	**0**

Recommendation:

The governor recommends $39,770,000 in fiscal year (FY) 2026 and $4,419,000 in FY 2027 to extend a hold-harmless provision for the compensatory revenue calculation into FY 2026. The governor recommends $94,000 in FY 2026 only to create a compensatory revenue working group.

Rationale/Background:

With the implementation of Free School Meals in 2023, a complexity arose related to compensatory revenue calculations since there would no longer be an incentive for families to submit the Application for Educational Benefits forms tied to Free and Reduced-price meals. The compensatory revenue formula was changed to use only Direct Certification counts so that Local Education Agencies (LEAs) would not see less revenue if they were unable to collect the forms starting in FY 2026.

Prior to 2022, the Minnesota Department of Education (MDE) Minnesota Automated Reporting Student System (MARSS) did not collect the source of free or reduced-price qualification (the application for educational benefits or direct certification). Instead, MARSS only collected whether the student was eligible for free or reduced-price meals. The MARSS student data team began collecting how the student is eligible for free or reduced-price meals, whether it was through the application or direct certification. At the time, the MARRS team did not know that the data would be used to calculate compensatory revenue. In the first year of collection, there were reporting issues with some sites throughout the state. In 2023, when the proposed legislation moved towards using this data for the calculation of compensatory revenue, it was clear that more education would be needed to ensure LEAs reported direct certification accurately. In 2024, there continues to be confusion at the district level regarding how to categorize the free or reduced-price status in student MARSS records.

In 2023, a hold harmless was proposed and enacted for the FY 2025 school year due to the timing and passage of free school meals. The hold harmless calculation is the greater of the FY 2024 compensatory student count by site under the current formula or the FY 25 compensatory student count using the same formula from FY 2024. Out of the 2,303 sites that had a compensatory FY 2025 adjusted count and October 1 enrollment greater than zero, there were 1,241 sites (53.9%) where the hold harmless increased the site's revenue beyond the increase to the compensatory formula allowance.

A key issue that could impact eligible student counts and compensatory revenue calculations is the phasing out of qualifying families through the Medicaid eligibility expansion that began during the pandemic and ended with the sunset of COVID-19 waivers and flexibilities. Changes in the Medicaid program could cause fewer families to be qualified for direct certification in coming years.

With only two years of Direct Certification data submitted by school sites through MARSS, the ability to collect one extra year of data for evaluation would allow a more accurate validation of the formula for all sites. In addition, an extension of the hold harmless in FY 2026 would allow for entitlement stability as an evaluation of a long-term calculation is determined.

A compensatory revenue working group will allow experts in the field examine and provide recommendations to the legislature on how the revenue is calculated and distributed.

Proposal:

This proposal is for FY 2026 compensatory revenue be calculated using a hold harmless calculation similar to the hold harmless calculation of FY 2025. The total cost of this request is projected to be $44,189,000 with 90 percent of the cost in FY 2026 and the remaining ten percent in FY 2027.

This proposal will keep compensatory revenue consistent and stable while the eligible direct certification pupil counts are evaluated to determine what changes in revenue by site are the result of using a new measure for compensatory pupil units. Changes in direct certification counts between the pandemic and post-pandemic years have not been adequately evaluated at this time, including future trends and the impact of changes to Medicaid eligibility. With one extra year of validation, MDE will be able to evaluate trends and changes in the pupil counts under the new data points collected by the MARSS team, which will also allow for better analysis and evaluation of potential changes to the compensatory revenue formula.

The proposed hold harmless calculation for FY 2026 compensatory revenue would compare the October 1, 2024 student counts to the October 1, 2022 student counts and calculate the FY 2026 compensatory revenue using the greater October 1 count using the current FY 2025 definition for compensatory pupil units. Compensatory revenue in FY 2026 only will revert to the compensatory formula calculation of the basic formula minus $839.

The proposal includes onetime funds in FY 2026 of $94,000 to create a compensatory revenue working group of ten members who will meet twice a month from August 2026 to December 2026. The working group will create a report that will be due to the legislature in January 2026 on their analysis and recommendations for improving how compensatory revenue is calculated and distributed.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		39,864	4,419	44,283			
Total All Funds		39,864	4,419	44,283			

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Working Group		94	0	94			
1000	Compensatory Revenue		39,770	4,419	44,189			
	Total		39,864	4,419	44,283			

Impact on Children and Families:

This proposal will create one more year of eligible sites receiving compensatory revenue under the old compensatory revenue formula to serve students through eligible uses. It will give time to compare applications and direct certification data to see if a modified formula is needed. Finally, it will create a more consistent formula and provide time for LEAs to strategically plan to support the services funded by compensatory revenue.

Equity and Inclusion:

The goal of compensatory revenue is to help students who need extra academic support. Consistent funding will allow LEAs to offer programming and services in areas that include, but are not limited to, Early Learning,

Remedial Instruction, Counseling and Social Work, English Learner, Special Education, and Individual Instruction. All students utilizing additional educational services or programming will see consistency in funding that should allow for the continuation and intentional delivery of needed services for students.

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

__ Yes
x No

IT Costs:
N/A

Results:
Part A: Performance Measures

1. The additional year of the hold harmless would allow MDE to collect one more year of data related to students eligible for free or reduced-price meals. MDE would then study how that relates to the prior formula distribution and the distribution under current law for compensatory revenue in FY 2026 and later. The goal is to determine if the new formula is doing what it was intended to do based on better pupil counts than what was used starting two years ago with data that had not been validated.
2. The proposed law, with the additional hold harmless in FY 2026, provides consistency in the distribution of compensatory funds. The data collected in fall 2024 will be critical to determine if the new formula will show the same results as projected in February 2023. This will also allow for the ability to determine how compensatory expenses are currently being used.

Measure	Measure type	Measure data source	Most recent data	Projected change
The hold harmless will allow MDE to validate the trend in free and reduced-price eligibility and see how any changes would impact the formula and entitlement distribution of compensatory revenue.	Quantity	MDE will collect free and reduced-price information through MARSS student reporting and compare it to data collected through the Food & Nutrition team. The counts will be compared to data collections prior to the passage of the Free School Meals law.	Final counts will be available after the December 15 deadline for districts to submit October 1, 2024 child counts.	The data will help determine if the entitlement formula will provide the greatest impact on funding distributions.
With an additional year of data, MDE can test multiple formulas to determine how eligibility changes impact funding compared to the expense submissions LEA's provide to determine how a funding change may impact LEA budgets.	Quality	With two years of historic compensatory funding, more information can be analyzed to compare how entitlements have been spent, and draw conclusions on whether the entitlements are meeting needs outlined in the eligible uses section.	Data will be available in January 2025 to do a two-year comparison.	The results can help support recommendations to ensure funding is able to support LEA needs related to compensatory revenue.

Measure	Measure type	Measure data source	Most recent data	Projected change
Comparing the projected formula to the old formula (hold harmless) can determine if the same funding total can be distributed to ensure LEA's can continue to support the programs and services provided by compensatory revenue.	Results	Consistency of revenue can directly align to outcomes for LEAs and students. The new formula may redistribute funds by reducing revenue for some sites and increasing others. Being able to compare an alternative formula that keeps within the statewide average may be able to support more students who qualify for services under compensatory.	Comparisons can be done after the December 15 deadline for districts to submit fall 2024 child counts.	To continue to distribute compensatory funds to LEAs supporting school programming under the compensatory statute.

Statutory Change(s):
Minnesota Statutes, section 126C.10 subdivision 3.

Change Item Title: Additional Unemployment Insurance Aid for Hourly Workers

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Transfers Out	30,000			
Expenditures	(1,011)	(19,883)	(2,779)	0
Revenues	0	0	0	0
Special Revenue Fund				
Transfers In	30,000			
Expenditures	30,000	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	28,989	(19,883)	(2,779)	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends $30,000,000 general fund in fiscal year (FY) 2026 for onetime unemployment insurance aid. This represents the amount needed to add to the projected carryover from the end of FY2025 to FY 2026 from a onetime appropriation in FY 2024 to cover total expected costs up to approximately $70,000,000 of estimated FY26 total summer-term costs that may be submitted. Any unused funds would be returned to the general fund. The aid will be used to reimburse school districts, charter schools, intermediate school districts, cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies for costs associated with providing hourly school workers unemployment benefits during the summer term. In addition, this change item reflects that there will be a savings of $23,672,451 in the special education funding forecast which included expenses estimated for districts that could have submitted summer unemployment insurance costs in special education if the summer unemployment insurance funds were exhausted before FY 2026.

Rationale/Background:

In 2023, the Minnesota legislature opened unemployment insurance for the summer term for hourly school workers for the first time. Licensed educators already qualified for unemployment insurance. The legislation allocated a one-time $135,000,000 general fund appropriation for the program and prohibited local education agencies from levying for the costs. This appropriation was transferred to the special revenue fund and allowed to be spent over four fiscal years until the end of FY 2027.

Under the program, hourly school workers that qualify for unemployment insurance receive the benefit payments in the summer that are calculated and approved through the Department of Employment and Economic Development (DEED) unemployment office and paid by local education agencies (LEAs). Local education agencies then receive the bill for program costs in the fall. The Minnesota Department of Education (MDE) surveys LEAs for their unofficial costs and breakdown of benefit costs by job classification in October to then make a 90 percent payment in November. MDE then makes the remaining payments to LEAs based on finalized data the following fall.

In FY 2024, it is assumed that $44,000,000 will be used from the unemployment aid account. To determine costs for FY 2026, MDE will be sending out a survey in mid-October. However, based on feedback from various LEAs, that amount is estimated to increase to approximately $58,000,000 in FY 2025. The dedicated aid is expected to be exhausted in FY 2026.

State statute requires reimbursing costs reported by DEED for summer-term unemployment costs by either actual, or a pro-rated reimbursement if the LEA is paying for unemployment costs through the state percentage method rather than actual costs.

Proposal:

This proposal will provide a $30,000,000 onetime general fund transfer to the unemployment aid account in FY 2026 for a reimbursement aid to school districts, charter schools, intermediate school districts, and cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies for the purpose of covering increased unemployment insurance expenses. Reimbursement will be paid during the fiscal year following the year in which the expenses were incurred, and it will be based on a district's incremental unemployment insurance costs relative to a base period. The Perich Center for Arts Education and the Minnesota State Academies currently receive a direct appropriation annually for unemployment insurance costs. If the amount is insufficient, they can apply to the commissioner for reimbursement from the unemployment aid account. Additionally, the proposal reflects that there will be a savings of $23,762,451 in the special education funding forecast which included expenses estimated for districts that could have submitted summer unemployment insurance costs in special education if the summer unemployment insurance funds were exhausted before FY 2026.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		28,989	(19,883)	9,106	(2,779)		(2,779)
Special Revenue Fund		0		0			
Total All Funds		28,989	(19,883)	9,106	(2,779)		(2,779)

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Special Education Aid		(1,011)	(19,883)	(20,894)	(2,779)		(2,779)
1000	Transfer to SRF		30,000					
2001	Transfer in from GF		30,000					
2001	Unemployment Insurance Aid		30,000					

Impact on Children and Families:

Funding for LEAs to cover the costs of this benefit will reduce pressures on budgets, allowing the fiscal focus to remain on classroom resources.

Equity and Inclusion:

The recipients of the unemployment benefits are some of the LEAs' lower paid staff and will allow for more equitable compensation.

Tribal Consultation:

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

__ Yes
X No

IT Costs:

N/A

Results:

Part A: Performance Measures

1. The goal of this funding is to fully reimburse LEAs for the costs associated with providing hourly school workers unemployment benefits during the summer term. Without this aid, LEAs will be required to use general operating funds to pay for the costs.
2. LEA's are now required to provide unemployment benefits to hourly school workers during the summer term under Minnesota Statutes 2023, section 268.085, subd. 7(b). Providing additional unemployment aid for hourly workers during the summer term beginning in FY 2026 will free up resources for LEAs to use those dollars in other ways that will benefit students and staff.

Measure	Measure type	Measure data source	Most recent data	Projected change
Reimbursement amount LEA's received for unemployment insurance costs.	Quantity	School District Surveys[1]	$44,000,000 from May 28, 2023, through September 30, 2023.	By FY 2026, it is estimated that the annual reimbursement amount per year will be around $70,000,000.
The hourly worker group that received the highest percentage of total expenditure costs was paraprofessionals.	Quality	School District Surveys[1]	Paraprofessional expenditures totaled 68.27% of total expenditures from May 28, 2023, through September 30, 2023.	We are unsure if or by how much this percentage will change by 2026.
The number of hourly school workers who received unemployment benefits in FY 2024.	Result	School District Surveys[1]	16,496 from May 28, 2023, through September 30, 2023.	We expect to see this number increase by 2026, but are unsure by how much.

[1] https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=PROD083179&RevisionSelectionMethod=latestReleased&Rendition=primary

Part B: Use of Evidence

MDE conducted two needs assessment surveys in the Fall of 2023 to assess how much districts spent on qualifying UI costs and the types of employees that received the UI benefit. MDE will send out another survey in mid-October to collect 2024 data.

Part C: Evidence-Based Practices

MDE has not identified any evidence-based practices that will be supported by the proposal.

Statutory Change(s):

Minnesota Statutes, section 124D.995

Change Item Title: Tribal Contract Schools Eligible for Grant Funding Revisor Instruction

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:
The Governor recommends directing the Revisor of Statutes to amend statutory grant language to allow Tribal contract schools to be considered eligible applicants for all grants to which school districts and charter schools may apply. This proposal does not carry a cost.

Rationale/Background:
Tribal Contract Schools are not eligible for an array of funding from the Minnesota Department of Education (MDE) as many of the funding streams and grants are available only to school districts and charter schools, leaving Tribal schools with less equitable funding streams. For example, Tribal contract schools are not explicitly named as eligible grantees for the Native Language Revitalization grant program that was passed in 2023. The Tribal Nations Education Committee and Tribal leaders in the state have brought this to our attention after several failed attempts to apply for grants administered by MDE. The statute needs to be clarified to specifically include Tribal Contract schools as eligible applicants.

Proposal:
In lieu of amending the numerous statutes in which grant programs are established, this proposal would direct the Revisor of Statutes to replace the phrase “school districts and charter schools” with “school districts, charter schools, and Tribal contract schools” for any legislatively-created grant program whose eligible grantees include school districts and charter schools.

This language will allow MDE to immediately begin considering Tribal Contract school applications for legislatively-created grants. This proposal does not carry a cost.

Impact on Children and Families:
This proposal builds on and/or aligns with innovations from other public, private, and Tribal agencies to increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources and services within their community.

Equity and Inclusion:
This proposal is submitted to reduce or eliminate inequities for Native, Black, Latine/Latinx, Asian American Minnesotans, people with disabilities, people in the LGBTQ+ community, and other protected classes, who enroll in Tribal Contract schools. Implementation of the proposed item will reduce or eliminate inequities in funding opportunities as well as Tribal Contract schools having the availability to also apply for grants.

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

_x_ Yes
___ No

- Mille Lacs Band of Ojibwe, the White Earth Nation, the Leech Lake Band of Ojibwe, and the Fond du Lac Band of Lake Superior Ojibwe.
- The Tribal Contract schools at these Tribal Nations will be equally eligible to apply for and receive funding to increase the educational attainment of their students.
- Formal Consultations, involvement of the agency tribal liaison, and tribal-input was incorporated into the proposal through meetings and discussions with the Tribes and the Tribal Nations Education Committee.
- The Tribe(s) have indicated this proposal is a priority.
- We will continue to discuss this proposal as it moves forward through the legislative process. We will also communicate at Monthly meetings and through Tribal Consultations.

IT Costs:
N/A

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Tribal contract schools participating in grant programs	Quantity	MDE grant recipients	NA	Tribal contract schools will be eligible for all competitive grants.

Statutory Change(s):
Revisor instruction to make Tribal contract schools eligible for all grants eligible to school districts and charter schools under MS 120-129C and session law grants.

FY 2026-27 Biennial Budget Change Item

Change Item Title: Clarify Minnesota Indian Teacher Training Program Fund Uses

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends that Minnesota Indian Teacher Training Program (MITTP) funds be specifically distributed for educators training to teach in K-12 settings. The statute will be clarified so the funds are used appropriately to enable more American Indian people to be employed as teachers or support staff for K-12 educational needs. This recommendation is cost-neutral.

Rationale/Background:

The MITTP provides scholarships and stipends to eligible participants to pursue teacher licensure or any other certification or degree necessary to work in public schools. There are four teacher preparation institutions named in the law, each with a named public school partner, that apply together as joint grantees:

- University of Minnesota-Duluth and Duluth Public Schools
- Bemidji State University and Red Lake Schools
- Moorhead State University and one of the school districts located within the White Earth Reservation (presently Waubun-Ogema-White Earth Schools
- Augsburg University and St. Paul Public Schools and Minneapolis Public Schools

Within the last four years, this program has expanded to allow competitive grant applications. Funding is currently awarded to a total seven joint grantees consisting of a school district and a postsecondary institution with a teacher preparation program. The additional three competitive grants are awarded to:

- St. Cloud State University in partnership with St. Cloud Area Schools
- Fond du Lac Tribal and Community College in partnership with Fond du Lac Ojibwe School
- Minnesota State University Mankato in partnership with Mankato Public Schools/Redwood Area Schools

These joint partnerships are intended to support teacher trainees that obtain a K-12 teaching license after graduation. The Minnesota Department of Education (MDE) has received inquiries from the public about whether MITTP funds can be used to train teacher candidates for higher education, workforce education, or other areas outside of the K-12 system. While MDE has responded that the funds should be used for K-12 teacher preparation, providing clarity in statute will maintain program integrity and consistency going forward.

Proposal:
This proposal requires that funds used to prepare American Indian people to be teachers or support staff solely in K-12 educational settings.

No additional operating funds are necessary. The effective implementation date is the date this change is made. MDE will change guidance when the change occurs.

Impact on Children and Families:
This proposal builds on and aligns with innovations from other public, private, and Tribal agencies to increase equity and bridge the opportunity gap for children, youth, and families through improved access to resources and services within their community, specifically providing for American Indian teachers in K-12 educational settings.

This proposal helps achieve the administration's priorities for children and families by ensuring all children have a healthy start; access to affordable and quality childcare and early education; and access to mental health supports. American Indian teachers and the cultural knowledge they hold will support positive outcomes for American Indian students when they see their own cultures reflected in these teachers at their schools.

Equity and Inclusion:
This proposal will help reduce or eliminate inequities for Native Americans, American Indian students with disabilities, American Indian students in the LGBTQ community, and other protected classes.

This program and proposal helps increase belonging and validation for American Indian students by increasing the number of teachers from the same or a similar culture.

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

x Yes
__ No

If yes,

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

**members of the Minnesota Chippewa Tribe*

The anticipated effects on the Tribe(s) are that improvements to the MITTP program will be more focused on K-12 educational settings where there is a shortage of American Indian teachers. This proposal was discussed at tribal consultations and with the Tribal Nations Education Committee and will be brought to the Minnesota Indian Affairs Council as well as Urban Indigenous organizations. Tribe(s) have indicated this proposal is a priority; they understand the need for more American Indian teachers in Minnesota. MDE will ensure the Tribe(s) are updated

on the proposal process and how we will address any tribal concerns through government-to-government tribal consultations, at TNEC meetings, and at all meetings where American Indian education is a priority.

IT Costs: NA

Results:

Part A: Performance Measures

1. Increased number of American Indian teachers in K-12 education settings.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of American Indian teachers in K-12 education settings	Quantity	Professional Educator Licensing and Standards Board data	N/A	Increase in the number of American Indian teachers in K-12 settings

Part B: Use of Evidence

1. MDE conducts yearly reporting on the grants
2. Are you planning to conduct a formal qualitative or quantitative program evaluation related to this proposal? Indicate what kind(s) of evaluation you will be conducting. Select all that apply.

__ No formal evaluation planned at this time
__ Not yet determined
__ Needs Assessment
_X_ Process or Implementation Evaluation
__ Summative Impact Evaluation (Randomized Control Trial (RCT) or Quasi-Experimental Design)
__ Summative Evaluation other than an Impact Evaluation
__ Other (please describe or link):

Statutory Change(s):

MS122A.63

FY 2026-27 Biennial Budget Change Item

Change Item Title: Service to Success Initiative

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	3,000	3,000	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,000	3,000	500	500
FTEs	**5**	**5**	**3**	**3**

Recommendation:

The Governor recommends $3,000,000 annually in FY 2026-27 and $500,000 annually in FY 2028-29 for the Service to Success initiative. Funding will support the coordination and expansion of public service opportunities. Of these amounts $150,000 is for transfer to MDE for 1 FTE.

Rationale/Background:

National service is primarily governed by two federal statutes, one for national programs (AmeriCorps VISTA, etc.) and one for domestic programs. Additionally, there is a state statute for state programs & state commission (ServeMN). Furthermore, federal legislation has also created other service opportunities like the National Health Service Corps at the Health Resources & Services Administration. There are a variety of public service opportunities available at the national and state level. However, coordination and promotion of these opportunities is lacking. Governors are responsible for setting state strategy for national service and directing the work of the state commission. Having a coordinating body will help with setting that strategy and address the following challenges:

- Lack of career pathways for individuals leaving public service programs into relevant careers, including public service careers, and alignment to further educational opportunities;
- Lack of overall strategy for state investments across agencies into public service programs; and
- Lack of alignment across agencies in how to best use public service and align to education and workforce development initiatives for key areas of focus (health care, education, etc.).

Proposal:

This proposal will create an Office of Public Service which will work in partnership with the Governor's Workforce Development Board and other state agencies to support the identification and coordination of public service opportunities for all Minnesotans. There are thousands of public service opportunities available to Minnesotans every year, yet the wide variety of programs and positions lack coordination of access and awareness. To address this and ensure that all Minnesotans are aware of the opportunities to serve their state, country, and community, this proposal creates the Service to Success Initiative.

Office of Public Service

$600,000 each year in FY 2026-27 and $500,000 each year in FY 2028-29 will be for the Office of Public Service. Of this amount, $150,000 is for transfer to the Department of Education to support career pathways development. The Office of Public Service would be responsible for activities such as:

- Ensuring public service goals and strategy aligns with the state's workforce development goals and strategy;
- Identifying all available service opportunities for Minnesotans across state and federally funded opportunities (e.g., Serve Minnesota, American Connection Corps, National Health Service Corps, National Guard, etc.);
- Promoting existing public service opportunities;
- Auditing existing service opportunities and areas for expansion of service programs within the state; and
- Creating and strengthening existing career pathways aligned with public service opportunities.

A portion of the office will be housed at the Minnesota Department of Education to support career pathways into public service, including work-based learning and academic credit, and identification of educational activities aligned with service programs.

Service to Success Opportunity Grants

$2,300,000 each year in FY 2026-27 will be used to expand opportunities and access to public service through Service to Success Opportunity Grants. These grants will help expand public service opportunities to organizations with existing public service opportunities aligned with the Governor's key priority areas identified below. Grants will prioritize service opportunities in career fields that are high-quality. Funding will also be used to support grant administration. The following areas to prioritize expansion of public service opportunities in the state include:

- **Healthcare and Senior Care**: Supporting public healthcare facilities and Senior Care Centers. This can be available for colleges who are pursuing careers in healthcare or medicine.
- **Education:** Educating our next generation of leaders. Volunteers will support K-12 students in educational areas such as tutoring, mentoring, and support with school.
- **Civil/Public Service:** Serving as an intern at a local, county or state agency.
- **Food Insecurity and Agriculture**: Assisting food banks and food distribution organizations working to tackle hunger in Minnesota.
- **Climate Action**: Connecting Minnesotans to climate-related volunteer opportunities across the state including working with DNR, MPCA, MNDOT

Service opportunities will not displace existing positions that could be filled by full-time workers.

Interagency Workforce Coordination

$150,000 each year in FY 2026-27 will be to support interagency workforce coordination with partner agencies and the Governor's Workforce Development Board. Partner agencies include the Department of Employment and Economic Development, Minnesota Department of Education, Office of Higher Education, Department of Labor and Industry, Department of Human Services, Minnesota State, Department of Child, Youth, and Families, and the Minnesota Department of Health. Coordination will work to better align the various workforce development programs and funding streams across the enterprise with an overarching state workforce development strategy. This position will be temporary.

Dollars in Thousands

Fund	Component Description	FY 26	FY 27	FY 26-27	FY 28	FY 29	FY 28-29
General Fund	Program Administration	400	400	800	500	500	1,000
General Fund	Grants	2,300	2,300	4,600	-	-	-
General Fund	Grants Administration	300	300	600			

Impact on Children and Families:

This proposal will help focus service opportunities in areas that impact children and families, such as tutoring and mentoring K-12 students, assisting food banks, and supporting public healthcare facilities.

Equity and Inclusion:

This proposal will help support people who come from low-income backgrounds better consider public service as an option. Developing and strategizing career pathways following public service will aid those looking to enter. They will be able to plan out their future careers and enter into high-quality career pathways that can support families. Additionally, enhanced public service opportunities ultimately go to support areas that serve those in great need, such as operating food banks and food distribution or tutoring youth.

Tribal Consultation:

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

__ Yes
X No

Results:

Part A: Performance Measures

The purpose of this proposal is to create an Office of Public Service to support the coordination of public service opportunities for all Minnesotans. Funds will also be used for Service to Success Opportunity Grants, which will help expand public service opportunities in organizations where they already exist. DEED will begin collecting measurable data and project results upon implementation of the program.

Measure	Measure type	Measure data source	Projected change
# of Service to Success Opportunity Grants awarded	Quantity	Internal data collection	Increase expected in # of grants awarded
# of new partnerships created	Quantity	Internal data collection	Increase expected in # of partnerships created
# of new service to career pathways created	Quantity	Internal data collection	Increase expected in # of pathways created
% increase of participants in service opportunities	Quality/ Results	Internal data collection, ServeMN data (MN State Service Commission)	Increase expected in participants

Part B: Use of Evidence

DEED has not previously conducted a formal program evaluation that has informed the contents of this proposal. There are no plans to conduct a formal evaluation of this proposal at this time.

Part C: Evidence-Based Practices

DEED has not identified any evidence-based practices that will be supported by the proposal.

Education

FY 2026-27 Supplemental Budget Change Item

Change Item Title: Literacy Incentive Aid Formula Change

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund	0			
Expenditures		0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends revising how Literacy Incentive Aid (LIA) is allocated by eliminating the use of Minnesota Comprehensive Assessment (MCA) data as a factor for determining allocations to districts and instead use poverty data. This will replace the proficiency and growth portions of the aid calculation with a poverty-based calculation. The proposal does not modify the eligible uses of LIA. This recommendation is budget neutral.

Rationale/Background:

The current LIA formula uses third grade MCA reading data in a way that allocates funds to schools who perform well on both the proficiency and growth side of the current calculation. This manner of distributing funds does not support the most underserved students and schools across Minnesota who tend to also have the lowest reading proficiency rates. Using a poverty-based calculation to distribute LIA would be a more equitable method to distribute aid as well as provide the additional supports to our most marginalized students and schools.

Given that the READ Act was passed during the 2023 legislative session which requires comprehensive literacy reform efforts in all schools (including significant shifts in teacher training, curriculum, and assessment), the most underserved and underperforming schools need additional supports to effectively implement statutory requirements.

Proposal:

This proposal would amend statute to discontinue using MCA proficiency and growth rates as the formula for distribution. This change is needed to allow for equitable access to resources for our most under-served and under-performing schools to effectively implement comprehensive literacy reform efforts that will increase student proficiency in reading. In addition, two important factors contribute to the need for this revision.

The first being that the third grade MCA test for reading is being revised to align with the newly revised English Language Arts (ELA) Standards for the 2025/2026 school year, which historically when ELA standards have been revised there has been a drop in proficiency rates when new state tests are given. Third grade MCA scores are currently used to determine LIA formula.

The second being that the current formula rewards schools who are already doing well and penalizes the most under-served, under-performing schools. The new allocation formula will redirect funding to better support schools with the lowest levels of literacy proficiency. This would require changing how LIA is calculated to use poverty-based metric instead of student assessment data.

Impact on Children and Families:

This proposal will work to close Minnesota's large opportunity-gap as well as achievement gap through providing additional resources and accountability to those schools throughout the state who have historically underperformed and make up the majority of our student population who qualify for free and reduced lunch. These students are historically identified as not achieving grade level reading proficiency and need more resources to these schools to ensure they have the level of support required to implement comprehensive literacy reform efforts outlined in the READ Act.

Equity and Inclusion:

With the current formula rewarding schools who are already performing well and penalizing the most under-served, under-performing schools there is an enormous equity issue. With this change, students in our most underserved communities will get additional resources to support their schools and teachers in ensuring they are reading at grade level beginning in kindergarten.

Tribal Consultation:

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

☒No

IT Costs

NA

Results

The objective of this proposal is to increase reading proficiency by redirecting resources to our most underserved schools who generally serve our students who are not reading at grade level.

Part A: Performance Measures

The overall goal of this proposal is to increase reading proficiency by redirecting resources to our most underserved schools who generally serve our students who are not reading at grade level. The current LIA formula uses third grade MCA reading data in a way that benefits schools who score well on both the proficiency and growth side of the current calculation. This manner of distributing funds does not support the most underserved students and schools across Minnesota who tend to also have the lowest reading proficiency rates. Using a poverty-based calculation to distribute LIA would be a more equitable method to distribute aid as well as provide the additional supports to our most marginalized students and schools.

Measure	Measure type	Measure data source	Most recent data	Projected change
K-3 Universal Screening Data DIBELS 8th Edition (Amplify) mCLASS with DIBELS 8th Edition DIBELS Data System (DDS) with DIBELS 8th Edition FastBridge (Renaissance) earlyReading (K-1) and CBMReading (Grades 1-3)	K-3 student data	Screening data will be collected beginning with the June 15, 2025 Local Literacy Plan submission.	N/A.	By providing additional resources to our most underserved schools and students

Local Literacy Program Data collected from the Local Literacy Plan		Districts must use the the commissioner of education developed template for local literacy plans which meets the requirements of this subdivision and requires all reading instruction and teacher training in reading instruction to be evidence-based. The template must require a district to report information using the student categories required in the commissioner's report . The template must focus district resources on improving students' foundational reading skills while reducing paperwork requirements for teachers. By December 1, 2025, the commissioner of education must submit a report to the legislative committees with jurisdiction over prekindergarten through grade 12 education summarizing the local literacy plans submitted to the commissioner. The summary must include the following information: (1) the number of teachers and other staff , by grade level, who have completed training approved by the Department of Education; (2) the number of teachers and other staff, by grade level, required to complete the training under section 120B.123, subdivision 5, who have not completed the training; (3) the number of teachers exempt under section 120B.123, subdivision 5, from completing training approved by the Department of Education; (4) by school site and grade, the approved screeners and the reading curriculum used; and (5) by school site and grade, using the measurements of foundational literacy skills and mastery identified by the department, both aggregated data and disaggregated data on student performance on the approved screeners using the	MDE is currently analyzing LLP program data from June 15, 2024 LLP submission **Student universal screening data is not required until the June 15, 2025 submission	By closely analyzing the district local literacy plans as well as K-3 student screening data MDE and the Regional Literacy Networks will be able to address better support the schools who serve who have high poverty and low reading proficiency.

		student categories under section 120B.35, subdivision 3, paragraph (a), clause (2).		
Required dyslexia screening data		The dyslexia screening and data reporting requirements to be included in the Local Literacy Plan and data submission due annually on June 15 are as follows: 1. A summary of the district's efforts to screen for dyslexia 2. The number of students universally screened for that reporting year 3. The number of students demonstrating characteristics of dyslexia for that year 4. An explanation of how identified students are provided with alternate instruction and interventions under Minnesota Statutes 2023, section 125A.56, subdivision 1.	This data set can be compared to previous years submission of dyslexia screening data	Requirement in the READ Act will support a more complete data collection for the required dyslexia screening.

Part B: Use of Evidence

1. Have you previously conducted a formal quantitative or qualitative program evaluation that informed the contents of this proposal? If so, please briefly describe the evaluation. NO
2. Are you planning to conduct a formal qualitative or quantitative program evaluation related to this proposal? Indicate what kind(s) of evaluation you will be conducting. Select all that apply.

__ No formal evaluation planned at this time
__ Not yet determined
__ Needs Assessment
X Process or Implementation Evaluation
__ Summative Impact Evaluation (Randomized Control Trial (RCT) or Quasi-Experimental Design)
X Summative Evaluation other than an Impact Evaluation
X Other (please describe or link): Year 1 Implementation data from Regional Literacy Networks

Part C: Evidence-Based Practices

Evidence-based practice:	**Source:**
Evidence-based practices required by 120B.118 to 120B.124 may be cited as the "Reading to Ensure Academic Development Act" or the "Read Act."	Minnesota Session Law, Chapter 55, Article 3 READ Act.

Statutory Change(s):

Minnesota Statutes, 124D.98.

Change Item Title: Transfer Collaborative Urban and Greater Minnesota Educators of Color Grant

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
MDE Expenditures	5,440	5,440	5,440	5,440
MDE Revenues	0	0	0	0
PELSB Expenditures	(5,440)	(5,440)	(5,440)	(5,440)
PELSB Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
MDE FTEs	**0.8**	**0.8**	**0.8**	**0.8**
PELSB FTEs	**(0.8)**	**(0.8)**	**(0.8)**	**(0.8)**

Recommendation:

The Governor recommends that the Collaborative Urban and Greater Minnesota Educators of Color (CUGMEC) grant be moved from the Professional Educator Licensing and Standards Board (PELSB) to the Minnesota Department of Education (MDE). Along with changing the agency responsible for implementing the grant, additional policy revisions are recommended, including an increase in the administrative set-aside to provide programmatic support and financial oversight of the program. This is a cost-neutral proposal.

Rationale/Background:

The CUGMEC grant is a program that has existed in various forms since 1997. In 2019, it was moved to PELSB for administration, and lawmakers explicitly stated that grants must be awarded to increase the number of teacher candidates of color and American Indian candidates.

In fiscal year (FY) 2024 and FY 2025, there were 26 total grants awarded to colleges and universities with board-approved teacher preparation programs. In recent history, grantees have not had any trouble spending their grant dollars in support of teacher candidates of color. Funding for this grant has ranged from $750,000 to a little over $1,000,000 in the recent past, but the 2023 legislative session increased the allocation to $5,440,000 for both FY 2024 and FY 2025.

With the establishment of the Educator Workforce and Development Center at MDE, MDE is well-positioned to administer the CUGMEC grant. While PELSB has administered the grant since 2019, CUGMEC was originally housed with MDE, and MDE has a more robust infrastructure to provide the technical assistance and financial oversight required of a grant program.

In 2021, the Office of the Legislative Auditor (OLA) conducted a study on the CUGMEC program run by PELSB. An evaluation report summary is available on the OLA website. In response to the OLA findings, the Coalition to Increase Teachers of Color and American Indian Teachers in Minnesota advocated for several policy changes to provide the “clear focus” that the OLA found to be lacking in the program at that time. The Coalition, through the Increase Teachers of Color Act (ITCA), was successful in passing new language guiding CUGMEC in 2023.

While the statute language in place today resolved several items that the OLA found, the unintended consequences of the new language created several administrative hurdles that are not in service of the program's goal to increase the number of teachers of color and American Indian teachers in Minnesota. The policy revisions in this proposal are designed to preserve the recommendations from the OLA report while streamlining the language in the law and reducing implementation barriers for grant applicants, grantees, and the agency administering the grant. By moving the grant from PELSB to MDE, the grant process will be standardized and transparent for grant applicants, meeting several OLA recommendations.

Proposal:

First, the proposal will change the agency responsible for administering the CUGMEC grant from PELSB to MDE. The transfer from PELSB to MDE will be cost neutral.

Second, language in the statute will be streamlined to reduce barriers for agency staff and for grant applicants while preserving the integrity of the program. For example, original language required the agency administering the grant and the grantee higher education institution to run a complicated process and formula to determine the maximum award for teacher candidates. The grantees are better situated to know the financial needs of the teacher candidates than the state agency and establishing a cap for awards preserves the original intent to make funding available across multiple teacher candidates. Another change offered relates to geographic distribution of grant awards. The original language requires the agency administering the grant to run complicated formulas based on economic development regions and current shortages of teachers of color. The intent is to ensure the entire state has access to this program, which we feel can be accomplished with language requiring balanced distribution between the twin cities metro area and greater Minnesota. Finally, some changes to the statute merely eliminated language that is already standard procedure for making grant awards.

0.8 FTE will transfer from PELSB to MDE. As part of transferring the grant from PELSB to MDE, the agencies are committed to transferring staff who lead the program at PELSB to MDE to assist with continuity. The proposal does not modify the administrative set-aside. Any unused funds from the administrative set-aside will be made available to grantees.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		0	0	0	0	0	0
Total All Funds		0	0	0	0	0	0

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	(MDE) Grants		5,340	5,340	10,680	5,340	5,340	10,680
1000	(MDE) Grant Admin		100	100	200	100	100	200
1000	(PELSB) Grants		(5,340)	(5,340)	(10,680)	(5,340)	(5,340)	(10,680)
1000	(PELSB) Grant Admin		(100)	(100)	(200)	(100)	(100)	(200)
	Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Impact on Children and Families:

The CUGMEC grant is dedicated to increasing the number of teachers of color and American Indian teachers in Minnesota so that all students have equitable access to a diverse, qualified and thriving educator workforce.

Equity and Inclusion:

A growing body of research demonstrates that teachers of color provide benefits to all students, especially to students of color. Teachers of color boost the academic performance of students of color. Students of color also experience social-emotional and nonacademic benefits of having teachers of color, such as fewer unexcused absences and lower likelihoods of chronic absenteeism and suspension. All students report having positive

perceptions of their teachers of color, including feeling cared for and academically challenged. (Learning Policy Institute Research Brief, April 2018)

Tribal Consultation:

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

__ Yes
X No

Results:

The overall goal of the CUGMEC grant is to increase the number of teachers of color and American Indian teachers in Minnesota, ultimately so that all students have equitable access to a diverse, qualified and thriving educator workforce. CUGMEC directly contributes to recruiting college students of color to enter teacher preparation, to make progress towards a teaching licensure, and ultimately to complete the licensure program with a degree and license.

The results table below describes a few of the several data points MDE will collect from grantees and will publish in an annual report.

Annual program reports would include numeric data and responses from grantees pertaining to their administration of the grant, the participation rates of teacher candidates, and teacher candidate matriculation to licensure completion. Narrative responses would include grantee successes and challenges with grant administration, designed to provide each other and the state with information for continuous improvement.

Measure	Measure type	Measure data source	Most recent data	Projected change
Total numbers of candidates: • enrolled in institution • supported by grant funds • admitted to licensure program • completed licensure program	Quantity	MDE Collected Data	In the fall of 2021, 126 candidates provided scholarships at 25% of full-time undergraduate tuition costs. In the spring of 2022, 108 candidates provided scholarships to cover approximately 30% of tuition costs.	MDE would like to see consistent numbers of enrolled candidates of color who are *retained* in the program and who ultimately *complete* the licensure program.

Statutory Change(s):

Minnesota Statutes 2024, section 122A.635

Change Item Title: Transfer Teacher Mentorship and Retention Grants to Minnesota Department of Education

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures (MDE)	4,500	4,500	4,500	4,500
Expenditures (PELSB)	(4,500)	(4,500)	(4,500)	(4,500)
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	
MDE FTEs	**0.8**	**0.8**	**0.8**	**0.8**
PELSB FTEs	**(0.8)**	**(0.8)**	**(0.8)**	**(0.8)**

Recommendation:

The Governor proposes transferring administration of the Teacher Mentorship and Retention of Effective Teachers grant program at the Professional Educator Licensing and Standards Board (PELSB) to the Minnesota Department of Education (MDE) and any modifications to the program. The proposal increases grant administration in order to provide capacity to manage the program. The program will be administered by MDE, and the transfer is cost neutral.

Rationale/Background:

Mentoring and induction supports for new teachers are vital components of effective professional development that significantly enhance teacher retention and student outcomes. By pairing novice educators with experienced mentors, schools provide essential guidance, fostering a sense of belonging and boosting confidence during the challenging transition into the classroom. This support system allows new teachers to navigate common obstacles, share best practices, and develop their pedagogical skills in a collaborative environment. Furthermore, comprehensive induction programs that include orientation activities as well as training on school culture, curriculum, and assessment tools equip new teachers with the resources they need to succeed from day one. Ultimately, investing in mentoring and induction not only improves teacher effectiveness but also creates a positive school climate that benefits both educators and students alike.

The Professional Educator Licensing and Standards Board (PELSB) began administering the Teacher Mentorship and Retention of Effective Teachers Grant in 2019. This grant program is governed by Minnesota Statute 122A.70. For Fiscal Year (FY) 2025, PELSB was allocated $3,500,000, of which the Board was authorized to retain up to three percent of the appropriation to monitor and administer grant funds. The base funding for FY 2026 and later is $4,500,000, of which at least $3,500,000 each fiscal year must be used for grants to develop and expand mentoring, induction, and retention programs designed for teachers of color and American Indian teachers. In FY 2023, over 75 grant applicants requested over $5,500,000 in funds. PELSB awarded $3,943,267.34 in grant funding to 46 grantees, including schools, districts, groups of school districts, and coalitions of teachers. Funds were used by grantees in the following ways:

- Provide stipends to mentor teachers;
- Support induction programs for teachers during their first years of teaching;
- Support affinity groups specifically for educators and staff of color (licensed and non-licensed);

- Provide financial supports for teachers of color to add an additional licensure field to their license or complete graduate coursework (towards their first master's degree).

MDE formalized induction and mentoring supports in 2022 using federal COVID-relief funds. Funds were used to support a position at the MDE to develop a state induction framework and to support districts and charters in piloting the framework. During school year 2022-2023, educational and community partners were engaged in framework development. In addition, statewide induction training and technical assistance were offered in partnership with the New Teacher Center. Work continued in school year 2023-2024 as the framework was piloted in over 15 Minnesota districts and charter schools and as continued statewide supports were offered to support local induction programs. The pilot program included funds for stipends for mentors as well as training and technical assistance for pilot participants. MDE's work creating an induction framework, piloting the framework, revising the framework based on pilot results, and administering the statewide induction program funded in the 2023 Legislative session makes MDE better suited to administer all induction grants in future and to support grantees.

Proposal:

The proposal would have Minnesota Department of Education (MDE) administer the Teacher Mentorship and Retention of Effective Teachers grant program currently at PELSB, established in Minnesota Statute 122A.70.

Ongoing funds would be used for competitive grants for additional, differentiated supports for new teachers of color, new American Indian teachers, and new teachers in shortage areas. This use of funds will continue the Teacher Mentorship and Retention of Effective Teachers grant program currently at PELSB, established in Minnesota Statute 122A.70. A school district or group of school districts, a school or coalition of schools, or a coalition of teachers would be eligible to apply for a grant. A higher education institution or nonprofit organization may partner with a grant applicant but would not be eligible as a sole applicant for grant funds. Funds could be used for stipends for mentors, affinity groups, programs for induction, professional development focused on closing achievement gaps, and tuition for graduate coursework for teachers of color and American Indian teachers. The current allocation of $4,500,000 per fiscal year for the Teacher Mentorship and Retention of Effective Teachers grant program would continue, but would be appropriated to Minnesota Department of Education. There would be a required minimum for the program grants under this use of funds. Grants would continue to be made annually under this proposal. The reporting requirement would change from an annual report to a biannual report under this proposal to align with the statutory requirement that grant recipients "may use grant funds on implementing activities over a period of time up to 24 months."

MDE would administer the program with the current 3% administrative set aside from the appropriation. 0.8 FTE would be reduced at PELSB and a corresponding 0.8 FTE would be increased at MDE.

Dollars in Thousands

The amounts in the table below include $4,500,000 from the induction and mentoring program that would transfer from PELSB to MDE as part of this proposal.

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	(MDE) Competitive Grants for Teachers of Color and Shortage Areas		4,365	4,365	8,730	4,365	4,365	8,730
1000	(MDE) Grant Administration		135	135	270	135	135	270
1000	(PELSB) Competitive Grants for Teachers of Color and Shortage Areas		(4,365)	(4,365)	(8,730)	(4,365)	(4,365)	(8,730)
1000	(PESLB) Grant Administration		(135)	(135)	(270)	(135)	(135)	(270)
	Total		0	0	0	0	0	0

Impact on Children and Families:

The program supported by this proposal is dedicated to increasing the retention and effectiveness of new teachers of color and new American Indian teachers, so that all Minnesota students have equitable access to a stable, diverse, qualified, and thriving educator workforce.

Equity and Inclusion:

The goal of this proposal is to reduce or eliminate inequities for people of color, American Indians, and students with disabilities. Research has demonstrated that a more diverse educator workforce benefits all students, especially traditionally underserved students. Teachers of color boost the academic performance of students of color. Students of color also experience social-emotional and nonacademic benefits of having teachers of color, such as fewer unexcused absences and lower likelihoods of chronic absenteeism and suspension. All students report having positive perceptions of their teachers of color, including feeling cared for and academically challenged. (Learning Policy Institute Research Brief, April 2018)

The Teacher Mentorship and Retention of Effective Teachers is a significant educator workforce grant program that was prioritized by the community-lead Increase Teachers of Color Act (ITCA).

Tribal Consultation:

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

__ Yes
X No

Results:

The overall goal of the program is increased retention and effectiveness of new teachers of color, new American Indian teachers, and new teachers in shortage areas. This will be achieved through the implementation of multiple induction program components including mentoring, affinity groups, orientation programs and other training for new teachers, networking, and training for mentors. The intended outcome would be increased teacher retention rates for new teachers during their first four years of teaching.

Current MDE grants started in Spring 2024, so no results are unavailable at this time.

Measure	Measure type	Measure data source	Most recent data	Projected change
New teacher retention	Result	PELSB STAR data	Not currently available	Positive impact
Program participant and mentor satisfaction	Quality	Participant survey	N/A	80% satisfied or extremely satisfied overall and with program activities
Number of new teachers supported	Quantity	Participant information	N/A	95% of first-year teachers participate

Part B: Use of Evidence

The New Teacher Center (NTC) and MDE initiated a pilot teacher induction and mentoring program in 24 Minnesota schools during the 2023-2024 school year. A total of 138 teachers and 70 mentors participated in the program, designed to support local education agencies (LEAs), service cooperatives, and program leaders in developing and retaining high-quality educators, specifically educators of color. NTC and MDE spent the prior year developing a comprehensive teacher induction and mentoring framework to enhance the capacity of Minnesota Service Cooperatives (MSC), LEAs, and school leaders in establishing effective induction and mentoring programs. A report summarizes key findings from the pilot, which will be made publicly available once finalized by NTC.

A primary objective of the pilot was to ensure that programmatic support for mentors was timely, relevant, and beneficial for their practice. Based on more than 300 anonymous survey responses from 13 sessions, mentors rated their likelihood to recommend the session to a colleague 8.1 out of 10. Seventy percent of mentors indicated feeling “quite confident” or “extremely confident” in implementing key takeaways or strategies discussed during sessions (n=305). Qualitative feedback highlighted the value of networking with other mentors, sharing problems of practice, and learning about transformative social-emotional learning (SEL), bias traps, and NTC’s high-leverage tools.

New teachers’ desire to stay at their current schools or leave for another school was significantly influenced by the principal’s support of and involvement with mentoring. 98 percent of teachers expressed a desire to continue teaching, with 27 percent indicating a desire to switch schools.

Are you planning to conduct a formal qualitative or quantitative program evaluation related to this proposal? Indicate what kind(s) of evaluation you will be conducting. Select all that apply.

__ No formal evaluation planned at this time
__ Not yet determined
__ Needs Assessment
X Process or Implementation Evaluation
__ Summative Impact Evaluation (Randomized Control Trial (RCT) or Quasi-Experimental Design)
X Summative Evaluation other than an Impact Evaluation
__ Other (please describe or link):

Part C: Evidence-Based Practices

These sources collectively provide strong evidence supporting the effectiveness of teacher mentoring and induction programs in enhancing teacher retention, professional growth, and overall student achievement.

Evidence-based practice:	**Source:**
This review highlights how comprehensive induction and mentoring programs significantly improve teacher retention and effectiveness.	Ingersoll, R. M., & Strong, M. (2011). "The Impact of Induction and Mentoring Programs for Beginning Teachers: A Critical Review of the Research."
The authors found that effective mentoring reduces teacher turnover, which leads to more stable educational environments.	Smith, T. M., & Ingersoll, R. M. (2004). "What are the Effects of Induction and Mentoring on New Teacher Turnover?"
This report discusses the critical role of mentoring in teacher retention and improving teaching quality, supporting new teachers through structured programs.	Darling-Hammond, L. (2003). "Keeping Good Teachers: Why It Matters, What Leaders Can Do."
Hattie’s synthesis indicates that teacher feedback and support systems, including mentoring, have a significant impact on student achievement.	Hattie, J. (2009). "Visible Learning: A Synthesis of Over 800 Meta-Analyses Relating to Achievement."

Evidence-based practice:	Source:
This study shows that mentoring can enhance the professional learning of both new and experienced teachers.	Wang, J., & Odell, S. J. (2002). "Mentor Teacher and New Teacher Learning: A Study of the Effectiveness of Teacher Mentoring."
The review highlights the positive effects of mentoring on new teachers' instructional practices and retention rates.	Boe, E. E., & Cook, L. H. (2006). "Induction and Mentoring of New Teachers: A Review of the Literature."
This research illustrates how mentoring relationships contribute to a sense of belonging, which is crucial for teacher retention.	Johnson, S. M., & Kardos, S. M. (2002). "Keeping New Teachers: A Sense of Belonging."

Statutory Change(s):

122A.70 TEACHER MENTORSHIP AND RETENTION OF EFFECTIVE TEACHERS.

Change Item Title: Student Support Personnel Aid Allowable Uses Modified

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends expanding the authorized uses for the Student Support Personnel Aid (SSPA) and a revised distribution method to distribute student support personnel aid directly to eligible cooperatives. This is a cost neutral proposal that only expands the current uses of student support personnel in statute to ensure LEA's can use the aid they receive.

Rationale/Background:

Students face significant mental health challenges. 28.2% of 9th grade students participating in the Minnesota student survey reported long-term mental health, behavioral or emotional problems. Further, 14% of 9th graders reported seriously considered attempting suicide during the last year, and an additional 14% of these students reported seriously considering attempting suicide more than a year ago. Schools play a vital role in supporting student mental and physical health. Providing universal prevention services and intervening early in the school setting is critical to meeting these holistic student needs. According to the National School Mental Health Center, 60-80% of youth who receive mental health services access them in schools (NCSMH, 2019). Youth are also 6 times more likely to complete evidence-based mental health treatments in schools than in other community settings (Jaycox et al., 2010). Although schools are under resourced in this area, progress has been made progress with student support personnel aid.

Districts are experiencing barriers to fully utilizing these funds; citing challenges related to hiring licensed student support personnel. Even before this aid was made available, it was common for LEAs to report high numbers of unfilled student support personnel positions, due to dramatic workforce shortages. This is particularly true for social workers and nurses who can make significantly more money in positions outside of schools. Currently, if a school district, charter school, or cooperative unit does not receive at least two applications and is not able to hire a new full-time equivalent position with student support personnel aid, the aid may be used for contracted services from individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota. Combining the workforce shortages with the fact that the funds awarded to schools do not cover a full position, districts are also finding it difficult to secure contracted services from licensed personnel. Additionally, in the first year of implementation, the distribution of student support personnel aid to cooperatives through their member districts created confusion and allocation questions.

Expanding the allowed uses of these funds would allow LEAS to be more responsive to their individual contexts and implement best practice frameworks such as Comprehensive School Mental Health Systems framework and Minnesota Multi-Tiered System of Supports (MnMTSS).

Statute currently allows local education agencies (LEAs) to spend the aid to add new FTE that qualifies under the allowable licensure categories, increase a current position that is less than 1.0 full-time equivalent to a greater number of service hour position hired using one-time resources awarded through federal COVID funding, or to hire for contracted services. If an LEA is unable to spend the aid on these current allowable uses, this proposal expands the uses and allows aid to be spent on 1.) maintaining student support personnel positions if enrollment declines; 2.) covering the costs of planning and implementing training and job-embedded coaching for student support personnel; and 3.) covering material costs of evidence-based, culturally responsive curriculums and programs that proactively support student mental health and school community wellbeing. In addition, SSPA for cooperative units and intermediates would be adjusted to recalculate aid to each eligible site and would be sent directly rather than using districts as a flow through for aid.

Proposal:

This proposal would allow LEAs, who have in good faith attempted to but are unable to hire a student support personnel or secure contracted services from licensed student support personnel, to use funding for:

1. Maintaining student support personnel positions if they will be lost due to enrollment declines.
2. Covering the costs of planning and implementing training and job embedded coaching: in social emotional learning, trauma informed/anti-bias practices, evidenced based/informed mental health interventions, and comprehensive school mental health.
3. Covering the material costs of evidence-based, culturally responsive curriculums and programs that proactively support students and school community wellbeing. This can include, but is not limited to, social emotional learning curriculum and supplemental materials, and tiered intervention programs for social, emotional, and/or behavioral needs. Certain restrictions will need to be in place to make sure these materials are evidence-based and refrain from covering the costs of items such as rewards for positive student behavior.

In addition to the expanded uses, another barrier to effective use of funds includes the distribution of aid to cooperative units rather than flowing through member districts. This revised distribution method would distribute student support personnel aid directly to eligible cooperatives who serve students using the same total entitlement, resulting in a revenue neutral distribution change. The calculation and allocation to eligible cooperatives is as follows:

Available aid for cooperatives remains the same as the current calculation in statute. Aid for cooperatives equals the greater of $40,000 per member district or a per pupil allowance of $0.60 for fiscal year 2024, $0.85 for fiscal year 2025, and $2.44 for fiscal year 2026 and later, multiplied by the adjusted pupil units of the member district.

Available aid for cooperatives will be distributed directly to cooperatives as follows:

- All cooperatives receive a minimum distribution of $100,000.
- Cooperatives exceeding 10 member districts receive $10,000 per member district in excess of 10; e.g., a cooperative with 12 member districts would receive $100,000 minimum distribution plus an additional $20,000, totaling $120,000.
- Any remaining aid will be distributed in the form and manner prescribed by the Commissioner of education.

Impact on Children and Families:

Students' social, emotional, and physical health needs interfere with their ability to learn. The COVID-19 pandemic exacerbated these needs, which has impacted families, schools and communities. These expanded uses will help ensure every Student Learns in a Safe and Nurturing Environment and yield increased capacity for schools to serve students' mental health needs by building the necessary supports for students around mental health and social and emotional learning. Most importantly, students will have an improved sense of belonging and well-being and experience improved academic outcomes.

Equity and Inclusion:

This proposal will help communities within particularly high levels of workforce shortages in the student support personnel profession. In addition, it seeks to minimize inequities in access to quality mental health care for people of color, Native Americans, people with disabilities, people in the LGBTQ community, and other protected classes by increasing the capacity by which school health and mental health providers and other educators implement the Comprehensive School Mental Health Systems framework and MnMTSS through an explicitly anti-bias and trauma-informed lens. These funds may be used to ensure that interventions are culturally relevant and affirming, which is a significant need in our schools. Without these resources, students will have less access to appropriately trained and resourced providers. Ultimately, this creates a culture that perpetuates inequities and further stigmatizes mental health care within diverse communities.

Tribal Consultation:

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

__ Yes
_x_ No

IT Costs:

NA

Results:

The overall goal of this proposal is to address the barriers some districts have encountered in utilizing the current Student Support Personnel Aid funding by expanding the available uses to include increasing their capacity to recruit and retain student support personnel, and/or to increase the evidence-based resources available to the student support personnel they are able to employ. Success could be measured by an increase in the number of districts able to use the funds, a decrease in the number of vacant student support personnel positions, an increase in overall student support personnel FTE across the state, and/or an increase in the number of students receiving evidence-based social emotional learning teaching and intervention at all tiers in schools.

Feedback from school districts and student support personnel professional associations have informed the need for this change. Data on the cost of a single FTE across the state illustrates the limitation on creating new, full-time positions with only the Student Support Personnel Aid. Recommendations for recruitment and retention efforts come from existing research as well as case examples from Minnesota school districts.

Part A: Performance Measures

MDE does not currently collect information regarding the extent to which schools are purchasing intervention materials or providing training to staff on these topics. To quantify the impact of these expenditures, MDE would need to collect information identified in the table below. Additionally, MDE will collect and utilize qualitative feedback from districts who request technical assistance on proper use of funds to inform how to best provide clear direction for schools on best practices.

Measure	Measure type	Measure data source	Most recent data	Projected change
The number of FTE hired or maintained through funding	Quantity	MDE collected data	n/a	MDE expects an increase in positions maintained.

Measure	Measure type	Measure data source	Most recent data	Projected change
The number of schools that purchased curriculum or resources to support Universal/Tier 1 instruction in explicit and embedded social and emotional learning	Quantity	MDE collected data	n/a	MDE expects an increase in the access to evidence-based resources for social-emotional learning
The number of schools that purchased tiered intervention materials intended to address student social, emotional, and/or behavioral needs or mental health	Quantity	MDE collected data	n/a	MDE expects an increase in the access to evidence-based resources for social-emotional-behavioral needs.
The number of staff trained in implementing any of the above stated curriculums or interventions	Quantity	MDE collected data	n/a	MDE expects an increase in the access to evidence-based resources for social-emotional-behavioral needs.
The extent to which the funds went towards evidence-based materials, and trainings consistent with the Results First framework.	Quality	MDE collected data	n/a	MDE expects an increase in the access to evidence-based resources for social-emotional-behavioral needs.

Part C: Evidence-Based Practices

Evidence-based practice:	Source:
Whole School, Whole Community, Whole Child model	Lewallen, T. C., Hunt, H., Potts-Datema, W., Zaza, S., & Giles, W. (2015). The whole school, whole community, whole child model: A new approach for improving educational attainment and healthy development for students. *Journal of School Health*, *85*(11), 729-739.
Comprehensive School Mental Health Systems	Hoover, S. A., Lever, N. A., Sachdev, N., Bravo, N., Schlitt, J. J., Price, O. A., ... & Cashman, J. (2019). *Advancing comprehensive school mental health systems: guidance from the field*. National Center for School Mental Health, University of Maryland School of Medicine
Evidence based approaches for School Counselors	American School Counselor Association. (2003). The ASCA national model: A framework for school counseling programs. *Professional School Counseling*, 165-168.
Evidence based approaches for School Social Workers	https://msswa.wildapricot.org/School-Social-Work-National-Model

Evidence-based practice:	Source:
Research on recruitment and retention	U.S. Department of Education's Guiding Principles for Creating Safe, Inclusive, Supportive, and Fair School Climates [1] U.S. Department of Education's Strategies for Increasing Diversity and Opportunity in Higher Education [2]

[1] https://www.ed.gov/sites/ed/files/policy/gen/guid/school-discipline/guiding-principles.pdf

[2] https://sites.ed.gov/ous/files/2023/09/Diversity-and-Opportunity-in-Higher-Education.pdf

Statutory Change(s):

Minnesota Statute 124D.901 Subd. 3 and 4

Change Item Title: Rename Student Support Personnel Pipeline Grant Program

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The governor recommends modifying the name of the Student Support Personnel Pipeline Grant Program to "Student Support Personnel Pathway Grant." This recommendation is cost-neutral.

Rationale/Background:

The purpose of these grants is to support institutions of higher education to develop a student support personnel workforce pipeline that supports students to complete accredited programs and become licensed school psychologists, school nurses, school counselors, and school social workers. In addition to increasing the workforce, the program is designed to increase the number of student support personnel providers who identify as people of color and/or Indigenous.

Nationally, it is common for programs intended to support students in becoming educators or student support personnel to be referred to as "pipeline" programs. There is growing critique of the use of this term for social, political and cultural reasons. Most notably this term is harmful to American Indian communities where pipeline projects threaten inherent sovereignty. Subsequently, many programs across the country are shifting away from using this term. The Minnesota Department of Education (MDE) believes it is important to use language that is culturally responsive and affirming. Grantees recommended the term "pathway" as an alternative.

Proposal:

This proposal amends the name of this grant program to read "Student Support Personnel Pathway Grant".

This program is intended to help recruit and retain diverse students. It is critical that the programs are designed to be responsive to the needs and feedback of the students they intend to serve. This starts with intentional language.

Impact on Children and Families:

This program supports the Due North goal that "every student learns in a safe and nurturing environment." Student support personnel are critical to student relationship-building and centering discipline on growth, not punishment. The program also focuses on building the necessary supports for students around mental health and social-emotional learning. Children and adolescents are more likely to receive needed mental health care in their school than in any other setting. Of the children and adolescents who receive mental health services, 70-80% receive them in school (Rones, M., & Hoagwood, K. 2000). Schools can offer a more accessible, less stigmatizing environment than traditional community-based mental health settings. Student support personnel most often deliver these services to students in schools.

Equity and Inclusion:

This program expands opportunities, particularly for communities of color and American Indian communities, to become school psychologists, school nurses, school counselors, and school social workers. This proposal to make the program name more culturally responsive and affirming is responsive to the needs and feedback of these communities.

Student support personnel who share racial and cultural backgrounds with the students and families they serve can help improve the relatability and accessibility of mental health support (U.S. Department of Education, 2024). In the long run, these staff are critical to reducing both health and academic inequities impacting Native, Black, Latine/Latinx, African immigrant, and/or Asian American and Pacific Islander (AAPI) students; students with disabilities; LGBTQIA2S students; immigrant and refugee students; and students that are living in poverty.

Tribal Consultation:

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

__ Yes
x__ No

IT Costs: N/A

Results:

This proposal is for operational or technical changes that are unlikely to directly impact outcomes.

Statutory Change(s):

Laws of Minnesota 2024, chapter 115, section 14

Change Item Title: Clarify Lease Levy Authority

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends added definitions to the statute related to education lease levies as well as to clarify when a capital or joint powers must submit a review and comment to MDE. With multiple options for entering into lease agreements, these changes will identify in more detail what types of leases are eligible for levy authority. This proposal does not change the statutory funding, currently $212 per Adjusted Pupil Unit (APU) for districts, and $65 per APU for district contributions for cooperative leases.

Rationale/Background:

Districts may engage in two types of lease levies: operational lease levies, for the purpose of renting a space for instructional purposes; or capital lease levies, for the purpose of acquiring ownership of an instructional facility or site. Both lease levy types may be entered into by individual districts, known as a non-joint lease, or by a group of districts, known as a joint lease. Leases are 100 percent property tax levy programs.

The current statutory language does not clearly define what sites or projects are eligible for lease levy funds, especially in the category of capital leases. When questions arise regarding the use of lease levy, this lack of statutory clarity results in subjective and inconsistent guidance. In addition, some of the current language refers to other funding sources or vague criteria for lease approval. These items require more definition to approve lease levy applications objectively and consistently.

Finally, with the change to a per pupil annual entitlement for lease levy approval it is no longer necessary to compare against the operating capital revenue the district receives. This proposal allows the Minnesota Department of Education (MDE) to provide consistent and objective guidance regarding what is and is not eligible for lease levy. By clarifying the definitions of eligible facilities, sites, and projects for each lease levy type as well as the criteria for approval for each lease levy type, districts interested in using lease levy for specific projects will receive uniform guidance and review for approval.

Proposal:

First, under this no cost proposal, the two following sections of the statute would be removed since they are not currently applicable to annual lease application approvals:

- The reference that the district's operating capital revenue is insufficient for covering the costs of lease levy.
- The reference to districts providing a financial justification for the lease levy. Instead, the district will need to confirm they meet all the guidance requirements.

Second, the addition of a definition section will clarify terms used in the lease process. The addition of a required review and comment for capital or joint powers leases will provide an added level of accountability. This will provide more consistency and clarity to districts on which lease option is applicable. This proposal will allow for MDE to provide better guidance on how leases are approved each year.

Impact on Children and Families:

The impact on children and families is to ensure that all districts and cooperatives understand the applicable uses of lease options and will support long-term strategic planning and budgeting for needed space.

Equity and Inclusion:

These statute changes will ensure all districts have the same access and understanding of how to use lease levy funds.

Tribal Consultation:

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

__ Yes
_x_ No

IT Costs:

N/A

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Providing more clarity in definitions and uses of lease levies.	result	MDE will measure the number of questions and issues to show that these improvements will make it easier for districts to apply and get approval for eligible leases.	NA	This is to create effective processes for both districts and MDE in order to value the time needed for approvals.
More clarity will avoid some districts not knowing or understanding options.	quantity	Districts that have more staff or time to review leases can often do more with their levy authority. More straightforward statute language and MDE guidance should create more opportunities for districts to utilize this option.	NA	This should lead to more leases that comply with uses and definitions and less leases that are denied or need to be adjusted.
Measuring approved leases to determine if the uses create improvements for districts, students, and staff.	quality	As statute will define and clarify eligible uses, MDE can measure what is being leased in order to determine if uses are in alignment of what is needed.	NA	Initial clarity will allow further discussion on what works and what does not work.

Statutory Change(s):

Minnesota Statutes, section 126C.40

Change Item Title: Modify the Achievement and Integration Program and Administration

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**5.8**	**5.8**	**5.8**	**5.8**

Recommendation:

The Governor recommends implementing technical assistance modifications to statutes governing Achievement and Integration (A&I) to effectively manage the significant increase in districts qualifying for funding since the statute's modification in 2013. Additionally, the Governor recommends modifying the Minnesota Department of Education (MDE) administration set aside from .03% to 1.3%, which would result in a total set aside of $1,168,636 in fiscal year (FY) 2026 and $1,156,495 in FY 2027 and later. This will ensure local education agencies (LEAs) receive appropriate and timely technical assistance, coaching, and professional development tailored to their specific needs, allowing them to meet their goals.

Rationale/Background:

The A&I program in Minnesota aims to enhance racial and economic integration in public schools, boost student achievement, and reduce educational disparities by supporting LEAs in developing and implementing specific plans. LEAs qualifying for this program are racially isolated, physically adjoin a racially isolated district and participate voluntarily, or have racially identifiable schools, with eligibility determined by annual enrollment data. Currently in FY 2025, 180 LEAs are receiving A&I funding and are required to create plans focused on racial and economic integration, reducing academic disparities, and ensuring equitable access to diverse and effective teachers. These plans are evaluated every three years, with technical support provided by an MDE A&I specialist that helps LEAs meet program requirements and goals.

The A&I program is encountering several significant challenges due to resource constraints. Despite a dramatic increase in participating LEAs, from 53 in FY 2003 to 180 in FY 2025, the program operates with a minimal staff of just three full-time equivalent (FTE) individuals that are responsible for providing coaching, technical assistance, and training to all 180 LEAs. This staffing level is insufficient to effectively support the A&I legislative mandate, negatively impacting LEAs.

Additionally, the program suffers from a lack of dedicated funding for essential activities. There is no budget for travel, which limits the ability of staff to visit and engage directly with LEAs. Furthermore, there is no provision for professional development, which hinders the ongoing training and skill enhancement of both program staff and district personnel. These funding gaps contribute to difficulties in managing the increased workload and effectively meeting the programs goals in partnership with LEAs.

This proposal aims to address issues raised by the Office of the Legislative Auditor (OLA) by increasing MDE A&I program staffing to better support LEAs and adjusting deadlines for better data collection and detailed reporting, allowing LEAs more time to collaborate and refine their improvement plans. This will enable A&I staff to provide

more timely and effective feedback, ultimately benefiting students by promoting greater integration, reducing segregation, and improving outcomes.

The OLA also found that statute could be adjusted to achieve more effective program support. The OLA report suggest clarification to Minnesota Statutes, section 124D.62, subdivision 8(c)(2), which states that if the district has not met its goals, MDE must "use up to 20 percent of the district's integration revenue…to implement the improvement plan." The report recommended more responsibility for districts in implementing improvements by requiring that MDE direct school districts to use up to 20% of the funds rather than MDE itself using the funds to implement the improvement plan. Additionally, the OLA recommended further enhancement to the improvement plan process by establishing clearer district reporting and MDE feedback dates.

Proposal:

This proposal increases the A&I administration set aside from .03% to 1.3% of A&I statutory funds for MDE to increase its capacity for effectively supporting LEAs in their A&I efforts. The current .03% funds 2.2 FTE of the 3 full-time staff who support 180 LEAs in their A&I programming. Increasing the administration fee will increase MDE's capacity to provide technical assistance, coaching, and training to A&I LEAs across the state. MDE will use funding to:

- Hire staff who will support A&I LEAs in their A&I efforts
- Fund essential training and coaching for MDE as well as LEA administrators, teachers, and staff
- Increase MDE's capacity to partner with LEAs, external partners, and community experts
- Support data collection and monitoring processes and implementation of evidence-based practices

To enhance the effectiveness of district improvement plans, and following OLA recommendations, this proposal would make it clear that MDE directs districts to use 20% of their A&I funds to implement their improvement plans rather than MDE itself using the funds to implement the improvement plans. Additionally, the proposal would amend deadlines by which MDE must review district A&I goals. Districts would have to submit their progress updates to MDE by Sept. 15.

The proposal for the Minnesota A&I program represents a significant step forward in addressing MN's achievement gap, which is one of the largest in the nation. By aligning with innovative strategies from public, private, and Tribal agencies, this proposal aims to enhance student achievement and bridge the opportunity gap for children, youth, and families. It builds on successful models by expanding access to crucial resources and services within communities, ensuring underserved population benefit from tailored supports. This includes increasing access to quality education and early education, which are vital for a healthy start, and enhancing mental health supports and stable housing, thus directly aligning with the Governor's Due North plan for children's well-being.

The proposal also integrates data-driven approaches to evaluate and refine its impact, promising to improve the lives of future Minnesotans by creating a more equitable educational landscape. By addressing the root causes of the achievement gap and investing in comprehensive support systems, the policy is expected to produce measurable improvements in educational outcomes and overall quality of life for the next generation. This strategic alignment and focus on data-backed interventions ensure every child has the opportunity to succeed, ultimately contributing to a more equitable and prosperous future for all Minnesotans.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		0	0	0	0	0	0
Total All Funds		**0**	**0**	**0**	**0**	**0**	**0**

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Aid		-1,169	-1,156	-2,325	-1,156	-1,156	-2,312
1000	Program Administration and Oversight		1,169	1,156	2,325	1,156	1,156	2,312

Equity and Inclusion:

A&I is a foundational pillar of the Equity, Diversity and Inclusion (EDI) Center at MDE. This proposal will support the EDI Center in producing positive outcomes within MDE and for LEAs by increasing the capacity, skill, and will of educators to properly address inequities. At MDE, this will result in an improved work culture, lower turnover rates, and an improved approach to supporting LEAs, students, families, and communities. At LEAs, this will result in an increase in student connectedness and achievement and a decrease in academic and behavioral disparities. Positive relationships and collaboration across LEAs, MDE, and within communities have already been demonstrated with limited MDE capacity, and these will only grow and strengthen with this proposal.

The purpose of the A&I program is to pursue racial and economic integration, increase student achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools. This proposal will enable A&I staff to provide timely and effective feedback and coaching to support district progress toward their goals. This will benefit staff and students by promoting greater integration and improving outcomes.

Tribal Consultation:

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

__ Yes
_X_ No

IT Costs:

NA

Results:

The overall goal of the proposed change item is to increase MDE's capacity to help significantly reduce the achievement gap among students in MN, particularly for underserved populations, by implementing targeted educational interventions and support programs. Success will be assessed over a three-year period through metrics such as improved standardized test scores, increased graduation rates, and enhanced student engagement surveys, ensuring alignment with the intended outcomes of fostering equitable educational opportunities. Evidence from previous initiatives indicate targeted strategies–such as culturally relevant teaching practices and community partnerships–can lead to measurable improvements in student performance, which will be tracked through both quantitative data and qualitative feedback from educators and families.

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of A&I LEAs	Quantity	A&I legislation and tracking	180 LEAs supported by three A&I specialists (60 A&I LEAs per A&I specialist)	180 LEAs supported by eight A&I specialists (23 A&I LEAs per A&I specialist, expanding their capacity to provide in-depth, targeted support to LEAs)

Measure	Measure type	Measure data source	Most recent data	Projected change
Provide progress report feedback and consultation well before next budget and plan are due	Result	A&I team will create and use current program data spreadsheets to track when progress reports are submitted and when they made contact with LEAs to provide feedback and consultation.	N/A	A&I specialists will be able to meet with districts to go through results of progress reports and provide feedback to 80% within 30 days to help them improve and/or meet their desired outcomes.
Provide timely approval of A&I plans	Result	A&I team will use annual plan and budget tracker to indicate when plans are submitted and approved. The goal is to have all plans approved by the legislative deadline of June 1.	62 Cohort-1 (2024-26 plan cycle) district plans were approved by or before June 1, 2023. 100% of plans were approved by the legislative deadline of June 1.	Timely approval of plans will allow districts to hit the ground running with their A&I initiatives by not delaying hiring or program implementation. This will allow district to optimize strategies to provide resources to students and families on their intended timeline.
Provide timely annual approval of A&I budgets	Result	A&I team will use annual plan and budget tracker to indicate when budget is submitted and approved. 100% of budgets will be approved by the legislative deadline of June 1.	152 FY25 district budgets were approved and sent to MDE School Finance by or before June 1, 2024. 100% of budgets were approved by the legislative deadline of June 1.	Timely approval of budgets will allow districts to receive their aid within the period they need to hire and/or implement approved plan strategies and programs. This will allow district to optimize strategies to provide resources to students and families on their intended timeline.
The percent of A&I LEAs who report they are on track to reach their three year goals	Quality	Monitoring reports	After implementing their A&I plans for one year, 72% of Cohort One reported being on track to meet their goals by the time their plan ends on June 30, 2026, or already met their goals. After implementing their A&I plans for two years, 76% of Cohort Two reported being on track to meet their goals by the time their plan ends on June 30, 2025, or already met their goals.	Cohort One will increase to *80% Cohort Two will increase to 85%

Measure	Measure type	Measure data source	Most recent data	Projected change
A&I LEAs' perceptions of how their knowledge, skills, and capacitates have changed as a result of training and TA	Quality	Training surveys	Baseline data will be gathered in July – December 2025	We expect to see an increase by December 2026.

Part B: Use of Evidence

1. Have you previously conducted a formal quantitative or qualitative program evaluation that informed the contents of this proposal? If so, please briefly describe the evaluation.
   Yes, the A&I program was thoroughly audited by the OLA, and this proposal is directly related to the OLA's findings. Minnesota is also known to have the largest achievement gap in the nation based on national quantitative and qualitative research. This proposal will support an extensive internal evaluation process as defined above. Findings from the evaluation will be used to continue MDE's efforts to contribute to a more equitable and prosperous future for all Minnesotans.
2. Are you planning to conduct a formal qualitative or quantitative program evaluation related to this proposal? Indicate what kind(s) of evaluation you will be conducting. Select all that apply.

   __ No formal evaluation planned at this time
   __ Not yet determined
   __ Needs Assessment
   _X_ Process or Implementation Evaluation
   __ Summative Impact Evaluation (Randomized Control Trial (RCT) or Quasi-Experimental Design)
   __ Summative Evaluation other than an Impact Evaluation
   __ Other (please describe or link):

Part C: Evidence-Based Practices

This proposal does not prioritize practices that have been studied and found effective through randomized control trials or quasi-experimental design studies. However, A&I Specialists support LEAs with identifying and implementing evidence-based practices based on LEA interests such as Check and Connect[1], and Schoolwide Positive Behavioral Interventions[2]

Statutory Change(s):

Minnesota Statutes, section 124D.861; Minnesota Statutes, section 124D.862

[1] https://ies.ed.gov/ncee/WWC/InterventionReport/78
[2] https://ies.ed.gov/ncee/WWC/Study/78551

Change Item Title: Modify Allowable Uses for Nonprofit Food Service Expenditures

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends clarifying that local education agencies may not use food service funds for any purpose unless their use can be directly tied to the nonprofit food service account. This ensures that funds from the child nutrition programs and Minnesota Free School Meals remain in the nonprofit food service account to increase the quality of meals and the program. This is a no cost recommendation.

Rationale/Background:

The reason for this proposal is to align the statutory language with what MDE understands is the spirit of the federal regulations in what can be reasonably charged to the nonprofit food service account and to reserve the funds in the nonprofit food service account to only be used for direct food service charges. Proposed updates are based on past financial review findings of the nonprofit foodservice account.

Funds kept in the nonprofit food service account can then be used to increase the quality of the meals and foods offered.

Proposal:

This proposal amends Minn. Stat. 124D.111, subdivision 3 by removing the ability for school administration to charge their time to the nonprofit food service account for supervision unless supervision is a primary job duty of theirs. This proposal also removes the responsibility of a deficit of the nonprofit food service account from the food service management company. School Food Authorities are responsible for ensuring correct and competitive procurement of the food service contracts. For smaller schools, there may be situations when the general fund must help support food service, which is no fault of the food service company.

Impact on Children and Families:

The funds from the child nutrition programs and Minnesota Free School Meals would be required to stay in the nonprofit food service account to better the food program, which in turn will improve the learning environment and lives of children.

Equity and Inclusion:

This proposal aims to clarify language to meet needs of schools and the food service program. Although the language changes do not directly aim to reduce or eliminate inequities, it is a possible secondary effect. This proposal was made using knowledge of resource management findings across all schools. Resource Management is the financial review of schools in the National School Lunch Program. Minnesota Free School Meals made

possible for schools to have guaranteed revenue for breakfasts and lunches served. This allows every child across Minnesota to have access to a high-quality, healthy, well-balanced meal.

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

__ Yes
_x_ No

IT Costs:
NA

Results:
Results will be evaluated through the school nutrition programs financial review, called the resource management review. Findings of funds to be restored to the nonprofit food service account for unallowable supervision will be documented.

Measure	Measure Type	Measure Data Source	Most Recent Data	Projected Change
Nonprofit food service account deficit	Quantity	Uniform Financial Accounting and Reporting Standards (UFARS) data is reviewed by MDE to determine deficit or excess	School Year 2023-24 data	No change
Resource management review findings	Quantity	Amount of funds to be restored to the nonprofit food service account based on unallowable costs	N/A	No change food service account

Statutory Change(s):
Minnesota Statutes, section 124D.111, subdivision 3

FY 2026-27 Biennial Budget Change Item

Change Item Title: Repurpose Summer Food Service Program

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The governor recommends repurposing the annual $150,000 currently used to incentivize Summer Food Service Program (SFSP) sponsor participation to instead be distributed to schools for their work on uploading data for the Summer Electronic Benefit Transfer Program (S-EBT). This proposal is cost neutral.

Rationale/Background:

SFSP is designed to fill the nutrition gap during the summer months and make sure children can get the nutritious meals they need to achieve success. Currently, the $150,000, allocated under Minnesota Statutes, section 124D.111, goes to schools and non-school SFSP sponsors based on meal claims. Because the claims have increased over the years, the funds that are distributed to SFSP sponsors are small, inadequate and are distributed in December which adds burden to schools as they are finalizing their audits.

With this proposal, the burden of current distribution of SFSP funds will be solved while continuing to be distributed to schools but at an amount that is meaningful to their S-EBT work. The S-EBT program provides families with school-aged children eligible for free or reduced-price school meals $40/month per child ($120 total) during the summer months to purchase healthy foods with funds placed on EBT cards. Repurposing the SFSP funds continues to keep the funds in the summer nutrition programs and in schools for the benefit of children and families.

Proposal:

Under this proposal, by September 1 of each year, the Minnesota Department of Education (MDE) will distribute $150,000 to school food authorities that submit their eligible students' information to the S-EBT portal. The funds will be available to schools to use for their operating costs as it relates to the data upload components of S-EBT.

Dollars in Thousands

Net Impact by Fund	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund	0	0	0	0	0	0
Total All Funds	**0**	**0**	**0**	**0**	**0**	**0**

Fund	Component Description	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Summer Food Service Program	-150	-150	-300	-150	-150	-300
1000	SEBT Support	150	150	300	150	150	300

Impact on Children and Families:

Summer EBT provides grocery-buying benefits to low-income families with school-aged children when schools are closed for the summer. In the first summer of the program, Minnesota has already provided grocery-buying benefits for nearly 460,000 children in Minnesota, bringing in more than $55,000,000 in benefits for families. Schools play a vital role in this program by uploading their student data.

Equity and Inclusion:

Summer EBT is a vital program to students and is for children who are income eligible based, including communities who are affected by poverty at a higher rate, such as people of color, Native Americans, and other minority communities. USDA has published that only one in six children who are eligible for summer meals obtain a meal when school is not in session through the Summer Food Service Program (SFSP). Therefore, S-EBT is important to ensuring children who are affected by poverty are able to continue to access food when school is not in session.

Tribal Consultation:

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

__ Yes
_x_ No

Not a significant direct effect, but Tribal Nations can be considered School Food Authorities under the USDA Child Nutrition Programs and therefore these funds can be distributed to Tribal Nations that conduct data uploads for S-EBT.

IT Costs:

NA

Results:

Part A: Performance Measures

The goal is to repurpose funds to compensate school district S-EBT coordinators for time needed to conduct S-EBT activities. ensure state funds for summer activities go to schools and to allow schools to use the funds for administration costs of the Summer EBT. Currently, the funds are deposited to schools and non-school sponsors and kept in the nonprofit food service account which is not allowed to pay for staff costs of the position that uploads student data for S-EBT.

During Pandemic EBT, funding was provided to schools on a tiering basis to assist in the data upload functions the schools performed. The funds during Pandemic EBT assisted schools to compensate school district P-EBT coordinators for time needed to conduct P-EBT activities. Summer EBT activities are similar but funding to schools is not included in the Minnesota agreement with USDA nor State Statute for S-EBT. Repurposing funds continues to keep the allocated funding in summer programs, reduce burden from current distribution structure and allow schools to use for S-EBT staff costs.

Measure	Measure type	Measure data source	Most recent data	Projected change
Percentage of students who qualify for free-reduced price meals uploaded to S-EBT portal	Quantity	Data will be collected using the Summer EBT technology products and student counts	100%	No change

Measure	Measure type	Measure data source	Most recent data	Projected change
Schools have positive view of S-EBT	Quality	School surveys will be conducted as the technology build is done. Schools will provide feedback on the process.	Schools provided feedback that they need funding to assist with the additional duties of data uploads for S-EBT	If successful, schools will have reduced administrative and funding burden.

Part B: Use of Evidence

The Minnesota Department of Education has not previously conducted a formal program evaluation that has informed the contents of this proposal. It has not yet been determined if a formal evaluation related to this proposal will be conducted.

Part C: Evidence-Based Practices

This proposal is for operational improvements which cannot be studied through a randomized control trial or quasi-experimental design study.

Statutory Change(s):

Minnesota Statutes, section 124D.119

FY 2026-27 Biennial Budget Change Item

Change Item Title: Legal Services Costs

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	6,000	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**2.3**	**0**	**0**	**0**

Recommendation:

The Governor recommends $6,000,000 general fund onetime in fiscal year (FY) 2026 to support the Minnesota Department of Education (MDE) legal support costs including costs associated with Minnesota Department of Education's Office of the General Counsel, use of the Attorney General's Office, discovery, mediation, and other litigation costs. This request includes funding for 2.3 full-time equivalents (FTEs) currently funded on limited basis from a prior onetime appropriation for legal costs.

Rationale/Background:

During the 2023 legislative session, $7.5 million in onetime funds were appropriated in FY 2024-25 for legal costs. While the funding for this ends June 30, 2025, many of the major lawsuits remain in progress and are expected to continue in FY 2026-27. MDE is a large state agency with a significant set of responsibilities and funds to oversee. MDE encounters various and significant legal issues in its work, including several, ongoing, complex litigation matters. MDE needs funding to support a legal team in the Office of General Counsel (OGC) and to provide funds to cover litigation expenses and costs of resolving legal matters. Currently, all of the legal costs MDE is required to cover, including salaries for 2.3 FTEs in the Office of General Counsel (the General Counsel, Deputy General Counsel, and a portion of Compliance Coordinator position), are covered by a one-time litigation appropriation that lasts one biennium.

This proposal has a direct impact on two priority areas of the One Minnesota plan: Children and Families and Fiscal Accountability, Customer Experience, and Measurable Results. Having strong and adequate legal counsel will support MDE to do its best work on behalf of children in Minnesota and will also support agency in ensuring top fiscal accountability and customer experience.

Proposal:

This proposal provides one-time $6,000,000 general fund for legal costs in the 2026-27 biennium. The funding would also temporarily maintain 2.3 current FTEs.

These funds would be used for litigation matters MDE is involved in, including at least three major landmark cases with the potential to make significant law and have a significant impact in Minnesota. During the course of litigation, these funds will pay for litigation related costs, including expert witnesses, court reporters, any needed outside counsel, and other costs. Outside of litigation, these funds will also cover expenses for required administrative legal activities, including rulemaking and appeals from administrative decisions. Finally, this funding will pay for legal professionals at MDE needed to complete this work.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		6,000	0	0	0	0	0
Total All Funds		6,000	0	0	0	0	0

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	MDE Staff Salaries and Benefits		986					
1000	Legal Costs		5,014					

Impact on Children and Families:

This proposal is intended to allow MDE to continue to provide current levels of leadership and support to students, educators, schools, and families.

Equity and Inclusion:

MDE serves more than 2,000 schools across the state; over 58,000 full -time equivalent teachers; 65,000 non -licensed staff; and more than 890,000 prekindergarten to grade 12 students. MDE provides support, technical assistance, funding and much more to the thousands of educators and students in the state.

Tribal Consultation:

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

__ Yes
X No

IT Costs:

NA

Results:

Overall Goals: MDE manages legal risk and matters efficiently and in alignment with MDE's strategic plan, minimizing the impact of adverse litigation on MDE's ability to advance its goals outlined in MDE's strategic plan.

Robust legal counsel and services is needed to minimize adverse litigation outcomes.

Measure	Measure type	Measure data source	Most recent data	Projected change
MDE's strategic plan and related goals are not hindered by legal challenges or risks	Quality	Frequency and depth of legal issues decreases	NA	MDE's legal risks and challenges are not significant and do not hinder MDE's goals

Part B: Use of Evidence

1. Have you previously conducted a formal quantitative or qualitative program evaluation that informed the contents of this proposal? If so, please briefly describe the evaluation.

   No

2. Are you planning to conduct a formal qualitative or quantitative program evaluation related to this proposal? Indicate what kind(s) of evaluation you will be conducting. Select all that apply.

___ No formal evaluation planned at this time
_X_ Not yet determined
___ Needs Assessment
___ Process or Implementation Evaluation
___ Summative Impact Evaluation (Randomized Control Trial (RCT) or Quasi-Experimental Design)
___ Summative Evaluation other than an Impact Evaluation
___ Other (please describe or link):

Part C: Evidence-Based Practices

MDE has not identified any evidence-based practices that will be supported by the proposal.

Statutory Change(s):

NA

Change Item Title: Operating Adjustment

Fiscal Impact ($000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	677	1,365	1,365	1,365
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	677	1,365	1,365	1,365
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends additional funding of $667 thousand in FY 2026 and $1.365 million in each subsequent year from the general fund to help address operating cost increases at Minnesota Department of Education (MDE)

Rationale/Background:

The cost of operations rises each year due to increases in employer-paid health care contributions, FICA and Medicare, along with other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat year to year.

Agencies face challenging decisions to manage these rising costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. For the Minnesota Department of Education (MDE) the following efficiencies have been implemented to help offset rising operating costs:

- MDE is hosting more events at its building, reducing costs for external meetings and conferences.
- MDE staff are trained in efficient contracting, procurement, and program monitoring.

For FY 2026-27, agencies will need to continue to find additional efficiencies and leverage management tools to help address budget pressures. Holding open vacancies in certain programs or delaying hiring in other programs are examples of ways agencies manage through constrained operating budgets. Such decisions are difficult and must be weighed against a program's ability to conduct business with less staffing and its impact to service delivery. Agencies will need additional tools and flexibility, similar to those available in the private sector and other government entities, to help address operating pressures in upcoming biennium.

Without additional resources to address these cost pressures, both in funding and in flexibility to manage internal budgets, services delivered to Minnesotans will be impacted.

Proposal:

The Governor recommends increasing agency operating budgets to support current services. For Minnesota Department of Education (MDE) this funding will help cover expected growth in employee compensation and insurance, rents, IT services, and other operating costs.

Additionally, the Governor recommends providing Minnesota Department of Education with additional management tools to address upcoming operating pressures. This includes:

- the ability to retain up to 10 percent of competitively awarded grants if administrative funding is not already appropriated, and
- the ability for executive branch agencies to carryforward unexpended non-grant operating appropriations for the second year of a biennium into the next beginning in FY 2025 (costs carried in standalone change item in MMB Non-Operating Budget Book).

These new authorities will provide agencies with additional flexibility to manage through cost pressures within agency divisions and prioritize needs to help minimize impacts on services to Minnesotans.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		677	1,365	2,042	1,365	1,365	2,730
Total All Funds		677	1,365	2,042	1,365	1,365	2,730

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Compensation and Other Operating Costs		677	1,365	2,042	1,365	1,365	2,730

Results:

This recommendation is intended to help Minnesota Department of Education address rising cost pressures and mitigate impacts to current levels of service and information to the public.

FY 2026-27 Biennial Budget Change Item

Change Item Title: Administrative Alternatives to Department of Children, Youth and Families

Fiscal Impact ($000s)	FY 2026	FY 2027	FY 2028	FY 2029
General Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	0	0
FTEs	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends several budget neutral changes that align operational and administrative authorities for programs transferring from the Minnesota Department of Education (MDE) to the Department of Children, Youth, and Families (DCYF).

Rationale/Background:

DCYF combines programs from the Department of Human Services, the Department of Education, the Department of Health and the Department of Public Safety. Each agency has distinct administrative authorities used to maintain smooth operations. This proposal creates simplification and alignment by shifting authorities from MDE to enable consistent operations across the Department of Children, Youth, and Families.

Proposal:

This proposal makes multiple budget neutral changes to align administrative authorities across MDE programs transferred to DCYF.

Alignment of federal reimbursement for administrative costs

Most federal grants have spending for direct services and administrative costs. Administrative costs include both direct costs, such as staff directly working on a grant, and indirect costs, such as the salaries of leaders covering multiple programs or lease costs. State agencies use different methodologies to determine indirect costs and then transfer these amounts to the state. MDE is able to retain a portion of indirect costs to support central operations through a special revenue fund. DCYF, as a public assistance agency, is required maintain a Public Assistance Cost Allocation Plan. Under this method, federal reimbursement is returned to the general fund. Multiple federal funds will shift from MDE to DCYF, requiring a realignment of indirect costs. This proposal will appropriate the funds to DCYF, which will then be receipted to the general fund. As a result, this is a budget neutral change.

Administrative ability to transfer funds between MDE and DCYF

DCYF continues to share services with MDE, which is accompanied by unanticipated needs to share financial resources to ensure timely coordination. This change would allow DCYF to continue to transfer administrative funds with MDE. These transfers would be approved by the commissioner of management and budget and included in the quarterly transfer report to the ranking chairs of the appropriate committees.

Aligns authorities to manage forecast appropriations

MDE has administrative authorities to efficiently manage funding among forecast appropriations. This proposal clarifies and aligns authority for DCYF to manage funding among forecast appropriations for programs transferred

from MDE. Additionally, the proposal makes technical modifications to how excesses and deficiencies are handled for School Readiness aid, ECFE aid, and home visiting aid. Specifically, the changes eliminate each of these funding streams from excesses and deficiencies in education statutes and replaces it with session law consistent with other programs administered by DCYF.

Transfer authority for educational aids
MDE distributes educational aids and credits to school districts based on processes laid out in Minnesota Statutes 127A.45. This proposal would make changes to Minnesota law to clarify that the current payment schedule to school districts continues to apply to School Readiness aid, developmental screening aid, Early Childhood Family Education (ECFE) aid, and home visiting aid.

Impact on Children and Families:
This proposal supports continuity of operations for DCYF. Enabling these changes ensure that programs supporting children, youth, and families can be managed efficiently.

Equity and Inclusion:
This proposal does not make explicit efforts to reduce disparities for Black, Indigenous and other people of color, or other groups overrepresented in social services systems. It is a technical change that will allow the agency to maintain services.

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

__ Yes
_X_ No

- Tribe(s) are updated on the proposal process and how you will address any tribal concerns.

IT Costs:
None.

Results:
There are no relevant results for this proposal.

Statutory Changes:
127A.41, subd 8 and 9; 142D.11; 142D.08; 127A.45

Change Item Title: Reduce Special Education Transportation Reimbursement

Fiscal Impact ($000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	(17,317)	(31,311)	(26,370)	(28,490)
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	(17,317)	(31,311)	(26,370)	(28,490)
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends changing the percentage of transportation costs that are eligible for reimbursement under the initial aid calculation in the state special education funding formula. This results in a reduction of $48,628,000 in Fiscal Years (FY) 2026-27 and $54,860,000 in FY 2028-29.

Rationale/Background:

Special education transportation is a related service and the student's individualized education plan (IEP) must specify the responsibilities of the transportation provider to implement that transportation provision outlined in the student's IEP if the student requires special transportation to receive a free appropriate public education. The state provides aid for special education transportation.

Prior to 2016, special education transportation was funded at ninety percent. In the most recent closed year (2024) contracted special education transportation costs were 78% of the total cost of special education transportation. Prior to the formula change in 2016, contracted special education transportation costs were 61% of the total cost. Since 2015 special education transportation has grown at an average of 7.5% annually. From 2022 to 2023 it grew 10.3%, while it grew an additional 17.7% in 2024. Contracted services tend to be a more expensive method of providing the special education transportation compared to in-house services.

Proposal:

This proposal changes the initial aid calculation starting in state fiscal year (SFY) 2026 to fund transportation at ninety-five percent. Then in SFY 2027 and later years special education transportation will be funded at ninety percent under initial aid. Due to interactions with cross-subsidy aid, the proposal will continue to effectively fund special education transportation at ninety-five percent. While the proposed change would occur in the initial aid calculation, the cross-subsidy reduction aid will continue to cover fifty percent of all unreimbursed special education costs starting in SFY 2027. Therefore, the cross-subsidy reduction aid will cover fifty percent of the loss ten percent of initial aid.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		(17,317)	(31,311)	(48,628)	(26,370)	(28,490)	(54,860)
Total All Funds		(17,317)	(31,311)	(48,628)	(26,370)	(28,490)	(54,860)

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Aid		(17,317)	(31,311)	(48,628)	(26,370)	(28,490)	(54,860)

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Reducing state special education transportation reimbursement	Quantity	MDE has recognized an annual growth in the cost of special education transportation services through the UFARS/SEDRA reporting systems.	Since 2015 the average growth has been approximately 7.5%, but in the past two years (FY 23 & FY24) transportation costs grew 10.3% and 17.7% respectively.	Districts will need adjust budgets to account for less reimbursement compared to prior fiscal years. Using a percent rate reduction will impact LEAs in relation to the amount of expenses incurred in future years.

Tribal Consultation:

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

__ Yes

_X_ No

Statutory Change(s):

MS 125A.76

FY 2026-27 Biennial Budget Change Item

Change Item Title: Eliminate Alternative Teacher Compensation Revenue

Fiscal Impact ($000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	0	(78,705)	(86,809)	(86,328)
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	0	(78,705)	(86,809)	(86,328)
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends eliminating the Alternative Teacher Professional Pay program starting in Fiscal Year (FY) 2027. This results in a reduction of $78.705 million in FY 2026-27 and $173.137 million in FY 2028-29. There would also be a $39.5 million reduction in levy beginning in Fiscal Year 2027. Due to the 90/10 metered payments, $8.837 million will need to be appropriated in FY2027 for reconciliation payments from FY2026.

This program will remain in place for FY2026 and then be eliminated in FY2027.

Rationale/Background:

The alternative teacher professional pay system (ATPPS, commonly known as Q Comp) law was enacted by the legislature in 2005. It is a voluntary program that allows school districts and exclusive representatives of the teachers to design and collectively bargain a plan that meets the four components of the law. Charter schools, intermediate and cooperative districts are also eligible for the program. In 2011, lawmakers crafted policy to require all school organizations to implement teacher development and evaluation (TDE) practices by the 2014-15 school year. From that point forward, there have been two active and duplicative policies in Minnesota schools focusing on developing and evaluating teachers.

Over time, both Q Comp and TDE policies aligned in several ways, including:

- Both require partnership between the district and the exclusive representative of the teachers to develop and implement the programs, where applicable.
- Both focus on supporting teachers to engage in ongoing professional development leading to improved professional practice, teacher retention, and student outcomes.
- Common requirements include classroom observations, measures of student academic growth, a role for teacher peers to support one another.

Currently, 111 school districts, 71 charter schools, one intermediate district and one education district are implementing Q Comp for the 2024-25 school year. These programs serve approximately half of the students in Minnesota public schools. There are an additional 27 school districts, charter schools and education districts on the waiting list for funding. Approved programs receive up to $260 per student ($169 per student in state aid and $91 per student in board-approved levy) for the program. Charter schools receive approximately $257 per student in state aid through an equalized levy, since these entities do not have authority to impose local tax levies. Intermediate, Education and Cooperative districts receive $3,000 per teacher in state aid.

Participating schools will need time and support to transition from their current Q Comp plans to a TDE-only plan, though schools are already required to have Q Comp plans that meet TDE requirements.

Since 2014, all Minnesota schools that were not in Q Comp have implemented TDE models without funding. MDE's team in the Educator Workforce and Development Center has been supporting TDE/Q Comp sites since the inception of both programs. That team would be tasked with prioritizing supports for Q Comp programs who are navigating the required changes.

Proposal:

The Governor recommends that the program remain intact in Fiscal Year 2026. The program is then proposed to be eliminated in Fiscal Year 2027. Although the program is proposed for elimination, $8.837 million will need to be appropriated in Fiscal Year 2027 for reconciliation payments from the entitlement for Fiscal Year 2026.

During the 2024 legislative session, a Q Comp reserve fund balance was created for FY2025 and beyond so that any unspent Q Comp revenues would be held within that program instead of closing to the local education agency's general fund. With the proposed elimination of the Q Comp program at the end of FY2026, there is a potential that some districts will still have dollars in their Q Comp reserve. The governor additionally recommends that any remaining balances must be used for teacher incentive pay until reserve funds are exhausted.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		0	(78,705)	(78,705)	(86,809)	(86,328)	(173,137)
Total All Funds		0	(78,705)	(78,705)	(86,809)	(86,328)	(173,137)

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Aid			(78,705)	(78,705)	(86,809)	(86,328)	(173,137)
	Total			(78,705)	(78,705)	(86,809)	(86,328)	(173,137)

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Number of school organizations implementing a Q Comp program.	Quantity	Internal reports	184 districts, charters, and other school orgs	0 school organizations implementing Q Comp, effective FY27
Number of school organizations (local education authorities or LEAs) implementing a local teacher development and evaluation plan	Quantity	State requirement	All LEAs	All LEAs
Number of licensed teachers working in Q Comp-funded programs	Quantity	Data pulled from STAR in June 2024	39,389 (of a total of 71,318 according to this data pull, or 55.2% of teachers)	0 (though all licensed teachers would continue to be in teacher development and evaluation)

Tribal Consultation:

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

__ Yes
X No

Statutory Change(s):

122A.414, https://www.revisor.mn.gov/statutes/cite/122A.414
122A.4144, https://www.revisor.mn.gov/statutes/cite/122A.4144
122A.415, https://www.revisor.mn.gov/statutes/cite/122A.415
122A.4155, https://www.revisor.mn.gov/statutes/cite/122A.4155
122A.416, https://www.revisor.mn.gov/statutes/cite/122A.416
122A.417, https://www.revisor.mn.gov/statutes/cite/122A.417

Change Item Title: Eliminate Nonpublic Pupil Education Aid

Fiscal Impact ($000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	(25,845)	(26,677)	(27,566)	(28,848)
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	(25,845)	(26,677)	(27,566)	(28,848)
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends the elimination of nonpublic pupil aid starting in Fiscal Year (FY) 2026. In addition to the funding reduction, school district obligations for this program would also be eliminated. This results in a reduction of $52.522 million general fund in Fiscal Year (FY) 2026 and FY 2027 and $56.414 million in FY 2028 and FY 2029. This is a 100% reduction to this program and elimination of school district requirements to provide these materials and services.

Rationale/Background:

This state aid program exists to provide state funded access to nonreligious study materials and student support services for students who choose nonpublic education. Funding is allocated directly to public school districts for the benefit of nonpublic school students. School districts are reimbursed for the costs of the educational materials loaned to nonpublic school students and for the costs of providing support services to nonpublic school students.

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

- Textbooks, individualized instructional materials, and standardized tests;
- Health services; and
- Guidance and counseling services.

School districts receive additional funds to cover administrative costs. This amount is equal to 5 percent of their total aid reimbursement amount.

Proposal:

The Governor recommends a reduction of $25,845,000 in FY 2026 and $26,677,000 in FY 2027 and then $27,566,000 in FY 2028 and $28,848,000 in FY 2029 to nonpublic education aid. This would eliminate the state and school district obligations to pay for these materials and services to nonpublic schools.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		(25,845)	(26,677)	(52,522)	(27,566)	(28,848)	(56,414)
Total All Funds		(25,845)	(26,677)	(52,522)	(27,566)	(28,848)	(56,414)

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Aid		(25,845)	(26,677)	(52,522)	(27,566)	(28,848)	(56,414)
	Total		(25,845)	(26,677)	(52,522)	(27,566)	(28,848)	(56,414)

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
Impact of non-public students in Minnesota by aid category	Quantity	Each year MDE collects the number of students enrolled in non-public schools from districts that have non-public schools submitting data yearly. MDE uses this data to project annual amounts per pupil for each of the qualifying aid categories.	From the November 2024 forecast, the projected non-public pupil counts that impact the three funding areas include: Testing, Textbooks, and Curriculum: 4-year average of 74,120 Health Services: 4-year average of 70,122 Guidance and Counseling: 4-year average of 24,943 Estimated costs per pupil based on July 2024 estimates would be: $120.97 per non-public pupil for Testing, Textbooks, and Curriculum $81.07 per eligible non-public pupil for health services $339.53 per eligible non-public pupil for guidance and counseling services	Projected change would include non-public schools needing to utilize other funding sources to provide for the MDE aid categories being eliminated.

Tribal Consultation:

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

___ Yes

_x_ No

Statutory Change(s):

Minnesota Statutes 123B.40-123B.48

Change Item Title: Eliminate Nonpublic Pupil Transportation Aid

Fiscal Impact ($000s)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General Fund					
Expenditures	0	(27,875)	(28,343)	(29,035)	(29,402)
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	(27,875)	(28,343)	(29,035)	(29,402)
FTEs	**0**	**0**	**0**	**0**	**0**

Recommendation:

The Governor recommends the elimination of the non-public pupil transportation program starting in Fiscal Year (FY) 2026. This results in a reduction of $56,218,000 in FY 2026-27 and $58,437,000 in FY 2028-29. The proposal also includes the elimination of the requirement of school districts to provide transportation of non-public students to their non-public school buildings.

Rationale/Background:

This program ensures that nonpublic school students receive the same level of transportation services as public school students, and that the school districts are able to provide this transportation without significant costs being paid from their general fund.

Statutorily, school districts must provide equal transportation services within the district for public and nonpublic school students living within the district. If the district transports nonpublic school students to a school in another district, the nonpublic school or the parents pay the cost of transportation outside of the district boundaries. This includes providing transportation services within the district boundaries between the nonpublic school and public school or neutral site for the purpose of receiving health and guidance and counseling services, transportation to regular shared-time programs, and transportation for disabled nonpublic school students to and from the facility where special education is provided.

The public school district must transport nonpublic school students on late activity bus routes if it provides that service for public school students.

Nonpublic pupil transportation aid is the sum of: 1) the product of the district's actual expenditures in the second preceding year for all pupils transported in the regular and excess categories; (ii) the number of nonpublic pupils receiving those services in the current year, and (iii) the ratio of the formula allowance in the current year to the allowance for the second previous year; and 2) the district's actual expenditures for nonpublic, nonregular transportation in the second preceding year times the ratio of the formula allowance in the current year to the allowance for the second preceding year.

Proposal:

The Governor recommends a reduction of $27,875,000 in FY2026, $28,343,000 in FY2027, $29,035,000 in FY2028, and $29,402,000 in FY2029 to nonpublic pupil transportation aid. This would eliminate funding for this program, and school districts would no longer be required to provide this transportation service.

Dollars in Thousands

Net Impact by Fund	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
General Fund		(27,875)	(28,343)	(56,218)	(29,035)	(29,402)	(58,437)
Total All Funds		(27,875)	(28,343)	(56,218)	(29,035)	(29,402)	(58,437)

Fund	Component Description	FY 25	FY 26	FY 27	FY 25-27	FY 28	FY 29	FY 28-29
1000	Aid		(27,875)	(28,343)	(56,218)	(29,035)	(29,402)	(58,437)
	Total		(27,875)	(28,343)	(56,218)	(29,035)	(29,402)	(58,437)

Results:

Measure	Measure type	Measure data source	Most recent data	Projected change
The elimination of non-public pupil transportation aid that includes non-public to and from aid and non-public non-regular aid.	Result	MDE provides a Non-Public Pupil Transportation "what if" tool for districts to estimate the reimbursement aid based on the statutory formula.	Final data available is from the FY23 school year, with estimates calculated for FY24 and FY25. Only final data is being considered for funding analysis	For FY23, non-public schools reported 38,702 students using regular to and from transportation, and 1,936 students utilizing excess transportation services. This data converted to $21,902,483 of aid distributed to districts providing transportation services for non-public students. Change would also include districts being able eliminate routes dedicated for non-public transportation and re-routing existing routes that no longer need to transport non-public students.

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

__ Yes
x No

Statutory Change(s):
MS 123B.86

Program: Education Leadership and Support
Activity: Education Leadership and Support

https://education.mn.gov/mde/

AT A GLANCE

The Education Leadership and Support program sets policy and directs and oversees annual spending. In FY 2023, this program provided guidance and assistance to:

- 849,936 students in prekindergarten through grade 12.
- Over 135,000 children participating in early learning programs.
- 329 school districts, 181 charter schools, and four tribal schools.
- 47,615 adult learners in FY 2023

PURPOSE AND CONTEXT

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

In this work, MDE key objectives include:

- Every student deserves a world-class education.
- Every student deserves to attend a safe, nurturing learning environment.
- Every student deserves to learn in a classroom with caring, qualified teachers.
- MDE will provide leadership, support, and partnership to schools and libraries across the state.

SERVICES PROVIDED

Services provided by MDE's Education Leadership and Support program support four overarching strategies:

1. **Direct support:** MDE directly supports the continuous improvement of teaching and learning to schools, teachers, children, students, and parents. In this work the Education Leadership and Support program:
    - Provides training and resources to assist schools, families, and the department in maintaining compliance with state and federal laws and policies.
    - Assists schools and childcare providers in providing nutritious meals and creating safe and healthy learning environments.
    - Develops and extends statewide library services.
    - Established and administers a School Safety Technical Assistance Center to assist districts and schools to provide a safe and supportive learning environment.
2. Prekindergarten through 12th-grade systems: MDE provides systems support through program and policy development and assessment. The Education Leadership and Support program:
    - Administers the Carl Perkins federal grant program.
    - Administers and collects data for the state's assessment and accountability system.
    - Develops and implements assessment systems to measure student knowledge and skills on Minnesota K-12 Academic Standards and Minnesota English Language Proficiency Standards.
    - Develops academic standards.
    - Monitors school district and MDE compliance with state and federal education laws.
    - Administers the Minnesota Braille and Talking Book Library.
    - Implements the student maltreatment, charter schools, and early education policies and programs.

3. Guidance, technical assistance, and funding: MDE provides supportive leadership to all educational entities by providing guidance and technical assistance to meet state and federally legislated requirements and administers school funding programs. Education Leadership and Support also:
    - Provides leadership, policy direction, and information technology services for the agency.
    - Develops tools and provides guidance to assist schools in the implementation of programs and academic standards.
    - Provides policy guidance for school choice programs, including online learning.
    - Distributes formula and competitive grants, as well as aid programs.
    - Calculates state aid and distributes payments to school districts and charter schools.
    - Calculates school district local property tax levies.
4. Office of the Inspector General (OIG): The OIG was established by the state legislature in 2023 and is charged with the responsibility of protecting the integrity of MDE and the state by detecting and preventing fraud, waste, and abuse in department programs. The OIG is responsible for conducting independent and objective investigations to promote the integrity of the department's programs and operations. The Office of the Inspector General also:
    - Detects and prevents fraud, waste, and abuse in the Department's programs.
    - Conducts independent and objective investigations, audits, and inspections and evaluations to promote the integrity of MDE programs and operations.
    - Establishes and maintains a comprehensive risk governance and oversight framework in the Department.
    - Screens and investigates allegations of maltreatment in District and Charter schools, including students 18-21 and students receiving special education services.

The fiscal pages of this Budget Activity display MDE's primary general fund operating appropriations as well as numerous appropriations across other funds. These appropriations are for items such as agency operations, agreements with other agencies or grant providers, gift funds, and federal funds not included in other Budget Activities. Additionally, federal COVID relief funds from the statewide Coronavirus Relief Fund (CRF) and State Fiscal Recovery Fund (SFRF) are reflected in this Budget Activity.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Reading Proficiency	Result	Proportion of students demonstrating proficiency in third-grade reading	2023 Result: 47% overall	2025 Goal: 79% overall
Math Proficiency	Result	Proportion of students demonstrating proficiency in eighth-grade math	2023 Result: 40% overall	2025 Goal: 78% overall
Science Proficiency	Result	Proportion of students demonstrating proficiency in fifth-grade science	2023 Result: 48% overall	2025 Goal: 78% overall
Graduation Rate	Result	Four-year graduation rate	2023 Result: 83% overall	2025 Goal: 95% overall
Dropout Rate	Result	Four-year high school dropout rate	2023 Result: 4.5% overall	2025 Goal: Less than 2.5% overall

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

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	24,101	27,623	33,752	51,240	37,358	37,358	44,829	39,423
2000 - Restrict Misc Special Revenue	6,793	6,575	8,776	11,549	13,782	8,102	13,782	8,102
2001 - Other Misc Special Revenue	267	401	511	580	483	483	483	483
2403 - Gift	124	137	115	217	126	126	126	126
3000 - Federal	102,002	146,323	141,895	115,587	78,099	72,514	78,099	72,514
3015 - ARP-State Fiscal Recovery	49,599	66,144	402					
6000 - Miscellaneous Agency	1	0	2	5	5	5	5	5
Total	**182,887**	**247,204**	**185,453**	**179,178**	**129,853**	**118,588**	**137,324**	**120,653**
Biennial Change				(65,459)		(116,190)		(106,654)
Biennial % Change				(15)		(32)		(29)
Governor's Change from Base								9,536
Governor's % Change from Base								4
Expenditures by Category								
Compensation	33,725	37,281	41,358	52,778	49,976	46,016	51,952	47,272
Operating Expenses	35,773	36,847	36,963	60,262	43,387	40,014	48,882	40,823
Grants, Aids and Subsidies	113,341	172,154	105,610	65,217	35,569	32,558	35,569	32,558
Capital Outlay-Real Property		0						
Other Financial Transaction	47	922	1,522	921	921		921	
Total	**182,887**	**247,204**	**185,453**	**179,178**	**129,853**	**118,588**	**137,324**	**120,653**
Total Agency Expenditures	182,887	247,204	185,453	179,178	129,853	118,588	137,324	120,653
Internal Billing Expenditures	3,506	3,929	3,667	4,696	4,342	4,270	4,342	4,270
Expenditures Less Internal Billing	**179,381**	**243,275**	**181,786**	**174,482**	**125,511**	**114,318**	**132,982**	**116,383**
Full-Time Equivalents	**282.83**	**323.54**	**318.30**	**395.53**	**360.98**	**334.49**	**367.68**	**338.49**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	29,178	25,028	45,580	39,548	37,424	37,424	44,745	39,339
Balance Forward In		5,275	375	12,138				
Transfers In	7	7	7	7	7	7	157	157
Transfers Out	162	830	73	453	73	73	73	73
Cancellations		1,547						
Balance Forward Out	4,922	310	12,137					
Expenditures	**24,101**	**27,623**	**33,752**	**51,240**	**37,358**	**37,358**	**44,829**	**39,423**
Biennial Change in Expenditures				33,268		(10,276)		(740)
Biennial % Change in Expenditures				64		(12)		(1)
Governor's Change from Base								9,536
Governor's % Change from Base								13
Full-Time Equivalents	132.77	144.15	152.37	193.05	172.55	173.55	179.25	177.55
2000 - Restrict Misc Special Revenue								
Balance Forward In	4,864	5,978	8,043	7,937	5,661	434	5,661	434
Receipts	7,548	8,160	8,669	9,509	8,555	8,028	8,555	8,028
Internal Billing Receipts	6,366	7,092	6,857	8,053	7,194	6,930	7,194	6,930
Transfers Out				236				
Balance Forward Out	5,619	7,564	7,936	5,661	434	360	434	360
Expenditures	**6,793**	**6,575**	**8,776**	**11,549**	**13,782**	**8,102**	**13,782**	**8,102**
Biennial Change in Expenditures				6,957		1,559		1,559
Biennial % Change in Expenditures				52		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	27.79	32.05	32.41	47.06	44.83	19.89	44.83	19.89
2001 - Other Misc Special Revenue								
Balance Forward In		33						
Receipts	300	368	511	580	483	483	483	483
Balance Forward Out	33							
Expenditures	**267**	**401**	**511**	**580**	**483**	**483**	**483**	**483**
Biennial Change in Expenditures				423		(125)		(125)
Biennial % Change in Expenditures				63		(11)		(11)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.36	2.15	2.52	2.52	2.02	2.02	2.02	2.02

2403 - Gift

Balance Forward In	151	167	171	268	80		80	
Receipts	137	104	212	29	46	126	46	126
Balance Forward Out	164	133	268	80				
Expenditures	**124**	**137**	**115**	**217**	**126**	**126**	**126**	**126**
Biennial Change in Expenditures				70		(80)		(80)
Biennial % Change in Expenditures				27		(24)		(24)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		0.02						

2820 - Maximum Effort School Loan

Balance Forward In	42	28	27	25	26	26	26	26
Transfers Out	42	28	27	25	26	26	26	26
Net Loan Activity	28	27	25	26	26	26	26	26
Balance Forward Out	28	27	25	26	26	26	26	26

3000 - Federal

Balance Forward In	0			76				
Receipts	102,002	146,323	141,972	115,511	78,099	72,514	78,099	72,514
Transfers Out	0							
Balance Forward Out			76					
Expenditures	**102,002**	**146,323**	**141,895**	**115,587**	**78,099**	**72,514**	**78,099**	**72,514**
Biennial Change in Expenditures				9,157		(106,869)		(106,869)
Biennial % Change in Expenditures				4		(42)		(42)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	119.34	142.94	131.00	152.90	141.58	139.03	141.58	139.03

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3015 - ARP-State Fiscal Recovery								
Balance Forward In	57,917	66,142						
Direct Appropriation	48,981	1,600	420					
Cancellations		1,597	18					
Balance Forward Out	57,300							
Expenditures	**49,599**	**66,144**	**402**					
Biennial Change in Expenditures				(115,341)		(402)		(402)
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	1.57	2.23						
6000 - Miscellaneous Agency								
Receipts	1	0	2	5	5	5	5	5
Expenditures	**1**	**0**	**2**	**5**	**5**	**5**	**5**	**5**
Biennial Change in Expenditures				6		3		3
Biennial % Change in Expenditures				521		46		46
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Educational Leadership and Support
Activity: Regional Centers of Excellence

https://education.mn.gov/MDE/dse/rc/

AT A GLANCE

- In fiscal year (FY) 2023, the Regional Centers of Excellence provided support to:
- 119 schools identified for targeted support and improvement (TSI) in 60 districts
- 159 schools identified for comprehensive support and improvement (CSI) in 92 districts
- 83 Continuous Improvement schools
- From July 2022 to June 2023, Center staff provided over 120,000 hours of support to schools identified for support and improvement and school leaders.

PURPOSE AND CONTEXT

The Regional Centers of Excellence (RCE) were established by the Minnesota Department of Education (MDE) in partnership with Minnesota Service Cooperatives (MSC). These RCEs are now contained within the Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) Regional teams in the Minnesota Service Cooperatives. These teams provide supports to districts and schools to meet goals in Minnesota's Comprehensive Achievement and Civic Readiness (previously World's Best Workforce) legislation and support schools identified as needing support under Minnesota's plan for the federal Every Student Succeeds Act (ESSA). COMPASS works in partnership with MSC to guide the state's system of support for schools and districts.

Comprehensive Support and Improvement (CSI) schools are the 5 percent most persistently low-performing Title I schools or any public high school with a graduation rate less than 67 percent. Targeted Support and Improvement (TSI) schools include any public school that has one or more student groups performing at a similar level as CSI schools or the school's overall performance is similar to CSI schools. The Centers support the Minnesota Department of Education's commitment to equity by developing leadership teams across levels of the system, making data visible and actionable, working on the conditions for learning, and supporting budget decisions that more equitably distribute resources.

The Centers use a stage-based framework with schools that incorporates three core support elements:

- 1Building and using implementation teams to actively lead implementation efforts.
- Using data and consistent, frequent feedback loops to drive decision-making and promote continuous improvement.
- Developing an implementation infrastructure that uses evidence-based practices, fosters change, and enables continuous improvement.

SERVICES PROVIDED

Identified schools and districts receive intensive on-site coaching and technical assistance in alignment with Minnesota's support and improvement timeline in the following areas:

- School leadership teams that work on continuous improvement.
- Continuous improvement processes including comprehensive needs assessment, root-cause analysis, and improvement plan design/implementation.
- Selection and implementation of evidence-based practices.
- School, family, and community engagement.
- Engagement of tribal communities.

- Identification and implementation of short-term strategies for school improvement.
- District or charter level practices that support school improvement including resource equity studies and alignment of school improvement activities to local initiatives.
- Participation in professional development activities for school and district staff.

The Centers provide support for individual school leaders and supports for schools working to improve school climate through social emotional learning and restorative practices, revisions to discipline policy, mental health supports for students, or community engagement.

The Minnesota Department of Education provides program evaluation, strategic leadership, coordination, and support for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Students proficient in math in CSI and TSI Schools	Results	Statewide testing results (MCA and other accountability tests)	FY2018: 29.1% (CSI Schools) 46.8% (TSI Schools) FY2021: 23.4% (CSI Schools) 33.0% (TSI Schools)	FY2023: 15.6%% (CSI Schools) 37.1% (TSI Schools)
Students proficient in reading in CSI and TSI Schools	Results	Statewide testing results (MCA and other accountability tests)	FY2018: 40.3% (CSI Schools) 46.9% (TSI Schools) FY2021: 19.2% (CSI Schools) 38.3% (TSI Schools)	FY2023: 29.3% (CSI Schools) 37.8%% (TSI Schools)
4-year graduation rates in identified schools receiving support from the Regional Centers	Results	Graduation results (results are lag by one school year)	FY2018: 50.5% FY2021: 52.4%	FY2022: 40.9% (CSI) 49.2% (TSI)

M.S. 120B.115

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	961	1,133	543	1,457	1,000	1,000	1,000	1,000
Total	**961**	**1,133**	**543**	**1,457**	**1,000**	**1,000**	**1,000**	**1,000**
Biennial Change				(95)		0		0
Biennial % Change				(5)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	195	90	33	199	156	160	156	160
Operating Expenses	12	5	2	774	773	771	773	771
Grants, Aids and Subsidies	755	1,038	507	484	71	69	71	69
Total	**961**	**1,133**	**543**	**1,457**	**1,000**	**1,000**	**1,000**	**1,000**
Full-Time Equivalents	**1.27**	**0.65**	**0.25**	**1.00**	**1.00**	**1.00**	**1.00**	**1.00**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Balance Forward In		184		457				
Cancellations		50						
Balance Forward Out	39		457					
Expenditures	**961**	**1,133**	**543**	**1,457**	**1,000**	**1,000**	**1,000**	**1,000**
Biennial Change in Expenditures				(95)		0		0
Biennial % Change in Expenditures				(5)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.27	0.65	0.25	1.00	1.00	1.00	1.00	1.00

Program: Education Leadership and Support
Activity: Board of School Administrators

https://bosa.mn.gov/

AT A GLANCE

Composition: A ten-member board appointed by the Governor and confirmed by the Senate, comprised of individuals with exceptional educational achievements in their fields and commitment to the highest ethical standards for Minnesota's school administrators.

Responsibilities:

- Oversees the licensure of approximately 7,000 school administrators in Minnesota (excluding those with lifetime licenses).
- Serves 9,290 duplicate licensed administrators in Minnesota
- Processes over 538 new administrative licenses annually.
- Evaluates and approves 43 administrative preparation programs at 13 Minnesota universities every five years.
- Reviews over 60 ethics inquiries yearly.
- Awards more than 1,000 certificates of continuing education every year.

PURPOSE AND CONTEXT

The Minnesota State Legislature established the Board of School Administrators (BOSA) in 2001 to ensure that Minnesota's schools are led by top-performing superintendents, principals, and special and community education directors. BOSA maintains accountability by licensing administrators, approving administrator preparation programs, setting standards for continuing education and professional development, and enforcing a strict code of ethics.

SERVICES PROVIDED

The Board of School Administrators (BOSA) is an independent entity created with the support of Minnesota's educational administration organizations. Governed by a ten-member board appointed by the Governor and confirmed by the Senate, BOSA represents a diverse group, including principals, superintendents, special education directors, community education directors, higher education teachers, school board members, and the public. The board employs a 1.0 FTE executive director, 1.20 FTE administrative assistants, and .35 FTE licensing specialist.

BOSA's primary responsibilities include:

- **Licensing and re-licensing school** administrators in Minnesota.
- **Advocating** for school administrators on legislative matters.
- **Providing** guidance and best practices to administrators and school districts.
- **Reviewing** and approving variance requests from school boards.
- **Overseeing** and approving university administrative preparation programs.
- **Establishing** and certifying continuing education programs.
- **Investigating** and addressing ethics complaints.
- **Collecting** license renewal fees.
- **Conducting** data analysis and research.

RESULTS

Measure Name	Measure Type	Measure Data Source	Historical Trend	Most Recent Data
Number of first-time Minnesota administrative licenses issued	Quantity	BOSA collected data	FY22: 580	FY23: 538
The number of school boards served through the granting of variances (Variance for hiring a non-licensed administrator and variance for a lapsed license.)	Quantity	BOSA collected Data	FY22: 22	FY23: 36
Number of Board-approved continuing education certificates issued to initiators	Quantity	BOSA collected Data	FY22: 901	FY23: 1,183
Number of Code of Ethics inquiries reviewed (Ethic complaint received in writing).	Quantity	BOSA collected Data	FY22: 58	FY23: 60
Number of Administrator Conduct reviews Conducted	Quantity	BOSA collected Data	FY22: 70	FY23: 75
University Administrator Preparation Programs Accredited	Quantity	BOSA collected Data	FY22: 5	FY23: 3
Alternative Pathway Towards Superintendent (Alternative Superintendent Licensure Paths Completed).	Quantity	BOSA collected Data	FY22: N/A	FY23: 3
BOSA Annual fee as required by Mn Statute 122A.14Subd. 9	Quantity	BOSA collected Data	FY22: 3,833	FY23: 5,384

M.S. 122A.11-14; MN Rule 3512

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	271	260	278	532	405	405	405	405
Total	**271**	**260**	**278**	**532**	**405**	**405**	**405**	**405**
Biennial Change				279		0		0
Biennial % Change				52		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	237	204	222	252	252	247	252	247
Operating Expenses	34	57	56	280	153	158	153	158
Total	**271**	**260**	**278**	**532**	**405**	**405**	**405**	**405**
Full-Time Equivalents	**2.25**	**2.27**	**2.56**	**2.50**	**2.50**	**2.50**	**2.50**	**2.50**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	319	319	405	405	405	405	405	405
Balance Forward In		50		127				
Transfers Out		108						
Cancellations		0						
Balance Forward Out	48		127					
Expenditures	**271**	**260**	**278**	**532**	**405**	**405**	**405**	**405**
Biennial Change in Expenditures				279		0		0
Biennial % Change in Expenditures				52		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.25	2.27	2.56	2.50	2.50	2.50	2.50	2.50

Program: General Education
Activity: General Education

https://education.state.mn.us/MDE/dse/schfin/GenEd/

AT A GLANCE

In fiscal year (FY) 2023 general education revenue:

- Served 849,936 prekindergarten through grade 12 students.
- Served 329 school districts and 181 charter schools.
- Provided $9.0 billion in state aid and $2.3 billion in local property taxes.
- On average provided $10,664 per student.
- Was the largest single item of state general fund spending.
- Was the largest resource available to school districts and charter schools.
- Provided general education funding for 234 Voluntary Prekindergarten and School Readiness Plus school sites.

PURPOSE AND CONTEXT

General education revenue provides core funding to promote a general and uniform, thorough and efficient system of public schools throughout the state. Funding is provided for:

- All public school students in kindergarten through grade 12, voluntary prekindergarten, school readiness plus, designated English Learner, and prekindergarten children with disabilities;
- Students receiving dual college credit;
- Students enrolled in private, nonsectarian schools that have contracted with a public school district to provide educational services (contract alternative); and
- Students attending public schools on a part-time basis while also attending nonpublic schools (shared time).

SERVICES PROVIDED

The following are components of general education revenue. Unless noted, dollars associated with each component reflect school district aid entitlements from FY 2023.

Core funding allowances for all districts and charter schools:

- Basic Revenue ($6.4 billion) provides general operating funds to school districts and charter schools. The basic education revenue funding formula for each district and charter school equals the product of the formula allowance multiplied by the adjusted pupil units for the school year. Elementary students are weighted at 1.0; secondary students are weighted at 1.2.
- For fiscal years 2026 and later, the basic formula allowance increases by the rate of inflation with the requirement of not less than a 2 percent increase over the previous year, and not more than a 3 percent increase over the previous year.
- Formula allowances
    - $6,728 – FY 2022
    - $6,863 – FY 2023
    - $7,138 – FY 2024
    - $7,281 – FY 2025

The following state aid programs provide additional funding for students with unique needs:

- English Learner Revenue ($59.2 million) is based on the number and concentration of English Learner students enrolled in a district or charter school.
- Compensatory Revenue ($480.9 million) is additional funding based on the concentration of students who are income-eligible for the federal free and reduced-price lunch programs. This revenue is calculated on a site level instead of a district level. Compensatory Pilot Grants provides additional money to several districts for compensatory purposes outside of the normal compensatory calculation.
- Extended-Time Revenue ($46.0 million) provides districts with state approved alternative programs additional revenue to fund educational programs for at-risk students outside the traditional school year schedule. In addition, charter schools receive extended time revenue for operating an extended day, extended week, or summer program.
- Gifted and Talented Revenue ($12.0 million) provides districts and charter schools with funding for gifted and talented educational programs. The gifted and talented funding formula is $13 per weighted student.

The following state aid programs provide additional funding for cost differences among school districts:

- Sparsity Revenue ($30.0 million) funds the added costs of operating small schools that are too isolated to reduce costs by cooperating or consolidating.
- Transportation Sparsity Revenue ($76.6 million) funds the added cost of pupil transportation in areas with low population density and includes a pupil transportation adjustment for schools with transportation expenses that exceed allocations.
- Small Schools Revenue ($16.2 million) provides additional funding to small districts with less than 960 weighted students.
- Declining Enrollment Revenue ($20.1 million) provides districts and charter schools with funding to limit the impact of declining enrollment.
- Pension Adjustment Revenue ($70.5 million) provides state aid for districts with a below state average revenue increase from the elimination of an aid reduction for changes in pension contribution rates beginning in 2015. Beginning in 2019, additional pension adjustment revenue was made available for all districts based on a percentage of teacher salaries in the district.

Additional funding for Voluntary Prekindergarten and School Readiness Plus Programs:

- In FY 2019, the participant cap for Voluntary Prekindergarten (VPK) and School Readiness Plus (SRP) was increased to 7,160 seats. This expansion was extended through FY 2024. In FY 2025, the participant cap will be permanently increased to 12,360. In FY 2026, SRP will be eliminated and combined with VPK.
- Aid entitlements for FY 2023 VPK/SRP are estimated to be $36 million. In addition, there was an estimated $7 million in property tax levies associated with the program.
- School districts and charter schools with sites approved for funding receive funding on a per pupil basis, with pupil units limited to 0.6 per participant. All pupil-driven formulas apply (e.g., basic revenue, compensatory revenue, referendum revenue, long-term facilities maintenance revenue, safe schools levy, achievement and integration revenue).
- Requirements outlined in law include providing at least 350 hours of instruction for the school year; staff-to-child ratios not to exceed one-to-ten with class size not to exceed 20; instructional salaries comparable to local K-12 staff; for school readiness plus, classrooms must have a licensed teacher; and several more program requirements.

The following programs made up of a mixture of state aid and local property tax levies provide additional funding (school districts must tax local property to receive state aid for these revenues):

- Operating Referendum Revenue ($850.2 million) is optional revenue raised by either public vote or school board resolution to provide funding for their district. The program is comprised of $21.0 million in state aid and $829.2 million in levies. The revenue and aid amounts are inclusive of charter school aid based on the average per pupil Operating Referendum Revenue and first tier Local Optional Revenue.
- Operating Capital Revenue ($210.8 million) is reserved for facilities and equipment purposes. The program is comprised of $122.2 million in state aid and $88.6 million in levies. The revenue and aid amounts are inclusive of Operating Capital aid to charter schools.
- Equity Revenue ($106.9 million) provides additional funding targeted primarily to districts with low referendum revenue per weighted student. The program is comprised of $15.9 million in state aid and $91.0 million in levies.
- Transition Revenue ($27.7 million) is funding to protect districts from loss of revenue due to previous law changes. The program is comprised of $3.6 million in state aid and $24.1 million in levies.
- Local Optional Revenue (LOR) ($627.2 million) provides up to $424 per weighted student and is deducted from referendum revenue approved by voters in 2013 or earlier. Beginning in FY 2021, LOR increased to $724 per weighted student, with an additional $300 deducted from board approved or voter approved referendum authority. The program is comprised of $103.4 million in state aid and $523.8 million in levies.

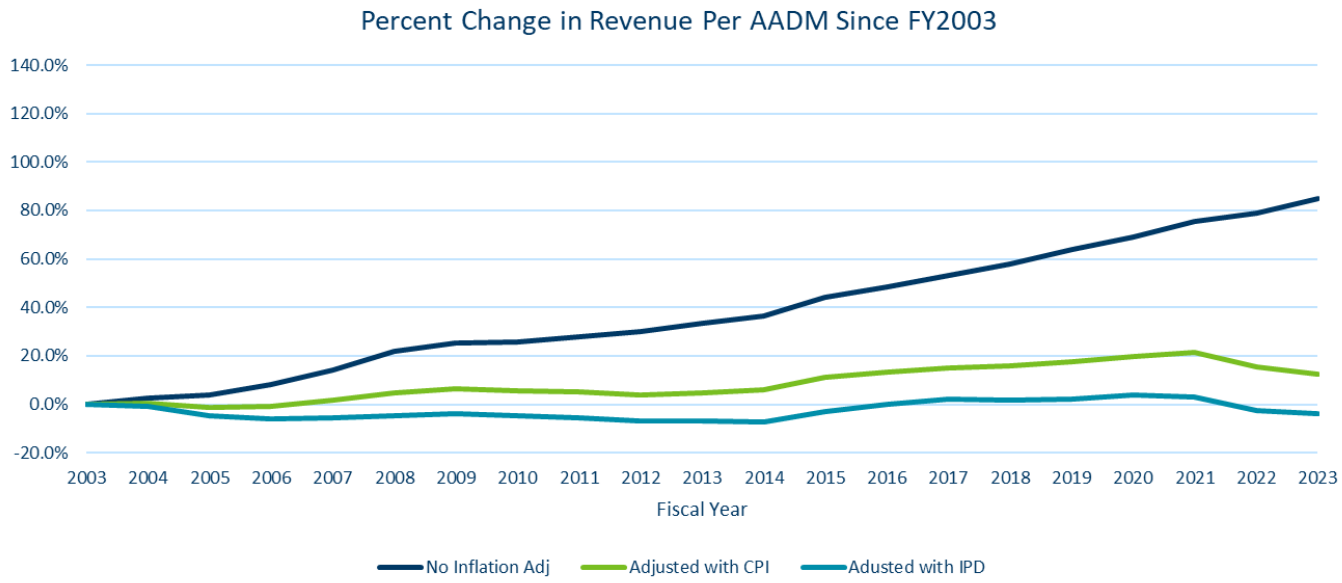
Miscellaneous Adjustments to General Education Revenue:

- Postsecondary Enrollment Options (PSEO) Aid ($41.3 million) is paid to Minnesota colleges and universities for courses taken by eligible 11th and 12th grade students, and 10th grade students on a more limited basis, for high school credit.
- Contract Alternative Aid ($4.9 million) 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 ($3.7 million) is paid to districts for students who attend public schools on a part-time basis while also attending nonpublic schools.
- Supplemental Online Learning (OLL) Aid ($5.1 million) is paid to state-approved Supplemental OLL programs on behalf of students who have completed supplemental OLL courses while enrolled in another public school district or charter school.

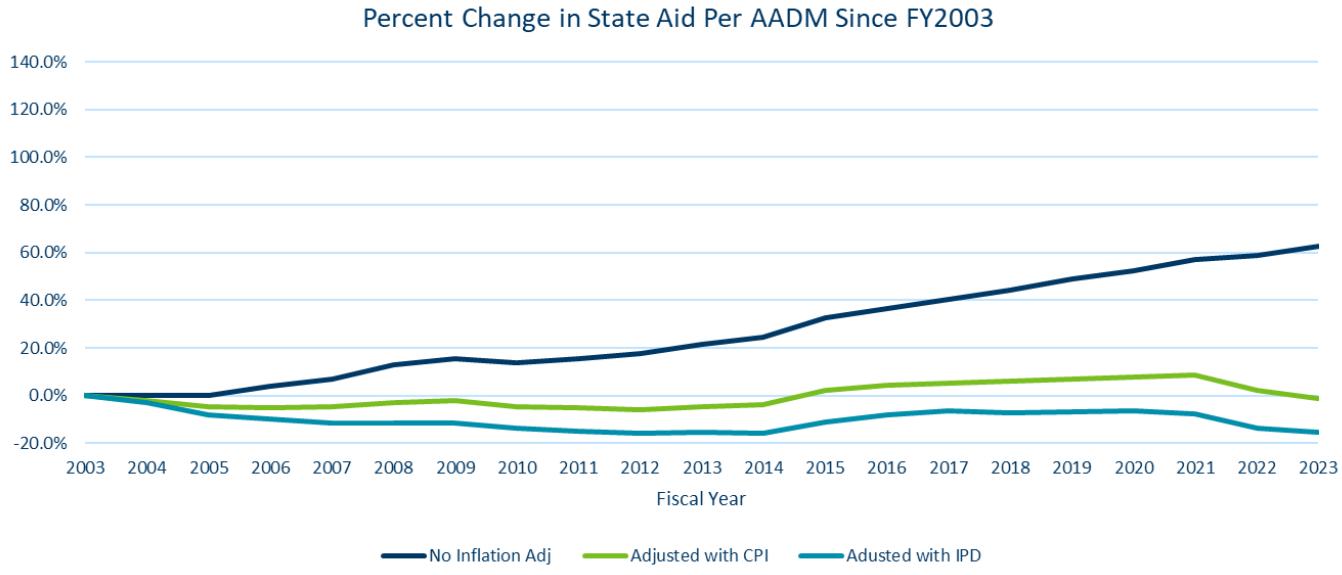
The fiscal activity associated with the Endowment/Permanent School Fund ($40.9 million in FY 2023) is also displayed in this Budget Activity. This is a revenue that the State Board of Investment calculates based on earnings in the Permanent School Fund, which is created by the Minnesota Constitution and designated as a long-term source of revenue for public schools. The earnings are then transferred into the School Endowment Fund and distributed to school districts and charter schools. The funds are used for general operations of the district and are not tied to a specific activity.

MDE calculates and processes aid payments and provides technical assistance for these programs.

RESULTS



Quality Result: This chart shows the percentage change in general education revenue per student (adjusted average daily membership, or AADM) between FY 2003 and FY 2023, based on unadjusted current dollars and adjusted for inflation using the consumer price index (CPI) and the implicit price deflator (IPD). Revenue per student in unadjusted current dollars increased by 85 percent during this period. However, when adjusted for inflation, revenue per student remained essentially constant.



Quality Result: This chart shows the percentage change in general education state aid per student (AADM) between FY 2003 and FY 2023, based on unadjusted current dollars and adjusted for inflation using the consumer price index and the implicit price deflator. Revenue per student in unadjusted current dollars increased by 62 percent during this period. However, when adjusted for inflation, revenue per student remained essentially constant.

M.S.126C.10

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	7,354,159	7,448,276	8,063,270	8,270,644	8,416,573	8,653,847	8,456,343	8,658,266
3801 - Endowment School	35,327	40,878	50,944	57,957	59,170	59,532	59,170	59,532
Total	**7,389,486**	**7,489,154**	**8,114,214**	**8,328,601**	**8,475,743**	**8,713,379**	**8,515,513**	**8,717,798**
Biennial Change				1,564,174		746,307		790,496
Biennial % Change				11		5		5
Governor's Change from Base								44,189
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	7,389,486	7,489,154	8,114,214	8,328,601	8,475,743	8,713,379	8,515,513	8,717,798
Total	**7,389,486**	**7,489,154**	**8,114,214**	**8,328,601**	**8,475,743**	**8,713,379**	**8,515,513**	**8,717,798**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	7,388,686	7,485,475	8,122,100	8,288,981	8,430,599	8,678,125	8,474,788	8,678,125
Levies	1,417,221	1,479,857	1,646,089	1,727,980	1,740,049	1,807,331	1,740,049	1,807,331
District Revenue	8,805,907	8,965,332	9,768,189	10,016,961	10,170,648	10,485,456	10,214,837	10,485,456
Direct Appropriation	7,569,266	7,538,983	8,103,909	8,270,644	8,416,573	8,653,847	8,456,343	8,658,266
Current Year	6,684,854	6,781,014	7,356,016	7,506,002	7,633,594	7,856,842	7,673,364	7,856,842
Prior Year	669,305	667,262	707,254	764,642	782,979	797,005	782,979	801,424
Transfers Out	386	594	19,810					
Cancellations	214,721	90,113	20,829					
Expenditures	**7,354,159**	**7,448,276**	**8,063,270**	**8,270,644**	**8,416,573**	**8,653,847**	**8,456,343**	**8,658,266**
Biennial Change in Expenditures				1,531,478		736,506		780,695
Biennial % Change in Expenditures				10		5		5
Governor's Change from Base								44,189
Governor's % Change from Base								0
3801 - Endowment School								
Transfers In	35,327	40,878	50,944	57,957	59,170	59,532	59,170	59,532
Expenditures	**35,327**	**40,878**	**50,944**	**57,957**	**59,170**	**59,532**	**59,170**	**59,532**
Biennial Change in Expenditures				32,696		9,801		9,801
Biennial % Change in Expenditures				43		9		9
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education
Activity: Enrollment Options Transportation

AT A GLANCE

- In fiscal year (FY) 2023, 77 students were served by the Enrollment Options Transportation program.
- Of the 77 students, two were from the postsecondary enrollment options program, zero were in the open enrollment program for districts, and 75 were in charter schools.
- In FY 2023, zero districts took part in the Pregnant and Parenting Pupil Transportation program.

PURPOSE AND CONTEXT

This state aid program helps students from low-income families participate in Postsecondary Enrollment Options (PSEO), school district enrollment options, and charter school programs by reimbursing transportation costs.

This aid program supports the goal of reducing the racial and economic opportunity gaps for low-income students by reimbursing their transportation costs.

In addition, the pregnant and parenting pupil transportation reimbursement program was enacted in FY 2020 to reimburse districts for the transportation of pregnant and parenting pupils to and from programs that provide academic instruction, are at least four hours per week of parenting instruction, and provide high-quality child care on site during the education day with the capacity to serve all children of enrolled pupils. The program has been used by a handful of districts but in FY2023 no districts applied for the revenue.

SERVICES PROVIDED

School districts and charter schools get state aid to reimburse transportation costs for qualifying students who participate in PSEO or open enrollment. PSEO is a program that allows students in grades 10th through –12th to earn secondary and college credit (dual-credit) while still in high school, through enrollment in and successful completion of college-level courses at higher education institutions. Open enrollment programs allow voluntary prekindergarten through grade 12 students and prekindergarten children with disabilities to apply to attend a public school outside of their resident district.

PSEO students apply for reimbursement through their resident district or charter school (or the postsecondary institution, if nonpublic). Open enrollment students apply through the enrolling district. Charter school students apply through the enrolling school. Students and families provide their own transportation in these programs.

School districts and charter schools providing out-of-district transportation for a fee are reimbursed for the transportation costs of qualifying low-income students. The reimbursement rate is set at $0.15 per mile at a maximum of 250 miles per week.

This aid program also provides reimbursement of transportation expenses for districts that provide academic instruction and child care for pregnant and parenting enrolled students.

The Minnesota Department of Education (MDE) processes reimbursement requests and provides technical support.

RESULTS

The table below provides the average amount of a claim for mileage reimbursement per student per year in postsecondary enrollment options, school district enrollment options, and charter school programs over the last four years. It also provides the number of students served by the program for the last four years.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Average Claim per Student per Year	Quantity	Data Collected by MDE	FY 2020*: $147 FY 2021**: $16 FY 2022: $198	FY 2023: $269
Number of Students Served	Quantity	Data Collected by MDE	FY 2020*: 70 FY 2021**: 4 FY 2022: 77	FY2023: 77
Number of Districts reimbursed for Pregnant and Parenting Transportation Program	Quantity	Data Collected by MDE	FY 2020*: 3 FY 2021**: 1 FY 2022: 1***	FY2023: 0
Number of Students participating in Pregnant and Parenting Transportation Reimbursement Program	Quantity	Data collected by MDE	FY 2020*: 12 FY 2021**: 5 FY 2022: 4	FY2023: 0***

* Although the number of students requesting reimbursement remained high in FY 2020, the statewide move to distance learning beginning March 18, 2020, as a response to the COVID-19 pandemic, resulted in no requests for reimbursement in the last three months of the 2019-2020 school year.

** The number of students served and requests for reimbursement continued to be impacted in FY 2021 by statewide distance learning due to the COVID-19 pandemic.

***Pregnant and Parenting Pupil Transportation Reimbursement for FY 2023 resulted in no requests for reimbursement

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M.S. 124D.03; M.S. 124D.09; M.S. 124E.15

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	71	118	76	78	80	82	80	82
Total	**71**	**118**	**76**	**78**	**80**	**82**	**80**	**82**
Biennial Change				(35)		8		8
Biennial % Change				(18)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	71	118	76	78	80	82	80	82
Total	**71**	**118**	**76**	**78**	**80**	**82**	**80**	**82**

Enrollment Options Transportion

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	15	21	21	23	25	27	25	27
District Revenue	15	21	21	23	25	27	25	27
Direct Appropriation	68	71	78	78	80	82	80	82
Current Year	15	21	21	23	25	27	25	27
Balance Forward In		42						
Transfers In	3	5						
Cancellations			2					
Expenditures	**71**	**118**	**76**	**78**	**80**	**82**	**80**	**82**
Biennial Change in Expenditures				(35)		8		8
Biennial % Change in Expenditures				(18)		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education
Activity: Abatement Revenue

AT A GLANCE

- The Abatement Aid entitlement totaled $940,000 in fiscal year (FY) 2024 based on 2022 revenue losses.
- The Abatement Levy totaled $9.686 million in FY 2025 based on 2022 revenue losses..

PURPOSE AND CONTEXT

This state aid and local property tax levy program maintains equity for students and taxpayers by replacing revenue the district was entitled to but did not receive due to abatements. An “abatement” occurs when property taxes on a real estate parcel are decreased after the district certifies levy revenue.

For FY 2024, 215 school districts in Minnesota participated in this program.

SERVICES PROVIDED

Abatement aid and levy is calculated annually based on abatements reported by counties to the Minnesota Department of Education (MDE).

The aid and levy are designed to replace the revenue in the same proportion of aid and levy as the original entitlement. The aid reimbursement is received one year after the revenue loss and the levy reimbursement is received two years after the revenue loss.

MDE calculates and processes aid payments and levy limitations for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Statewide District Revenue Loss Prevented	Quantity	Data collected by MDE	FY2023: $12.8 M	FY2024: $10.6 M

M.S. 126C.46; M.S. 127A.49, subdivision 2

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	2,042	1,335	2,318	1,354	1,952	2,201	1,952	2,201
Total	**2,042**	**1,335**	**2,318**	**1,354**	**1,952**	**2,201**	**1,952**	**2,201**
Biennial Change				295		481		481
Biennial % Change				9		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	2,042	1,335	2,318	1,354	1,952	2,201	1,952	2,201
Total	**2,042**	**1,335**	**2,318**	**1,354**	**1,952**	**2,201**	**1,952**	**2,201**

Abatement Revenue

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	1,970	1,264	2,435	1,400	2,013	2,222	2,013	2,222
Levies	9,083	7,760	10,652	12,471	27,601	34,232	27,601	34,232
District Revenue	11,053	9,024	13,087	13,871	29,614	36,454	29,614	36,454
Direct Appropriation	2,897	1,434	2,318	1,354	1,952	2,201	1,952	2,201
Current Year	1,773	1,138	2,192	1,260	1,812	2,000	1,812	2,000
Prior Year	269	197	126	94	140	201	140	201
Cancellations	855	99						
Expenditures	**2,042**	**1,335**	**2,318**	**1,354**	**1,952**	**2,201**	**1,952**	**2,201**
Biennial Change in Expenditures				295		481		481
Biennial % Change in Expenditures				9		13		13
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education
Activity: Consolidation Transition

AT A GLANCE

- There were no school district consolidations in FY 2023 or FY 2024.

PURPOSE AND CONTEXT

School districts consolidate to expand programs and services and to increase financial stability. The consolidation transition revenue program provides funds for reorganization to districts that have recently consolidated. Students and communities in the consolidating districts are served by this program.

SERVICES PROVIDED

Consolidation Transition revenue must be used to cover district costs for early retirement incentives granted by the district, to reduce operating debt, to enhance learning opportunities, and to cover reorganization expenses.

Aid is $200 per resident pupil unit in the new district in the first year of consolidation and $100 per resident pupil unit the year after consolidation. The number of pupil units used to calculate aid for a district in either year is limited to 1,500.

This program is mainly funded with state aid. Optional local property taxes may be used to cover certain additional costs.

The Minnesota Department of Education (MDE) calculates state aid payments and property tax levy limits, and provides technical assistance to districts that choose to consolidate.

RESULTS

In FY 2023 and FY 2024, there were no consolidations. While the number of consolidations is measurable, the true performance measure is in the satisfaction and achievement of the districts that consolidated, which is not evaluated.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
First Year of Consolidation	Quantity	Not evaluated	FY2021: 1 FY2022: 1	FY2023: 0 FY2024: 0

M.S. 123A.485; M.S. 123A.48

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	292	82	6		270	165	270	165
Total	**292**	**82**	**6**		**270**	**165**	**270**	**165**
Biennial Change				(368)		429		429
Biennial % Change				(99)				
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	292	82	6		270	165	270	165
Total	**292**	**82**	**6**		**270**	**165**	**270**	**165**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	290	69			300	150	300	150
District Revenue	290	69			300	150	300	150
Direct Appropriation	309	95	7	0	270	165	270	165
Current Year	262	62			270	135	270	135
Prior Year	30	20	6			30		30
Cancellations	17	13	1					
Expenditures	**292**	**82**	**6**		**270**	**165**	**270**	**165**
Biennial Change in Expenditures				(368)		429		429
Biennial % Change in Expenditures				(99)				
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education
Activity: Nonpublic Pupil

https://education.mn.gov/MDE/dse/schfin/Non/

AT A GLANCE

- Number of nonpublic students participating in Fiscal Year (FY) 2023:
  - Textbook/materials: 70,921
  - Health services: 65,510
  - Guidance and counseling: 24,470
- Rates per nonpublic student in FY 2023:
  - Textbook/materials: $81.31
  - Health services: $73.71
  - Guidance and counseling: $298.05
- All nonpublic students requesting materials and/or services by the statutory deadline have been and are being accommodated.

PURPOSE AND CONTEXT

This state aid program exists to ensure fair access to nonreligious study materials and student support services for students who choose nonpublic education. This aid program supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Funding is allocated directly to public school districts for the benefit of nonpublic school students. School districts are reimbursed for the costs of the educational materials loaned to nonpublic school students and for the costs of providing support services to nonpublic school students.

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

- Textbooks, individualized instructional materials, and standardized tests;
- Health services; and
- Guidance and counseling services.

School districts receive additional funds to cover administrative costs. This amount is equal to 5 percent of their total aid reimbursement amount.

MDE calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of nonpublic students applying for access to textbooks	Quantity	Data collected by MDE	FY2022: 71%	FY2023: 73%
Percentage of nonpublic students applying for access to health services	Quantity	Data collected by MDE	FY2022: 66%	FY2023: 68%
Percentage of secondary nonpublic students applying for access to guidance and counseling services	Quantity	Data collected by MDE	FY2022: 91%	FY2023: 87%

M.S. 123B.40-48

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	16,757	18,385	20,616	24,478	25,845	26,677	0	0
Total	**16,757**	**18,385**	**20,616**	**24,478**	**25,845**	**26,677**	**0**	**0**
Biennial Change				9,951		7,428		(45,094)
Biennial % Change				28		16		(100)
Governor's Change from Base								(52,522)
Governor's % Change from Base								(100)
Expenditures by Category								
Grants, Aids and Subsidies	16,757	18,385	20,616	24,478	25,845	26,677	0	0
Total	**16,757**	**18,385**	**20,616**	**24,478**	**25,845**	**26,677**	**0**	**0**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	17,022	18,856	21,388	24,822	25,958	26,757	0	0
District Revenue	17,022	18,856	21,388	24,822	25,958	26,757	0	0
Direct Appropriation	16,991	19,003	21,176	24,478	25,845	26,677	0	0
Current Year	15,320	16,971	19,250	22,340	23,363	24,082	0	0
Prior Year	1,437	1,414	1,366	2,138	2,482	2,595	0	0
Transfers In	232							
Cancellations	466	618	560					
Expenditures	**16,757**	**18,385**	**20,616**	**24,478**	**25,845**	**26,677**	**0**	**0**
Biennial Change in Expenditures				9,951		7,428		(45,094)
Biennial % Change in Expenditures				28		16		(100)
Governor's Change from Base								(52,522)
Governor's % Change from Base								(100)

Program: Other General Education
Activity: Nonpublic Transportation

https://education.mn.gov/MDE/dse/schfin/Trans/Type/

AT A GLANCE

- In fiscal year (FY) 2023, 40,886 nonpublic students were transported to and from school.
- In FY 2023, 172 of 329 districts transported nonpublic students.

PURPOSE AND CONTEXT

This program ensures that nonpublic school students receive the same level of transportation services as public school students, and that the school districts are able to provide this transportation without significant costs being paid from their general fund.

SERVICES PROVIDED

School districts must provide equal transportation services within the district for public and nonpublic school students living within the district. If the district transports nonpublic school students to a school in another district, the nonpublic school or the parents pay the cost of transportation outside of the district boundaries.

Public school districts must provide nonpublic school student transportation within the district boundaries for health and secondary guidance/counseling services that the school district provides to the nonpublic school students.

The public school district must transport nonpublic school students on late activity bus routes if it provides that service for public school students.

The Minnesota Department of Education (MDE) calculates and processes aid payments and provides technical support to school districts and nonpublic schools for this program.

RESULTS

Participation is measured by the percentage of nonpublic students transported to and from school.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of nonpublic students transported	Quantity	Data collected by MDE	FY2022: 57.2%	FY2023: 56.41%

M.S. 123B.92, subdivision 9; M.S. 123B.84-87

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	19,771	21,026	22,979	27,198	27,875	28,343	0	0
Total	**19,771**	**21,026**	**22,979**	**27,198**	**27,875**	**28,343**	**0**	**0**
Biennial Change				9,380		6,041		(50,177)
Biennial % Change				23		12		(100)
Governor's Change from Base								(56,218)
Governor's % Change from Base								(100)
Expenditures by Category								
Grants, Aids and Subsidies	19,771	21,026	22,979	27,198	27,875	28,343	0	0
Total	**19,771**	**21,026**	**22,979**	**27,198**	**27,875**	**28,343**	**0**	**0**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	19,845	21,157	23,182	27,644	27,901	28,392	0	0
District Revenue	19,845	21,157	23,182	27,644	27,901	28,392	0	0
Direct Appropriation	19,770	21,027	22,979	27,198	27,875	28,343	0	0
Current Year	17,861	19,042	20,864	24,880	25,111	25,553	0	0
Prior Year	1,910	1,984	2,115	2,318	2,764	2,790	0	0
Transfers In	1							
Cancellations		1						
Expenditures	**19,771**	**21,026**	**22,979**	**27,198**	**27,875**	**28,343**	**0**	**0**
Biennial Change in Expenditures				9,380		6,041		(50,177)
Biennial % Change in Expenditures				23		12		(100)
Governor's Change from Base								(56,218)
Governor's % Change from Base								(100)

Program: Other General Education
Activity: Career and Technical Education

https://education.mn.gov/MDE/dse/cte/

AT A GLANCE

- In fiscal year (FY) 2023, 317 districts levied a total of $36.9 million for Career and Technical Education programs.
- In FY 2023, 92 districts received Career and Technical Education aid totaling $1.9 million.

PURPOSE AND CONTEXT

Career and Technical Education (CTE) revenue is a state aid and local property tax levy program that allows districts to receive revenue for Career and Technical program expenses.

All school districts with approved CTE programs are eligible for this revenue. Federal Carl D. Perkins funds are also available to help provide career and technical education program and services.

CTE programs are a sequence of courses that integrate core academic knowledge with technical and occupational knowledge and skills that provide students a pathway to postsecondary education and careers. CTE teaches transferable workplace skills in applied learning contexts which provide opportunities to explore high-demand career options and give students the technology and skills needed for success in adult life.

SERVICES PROVIDED

Districts must submit annual budgets for their CTE programs to qualify for this revenue. A district with a CTE program approved by the Minnesota Department of Education (MDE) may levy for costs associated with the program.

- A district is eligible for revenue equal to 35 percent of approved expenditures in the fiscal year in which the levy is certified.

CTE property tax levy equals:

- CTE revenue, times
- The lesser of:
    - one; or,
    - the ratio of the adjusted net tax capacity per student in the fiscal year in which the levy is certified, to $7,612.

CTE aid equals:

- CTE revenue minus CTE levy.

MDE reviews district programs for approval, calculates aid and property tax levies, and makes federal and state aid payments for these programs.

CTE consortia are voluntary collaborations of Minnesota Service Cooperatives and other regional public and private partners that work together to provide career and technical education opportunities for students. The Aeronautics Pilot Program provides funding to Independent School District 482 in Little Falls for an aeronautics and commercial over the road technical program. MDE also provides grants for schools and cooperative units to offer high school students courses in emergency medical services.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of districts participating in CTE programs	Quantity	Data collected by MDE	FY2022: 315	FY2023: 317
Amount of property tax levy for CTE programs	Quantity	Data collected by MDE	FY2022: $34,248,064	FY2023: $36,910,278

M.S. 124D.4531

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	2,582	8,039	7,434	6,850	6,031	5,891	6,031	5,891
3000 - Federal	7,157	7,939	9,690	9,774	9,774	9,774	9,774	9,774
Total	**9,739**	**15,978**	**17,124**	**16,624**	**15,805**	**15,665**	**15,805**	**15,665**
Biennial Change				8,031		(2,278)		(2,278)
Biennial % Change				31		(7)		(7)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			40	166	160	160	160	160
Operating Expenses	1		3	173	15	15	15	15
Grants, Aids and Subsidies	9,738	15,978	17,082	16,285	15,630	15,490	15,630	15,490
Total	**9,739**	**15,978**	**17,124**	**16,624**	**15,805**	**15,665**	**15,805**	**15,665**
Total Agency Expenditures	9,739	15,978	17,124	16,624	15,805	15,665	15,805	15,665
Internal Billing Expenditures	1							
Expenditures Less Internal Billing	**9,738**	**15,978**	**17,124**	**16,624**	**15,805**	**15,665**	**15,805**	**15,665**
Full-Time Equivalents			**0.32**	**0.74**	**0.68**	**0.68**	**0.68**	**0.68**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	2,509	1,977	1,645	858	495	380	495	380
Levies	30,743	35,540	39,097	42,080	46,461	51,722	46,461	51,722
District Revenue	33,252	37,517	40,742	42,938	46,956	52,102	46,956	52,102
Direct Appropriation	5,668	4,914	7,614	6,670	6,031	5,891	6,031	5,891
Current Year	2,259	1,779	1,481	773	446	342	446	342
Prior Year	323	260	183	147	85	49	85	49
Balance Forward In		3,000		180				
Transfers In		125						
Cancellations	86							
Balance Forward Out	3,000		180					
Expenditures	**2,582**	**8,039**	**7,434**	**6,850**	**6,031**	**5,891**	**6,031**	**5,891**
Biennial Change in Expenditures				3,663		(2,362)		(2,362)
Biennial % Change in Expenditures				34		(17)		(17)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.32	0.74	0.68	0.68	0.68	0.68

3000 - Federal								
Receipts	7,157	7,939	9,690	9,774	9,774	9,774	9,774	9,774
Expenditures	**7,157**	**7,939**	**9,690**	**9,774**	**9,774**	**9,774**	**9,774**	**9,774**
Biennial Change in Expenditures				4,368		84		84
Biennial % Change in Expenditures				29		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Other General Education
Activity: Reserves and Credits

AT A GLANCE

- In fiscal year (FY) 2023, there were 12 state-paid property tax credit programs (three programs are for prior year adjustments).
- In FY 2023, the General Fund Reserve transferred $1,122,497 between one excess and six deficient programs.
- Community Education funds had no deficiencies for FY 2023, and the Community Education Reserve was not utilized.

PURPOSE AND CONTEXT

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

- All school districts in the state receive some form of state paid property tax credits.
- The number and the amount of state paid tax credits that districts and property tax owners in the district receive is dependent upon the local conditions, such as natural disasters, existence of agricultural property, economic depression, and others noted below.

The two "Education Reserves" allow the commissioner to transfer the excess from a direct general fund appropriation for any education aid or grant authorized in specified chapters that exceeds the amount required to be used to any education aid or grant appropriation that is insufficient.

- The general fund reserve pertains to chapters 127A, 122A, 123A, 123B, 124D, 124E, 125A, 126C, and 134, excluding appropriations under sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.
- The community education fund reserve pertains to sections 124D.135, 124D.16, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and 124D.56.

SERVICES PROVIDED

There are several property tax credit and aid programs paid to school districts by the Minnesota Department of Education (MDE) that reduce property taxes paid by property owners:

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

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

Programs providing a reduction to the calculated property tax:

- *Local Option Disaster Abatement Credit* provides relief related to the damage or destruction of homestead and non-homestead property. The property need not be located within a disaster or emergency area.
- *Homestead and Disaster Credit* provides relief related to the damage or destruction that occurred for each reassessed homestead property within the county that is located within a disaster or emergency area.

Local Option Disaster Credit provides relief related to the damage or destruction that occurred for: (1) homestead property that meets all the requirements under M.S. 273.1233 (Local Option Disaster Abatement), subdivision 1, paragraph (a), but that does not qualify for a credit under the Homestead and Disaster Credit; and, (2) non-homestead and utility property that meets all the requirements under M.S. 273.1233 (Local Option Disaster Abatement), subdivision 1, paragraph (b).

Agricultural Preserves Credit provides relief to owners of agricultural property in the seven-county metropolitan area.

Disparity Reduction Credit provides relief to apartments, commercial, industrial, and public utilities in economically depressed areas located at Minnesota borders designated as enterprise zones.

Residential Homestead Market Value Credit provides relief to residential homestead property, including the house, garage, one acre of land for farm homesteads, and certain resort homesteads. The credit is computed as 0.4 percent of the first $76,000 market value of each homestead property. The maximum credit is $304 and is phased out at a rate of .09 percent of the value over $76,000.

Agricultural Land Market Value Credit provides relief to agricultural homestead property, excluding the house, garage, and one acre. The credit is computed as 0.3 percent of the first $115,000 market value of each homestead property, plus 0.1 percent of the market value of each homestead property in excess of $115,000. The maximum credit is $490 and is phased out at a rate of .05 percent of the value over $115,000 with a maximum reduction of $115.

School Building Bond Agricultural Credit provides relief to agricultural homestead property, excluding the house, garage, and one acre. For taxes payable FY 2023 and on, the credit is computed as 70 percent of the property's eligible net tax capacity, multiplied by the school debt tax rate.

Note that the fiscal activity associated with the payment of these credits is displayed in the budget book for Tax Aids, Credits, and Refunds.

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

The Education Reserves allow full funding or closer to full funding for programs that may be underfunded due to the difference between forecast estimates and the actual costs of specified programs.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Disparity Reduction Aid	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $8,086,085 FY 2022 2020 Pay 2021: $8,023,442	FY2023 2021 Pay 2022: $8,036,675
Local Option Disaster Abatement Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $374,313 FY 2022 2020 Pay 2021: $ 1,146	FY2023 2021 Pay 2022: $49,348

Homestead and Disaster Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $1,274 FY 2022 2020 Pay 2021: $2,545	FY2023 2021 Pay 2022: $161
Local Option Disaster Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $0 FY 2022 2020 Pay 2021: $407,707	FY2023 2021 Pay 2022: $2,333
Agricultural Preserves Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $127,466 FY 2022 2020 Pay 2021: $ 89,760	FY2023 2021 Pay 2022: $80,230
Disparity Reduction Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $2,959,676 FY 2022 2020 Pay 2021: $3,266,650	FY2023 2021 Pay 2022: $3,176,261
Residential Homestead Market Value Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $21,098 FY 2022 2020 Pay 2021:-$521,600	FY2023 2021 Pay 2022: $10,251
Prior Year Real Property Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $19,641 FY 2022 2020 Pay 2021: $10,578	FY2023 2021 Pay 2022: $2,410
Agricultural Land Market Value Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $8,410,302 FY 2022 2020 Pay 2021: $7,726,211	FY2023 2021 Pay 2022: $7,631,308
School Bonding Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $57,035,540 FY 2022 2020 Pay 2021: $62,666,854	FY2023 2021 Pay 2022: $70,863,833
Prior Year School Bonding Credit	Quantity	Data collected by MDE	FY 2021 2019 Pay 2020: $778,977 FY 2022 2020 Pay 2021: -$51	FY2023 2021 Pay 2022: $3,144

M.S. 273.119; M.S. 273.1233; M.S. 273.1234; M.S. 273.1235; M.S. 273.1384; M.S. 273.1387; M.S. 273.1398; M.S. 127A.41, subdivision 8; M.S. 127A.41, subdivision 9

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Transfers In	386	594	19,810					
Transfers Out	386	594	19,810					

Program: Other General Education
Activity: Other Aid Allocations

AT A GLANCE

- The One-Room Schoolhouse revenue program was implemented in fiscal year (FY) 1995.
- A district's English learner cross subsidy aid equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year. Beginning in FY 2027, there will be a cross-subsidy aid of 25% of the FY 2025 EL cross-subsidy.
- The 2023 legislature appropriated $1,000,000 to Windom School District in FY 2024 for onetime supplemental aid.
- The 2023 legislature created the Area Learning Center (ALC) transportation aid and appropriated $1,000,000 beginning in FY 2024 and later.
- The 2023 legislature appropriated a onetime school unemployment aid of $135,000,000 in fiscal year (FY) 24 to reimburse local education agencies (LEAs) for the costs of providing summer unemployment benefits to eligible staff. The $135,000,000 may be used to reimburse LEAs through June 30, 2027, or until the funds are exhausted, whichever comes first

PURPOSE AND CONTEXT

The One-Room Schoolhouse, EL cross-subsidy aid, and the Windom School District onetime supplemental aid programs provide additional general education revenue to school districts to fund specific obligations of the district's general fund.

The English Learner cross-subsidy is calculated by taking the difference between English learner revenue and final reported qualifying English Learner services expenditures as reported by districts in Uniform Financial Accounting and Reporting Standards (UFARS) in a fiscal year.

The Windom School District received a onetime supplemental aid in FY 2024 equal to the greater of zero or the product of $10,000 times the difference between the October 1, 2022 pupil enrollment count and the October 1, 2023 pupil enrollment count, not to exceed 1,000,000.

ALC transportation aid provides reimbursements to school districts for providing transportation of pupils to and from an Area Learning Center program.

One time in FY 2025 school unemployment aid reimburses school districts, charter schools, intermediates, other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies for eligible costs. Eligible costs include providing unemployment insurance benefits during the summer term for non-licensed hourly school-year employees who have the expectation that a position will be available for them at the start of the next school year. These employees include but are not limited to school bus drivers, nutrition staff, paraprofessionals and education support staff.

SERVICES PROVIDED

- One-room Schoolhouse
    - The One-Room Schoolhouse program provides $65,000 each year to the Warroad school district to assist with expenses related to the Angle Inlet Elementary School.
- English Learner (EL) Cross-Subsidy Aid
    - The English Learner Cross-Subsidy Aid was established during the 2021 special session to supplement regular EL and concentration revenue and is meant to help districts fund English Learner programs. For FY 2022 through FY 2025, the aid will be $2,000,000 each year allocated among school districts and charter schools based on the total amount of EL revenue the entity received during the prior fiscal year. In the 2023 session, EL Cross-Subsidy Aid was increased to 25% of the EL Cross-Subsidy beginning in FY 2027. A district's English learner cross subsidy aid equals the greater of zero or the difference between the district's expenditures for qualifying English learner services for the second previous year and the district's English learner revenue for the second previous year.
- Windom School District onetime supplemental adjustment
    - This onetime adjustment provided up to $1,000,000 to help supplement a predicted enrollment loss in the Windom School District. Windom School District received $160,000, and the 2024 legislature cancelled back $840,000 to the general fund.
- Area learning center transportation aid
    - Beginning in FY 2024, school districts are reimbursed for the prior year costs of providing transportation to pupils to and from an area learning center programming. The program is capped at $1,000,000 per year.
    - The Minnesota Department of Education (MDE) calculates and processes reimbursements for this program.
- School unemployment aid
    - To receive benefits, an eligible worker must submit their unemployment applications to the Minnesota Department of Employment and Economic Development each week that they are unemployed during the summer months. Eligible staff are still able to collect summer-term unemployment benefits even after the unemployment aid funds are exhausted.
    - The unemployment aid will be measured against eligible submitted UFARS coding. Once final UFARS submissions are completed at the close of the current fiscal year, MDE will be able to calculate final payments and know whether the aid is subject to proration.
    - The Minnesota Department of Education (MDE) calculates and processes reimbursements for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of Minnesota resident students attending Angle Inlet School	Quantity	Data collected by MDE	FY2023: 5	FY2024: 4

Total aid distribution for EL Cross-Subsidy Reduction Aid.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
EL Cross-Subsidy Aid	Quantity	Data collected by MDE	FY2023: $2,000,000	FY2024: $2,000,000

MN Laws 2021, 1st Special Session, Chapter 13, Article 1, section 9 and section 10, subdivision 11 and Minnesota Statutes 2023 124D.65, subd. 5a (EL Cross-Subsidy Aid); MN Laws 2023, Chapter 55, Article 1, section 36, subd. 8 (One-room schoolhouse); MN Laws 2023, Chapter 64, Article 15, section 34, subd. 2 (Windom School District onetime supplemental aid); Minnesota Statutes 2023 123B.92, subd. 11 (area learning center transportation aid); Minnesota Statutes 2023, 124D.995 (School Unemployment Aid)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	2,065	2,065	3,225	3,065	1,065	1,065	1,065	1,065
2001 - Other Misc Special Revenue			40,350	55,600	39,050		69,050	
Total	**2,065**	**2,065**	**43,575**	**58,665**	**40,115**	**1,065**	**70,115**	**1,065**
Biennial Change				98,110		(61,060)		(31,060)
Biennial % Change				2,376		(60)		(30)
Governor's Change from Base								30,000
Governor's % Change from Base								73
Expenditures by Category								
Grants, Aids and Subsidies	2,065	2,065	43,575	58,665	40,115	1,065	70,115	1,065
Total	**2,065**	**2,065**	**43,575**	**58,665**	**40,115**	**1,065**	**70,115**	**1,065**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	2,065	2,065	139,065	3,065	1,065	1,065	31,065	1,065
Transfers Out			135,000				30,000	
Cancellations			840					
Expenditures	**2,065**	**2,065**	**3,225**	**3,065**	**1,065**	**1,065**	**1,065**	**1,065**
Biennial Change in Expenditures				2,160		(4,160)		(4,160)
Biennial % Change in Expenditures				52		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0
2001 - Other Misc Special Revenue								
Balance Forward In				94,650	39,050		39,050	
Transfers In			135,000				30,000	
Balance Forward Out			94,650	39,050				
Expenditures			**40,350**	**55,600**	**39,050**		**69,050**	
Biennial Change in Expenditures				95,950		(56,900)		(26,900)
Biennial % Change in Expenditures						(59)		(28)
Governor's Change from Base								30,000
Governor's % Change from Base								

Program: Other General Education
Activity: Miscellaneous Levies (information only)

https://education.state.mn.us/MDE/dse/datasub/LevyCertSys/

AT A GLANCE

- In fiscal year (FY) 2025, 12 levy programs were estimated at $80.2 million.

PURPOSE AND CONTEXT

These programs provide additional local property tax levy revenue to school districts to fund specific obligations of the district's general fund. There is no state funding associated with these levies, so this Budget Activity's fiscal pages reflect only local levy amounts.

SERVICES PROVIDED

The following levies are currently in effect:

- Reemployment Insurance Levy
  - A school district may levy for unemployment insurance and for job-placement services offered to eligible employees.
- Judgment Levy
  - A school district may levy for judgments against the district, including interest costs, or for its proportionate share of the costs of a judgment against an intermediate district.
- Health Benefit Levy
  - A school district may levy for health insurance and unreimbursed medical expenses of employees who retired before July 1, 1992.
- Additional Retirement Levy
  - The Minneapolis and St. Paul school districts may levy for certain pension obligations.
- St. Paul Severance Levy
  - The St. Paul school district may levy to pay for severance costs.
- Safe Schools Levy
  - A school district may levy up to $36 per pupil unit and an intermediate district may levy up to $15 per pupil unit through their member districts. The levy can be used for 10 different costs associated with student and staff safety issues.
- Ice Arena Levy
  - A school district may levy for the net operational costs of the ice arena for the previous fiscal year. To qualify for the levy, a district must demonstrate to the Minnesota Department of Education (MDE) gender equity in usage of the ice arena during peak times throughout the year.
- Severance Levies
  - A school district that reorganizes under dissolution and attachment may levy for 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 that has a secondary agreement with another district must pay severance to licensed employees placed on unrequested leave and may levy for the expenses. Districts with an agreement to allow pupils to attend school in an adjoining state may levy for severance costs resulting from the agreement.

- Swimming Pool Levy
    - Certain school districts on the Canadian border may levy for the net operational costs of a swimming pool, not to exceed the swimming pool's net actual costs of operation from the previous year.
- Economic Development Abatement Levy
    - The governing body of a political subdivision may grant an abatement of the taxes imposed by the political subdivision on a parcel of property or defer the payments of the taxes and abate the interest and penalty that otherwise would apply. The political subdivision must add to its levy amount for the current year the total estimated amount of all current year abatements granted. No abatement aid is generated for these abatements.
- Tree Growth Replacement Levy
    - Districts may levy an amount not to exceed its tree growth revenue for taxes payable in 2001.
- Reorganization Operating Debt Levy
    - A school district that reorganizes under consolidation or dissolution and attachment may levy to retire the net negative undesignated fund balance in the operating funds.

- Other Miscellaneous Severance Pay/Early Retirement Incentive Levies:
    - Annual Other Postemployment Benefits Levy
        - A school district may levy for other postemployment benefit expenses if the district: 1) has created an actuarial liability to pay postemployment benefits; and 2) has a sunset clause in effect for the current collective bargaining agreement.
    - Consolidation Transition Revenue
        - For a school district that consolidates under Minnesota Statutes, section 123A.485, subdivision 2, consolidation transition aid is equal to a maximum of $200 per resident pupil unit for the first year of consolidation and $100 per resident pupil unit for the second year of consolidation. If the cost of the early retirement incentives offered by the district under subdivision 2 exceeds the amount of consolidation transition aid, the district may levy for the difference for a period not to exceed three years.
    - Consolidation/Transition Levies
        - The board(s) of districts combining or combined under Minnesota Statutes, section 123A.37, subdivision 2, may levy over three years or less for costs directly related to the transition from cooperation to combination.
    - Administrative Services Levy
        - The school district may levy for costs of retirement incentives or severance pay, or other costs related to the discontinuance of administrative positions, under certain circumstances.

MDE collects data from the districts, calculates the levy authority, and in some cases reviews and approves levy requests.

RESULTS

Measure name	Measure type	Measure data source	Historical trend: Pay 2023 in Thousands	Most recent data: Pay 2024 in Thousands
Reemployment Insurance Levy	Quantity	Data collected by MDE	$6,833.5	$8,801.4
Judgment Levy	Quantity	Data collected by MDE	$446.8	$674.2
Health Benefit Levy	Quantity	Data collected by MDE	$1,388.2	$1,230.6
Additional Retirement Levy	Quantity	Data collected by MDE	$28,644.11	$28,094.74
St. Paul Severance Levy	Quantity	Data collected by MDE	$1,433.5	$1,602.6
Safe Schools Levy (includes both school district and intermediate levies)	Quantity	Data collected by MDE	$34,276.48	$34,396.10
Ice Arena Levy	Quantity	Data collected by MDE	$3,397.36	$3,464.32
Severance Levies	Quantity	Data collected by MDE	$0	$0
Swimming Pool Levy	Quantity	Data collected by MDE	$889.69	$626.05
Economic Development Abatement Levy	Quantity	Data collected by MDE	$742.88	$662.60
Tree-Growth Replacement Levy	Quantity	Data collected by MDE	$679.23	$694.93
Reorganization Operating Debt Levy	Quantity	Data collected by MDE	$0	$0

M.S. 126C.43, subd. 2; M.S. 126C.43, subd. 3; M.S. 126C.41, subd. 2; M.S. 126C.41, subd. 3; M.S. 126C.41, subd. 4; M.S. 126C.41, subd. 5; M.S. 126C.44; M.S. 126C.45; M.S. 123A.30, subd. 6; M.S. 123A.39, subd. 3; M.S. 123A.73, subd. 12; M.S. 123A.444; M.S. 124D.05, subd. 3; M.S. 126C.41, subd. 6; M.S. 126C.455; M.S. 469.1812-1815; M.S. 126C.445; M.S. 123A.73, subd. 9; M.S. 123B.82; M.S. 126C.445; M.S. 123A.485; M.S. 123A.41, subd. 4; M.S. 123A.76; M.S. 123A.12

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
Levies	469,415	483,569	490,107	510,979	535,169	549,833	535,169	549,833
District Revenue	469,415	483,569	490,107	510,979	535,169	549,833	535,169	549,833

Program: Choice Programs
Activity: Charter School Lease Aid

https://education.mn.gov/MDE/dse/chart/scres/

AT A GLANCE

- In fiscal year (FY) 2023, 179 of the 180 charter schools in Minnesota received lease aid.
- The maximum lease aid per pupil unit is $1,314.

PURPOSE AND CONTEXT

Unlike school districts, charter schools cannot generate property tax revenue to pay for school buildings. The Charter School Lease Aid program provides partial funding to charter schools to lease facilities and land. This program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

This program provides funding to charter schools to lease facilities for instructional purposes. Charter schools submit applications for lease aid that are approved or denied based on:

- Reasonableness of the price per square foot;
- Appropriateness of the proposed lease in the context of the space needs, code compliance, and financial circumstances of the charter school; and
- Conformity of the leased space and lease agreement to the laws and rules of the state and federal governments.

State aid is the lesser of:

- Ninety percent of the actual net lease costs; or
- $1,314 times the total number of pupil units served plus postsecondary enrollment options pupil units.

The Minnesota Department of Education (MDE) approves charter school lease aid applications. Beginning FY 2017, lease aid is available for approved pre-K school programs.

The fiscal pages for this Budget Activity also display federal funds that are available to support charter schools.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Charter Schools receiving lease aid	Quantity	Data collected by MDE	FY2022: 176	FY2023: 179
Pupil Units Served	Quantity	Data collected by MDE	FY2022: 71,708	FY2023: 73,162
Average Lease Cost per Pupil Unit	Quantity	Data collected by MDE	FY2022: $1,624	FY2023: $1,659
Average Aid per Pupil Unit	Quantity	Data collected by MDE	FY2022: $1,214	FY2023: $1,219

M.S. 124E.22

Charter School Lease Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	83,643	88,991	91,234	93,681	96,733	99,829	96,733	99,829
3000 - Federal	3,032	4,248	927	7,000	8,000	8,000	8,000	8,000
Total	**86,675**	**93,239**	**92,161**	**100,681**	**104,733**	**107,829**	**104,733**	**107,829**
Biennial Change				12,928		19,720		19,720
Biennial % Change				7		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	86,675	93,239	92,161	100,681	104,733	107,829	104,733	107,829
Total	**86,675**	**93,239**	**92,161**	**100,681**	**104,733**	**107,829**	**104,733**	**107,829**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	83,362	88,393	91,319	94,004	97,036	100,139	97,036	100,139
District Revenue	83,362	88,393	91,319	94,004	97,036	100,139	97,036	100,139
Direct Appropriation	93,547	90,864	91,457	93,681	96,733	99,829	96,733	99,829
Current Year	75,026	79,555	82,187	84,604	87,333	90,126	87,333	90,126
Prior Year	8,617	9,436	9,047	9,077	9,400	9,703	9,400	9,703
Cancellations	9,904	1,873	223					
Expenditures	**83,643**	**88,991**	**91,234**	**93,681**	**96,733**	**99,829**	**96,733**	**99,829**
Biennial Change in Expenditures				12,281		11,647		11,647
Biennial % Change in Expenditures				7		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	3,032	4,248	927	7,000	8,000	8,000	8,000	8,000
Expenditures	**3,032**	**4,248**	**927**	**7,000**	**8,000**	**8,000**	**8,000**	**8,000**
Biennial Change in Expenditures				647		8,073		8,073
Biennial % Change in Expenditures				9		102		102
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs
Activity: Achievement and Integration Aid

https://education.state.mn.us/MDE/dse/acint/

AT A GLANCE

- During the 2023-2024 school year 50 racially identifiable schools* (in 15 different districts) and 66 racially isolated districts** participated in this program. Some of these racially isolated districts also have racially identifiable schools.
- 112 additional districts were in the program and partnered with racially isolated districts to implement integration activities for students.
- Districts use this revenue to increase racial and economic integration, to reduce achievement disparities within their districts, and to partner with neighboring districts on integration activities for students.

*A school with an enrollment of students of color and American Indian students that is more than 20 percentage points above that of the district average for schools serving the same grade levels.

**A district with districtwide enrollment of students of color and American Indian students that exceeds that of any adjoining district by more than 20 percentage points.

PURPOSE AND CONTEXT

This program exists to increase racial and economic integration, reduce achievement disparities for specific student groups, and provide students equitable access to a qualified and racially diverse teaching staff.

Students served include prekindergarten through grade 12 students attending a public school district that is either *racially isolated*, has a *racially identifiable school*, or is in close proximity to a racially isolated school district as defined above.

Achievement and Integration revenue is made up of two different funding streams: *initial revenue* which may be used to fund the strategies in a district's approved achievement and integration plan and *incentive revenue* which must be used for strategies to reduce racial and economic enrollment disparities. All strategies funded with either revenue stream must have the effect of increasing student integration and help reduce academic disparities that are identifiable by students' race or economic status. Incentive revenue may be used only to fund strategies designed specifically to increase enrollment of students of color and American Indian students or students that qualify for free or reduce priced lunch into the following: schools, classes, programs, or districts where there are documented enrollment disparities for students from one or more of these groups. Both types of revenue are funded through local property tax levy (30 percent) and state aid (70 percent).

This program supports the goals of closing all racial and economic opportunity gaps.

Districts that have not met their plan goals at the end of three years must develop an improvement plan and use up to twenty percent of their achievement and integration revenue to fund that plan.

SERVICES PROVIDED

Achievement and Integration revenue is used to implement strategies in a district's achievement and integration plan. These strategies must increase integration and reduce achievement disparities within the district or racially identifiable school. Most plans include student integration activities between neighboring districts.

Achievement and Integration plans may include the following types of strategies:

- Family involvement programs;
- Integrated prekindergarten to grade 12 programs with school enrollment choices designed to decrease racial and economic enrollment disparities within or between districts;
- Training for teachers and administrators to improve the achievement of all students;
- Rigorous coursework and career and college readiness programs for underserved students; or
- Recruitment and retention of a racially and ethnically diverse staff.

The Minnesota Department of Education (MDE) reviews and approves district plans and budgets, calculates and processes aid payments, and provides ongoing assistance to districts on developing effective plans, monitoring their progress, improvement processes, and reporting results.

RESULTS

The table below lists the number of racially identifiable schools and racially isolated districts participating in the program for the years listed.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of participating racially isolated districts	Quantity	Data collected by MDE	FY2020-21: 64 FY2021-22: 55 FY2022-23: 60	FY2023-24: 66
Number of participating racially identifiable schools	Quantity	Data collected by MDE	FY2020-21: 55 FY2021-22: 55 FY2022-23: 54	FY2023-24: 50
Number of participating districts with racially identifiable schools	Quantity	Data collected by MDE	FY2020-21: 15 FY2021-22: 15 FY2022-23: 16	FY2023-24: 15

M.S. 124D.861; M.S. 124D.862; MN Rules 3535.0100-3535.0180

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	80,264	80,964	81,921	84,173	85,153	84,996	85,153	84,996
Total	**80,264**	**80,964**	**81,921**	**84,173**	**85,153**	**84,996**	**85,153**	**84,996**
Biennial Change				4,867		4,055		4,055
Biennial % Change				3		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	236	333	298	304	280	317	1,226	1,263
Operating Expenses	15	37	19	20	24	27	247	237
Grants, Aids and Subsidies	80,013	80,594	81,604	83,849	84,849	84,652	83,680	83,496
Total	**80,264**	**80,964**	**81,921**	**84,173**	**85,153**	**84,996**	**85,153**	**84,996**
Full-Time Equivalents	**1.91**	**2.76**	**2.40**	**2.20**	**2.20**	**2.20**	**8.00**	**8.00**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	79,083	81,458	82,623	84,310	85,247	84,968	85,247	84,968
Levies	34,282	34,109	34,618	35,566	36,226	36,415	36,226	36,415
District Revenue	113,365	115,567	117,241	119,876	121,473	121,383	121,473	121,383
Direct Appropriation	84,057	81,579	82,818	84,173	85,153	84,996	85,153	84,996
Current Year	71,145	73,280	74,328	75,879	76,722	76,741	76,722	76,741
Prior Year	8,868	7,314	7,276	8,294	8,431	8,525	8,431	8,525
Balance Forward In		45						
Transfers In	296	703	317	324	304	344	1,473	1,500
Transfers Out	296	324	317	324	304	344	1,473	1,500
Cancellations	3,748	1,039	897					
Balance Forward Out	45							
Expenditures	**80,264**	**80,964**	**81,921**	**84,173**	**85,153**	**84,996**	**85,153**	**84,996**
Biennial Change in Expenditures				4,867		4,055		4,055
Biennial % Change in Expenditures				3		2		2
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.91	2.76	2.40	2.20	2.20	2.20	8.00	8.00

Program: Choice Programs
Activity: Inter-district Desegregation Transportation

https://education.state.mn.us/MDE/dse/acint/

AT A GLANCE

- In fiscal year (FY) 2023, over 5,600 open enrolled students were transported to and from schools participating in achievement and integration programs at a total district cost of $15.2 million. Districts received state aid in the amount of $13.5 million, as districts already receive a portion of general education revenue to cover the cost.
- In FY 2023, other students were transported to achievement and integration programs and events at a total district cost of $253,592. Districts received $253,592 in state aid as there is no general education deduction for this type of transportation.

PURPOSE AND CONTEXT

This state aid program supports the achievement and integration program by funding unreimbursed transportation costs for students in an inter-district desegregation program. The majority of school districts participating in the state's Achievement and Integration program are required to partner with each other on integration activities for their students. These 'inter-district' programs, classes, and events are designed and implemented to bring together racially and economically diverse groups of students from each partnering district. The objective is for students to learn from and work with each other. Demographics of these groups are supposed to reflect the demographics of each district to include students of color, white students, American Indian students accordingly. This aid program supports the objective that every child receives a world-class education.

SERVICES PROVIDED

Transportation is provided between the student's home or school and the achievement and integration program. The aid paid to school districts is the difference between the cost of transportation and the portion of general education revenue attributable to transportation that the student generates. The Minnesota Department of Education (MDE) calculates aid payments and provides technical support for this program.

RESULTS

Both the number of districts and the number of students participating has fluctuated over time.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of Districts	Quantity	Data collected by MDE	FY2020: 49 FY2021: 38 FY2022: 23	FY2023: 16
Number of Students Transported	Quantity	Data collected by MDE	FY2020: 6,252 FY2021: 5,370 Fy2022: 4,364	FY2023: 5,611

M.S. 124D.87

Inter-district Desegregation Transportation

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	9,900	13,785	14,827	16,413	18,161	20,088	18,161	20,088
Total	**9,900**	**13,785**	**14,827**	**16,413**	**18,161**	**20,088**	**18,161**	**20,088**
Biennial Change				7,555		7,009		7,009
Biennial % Change				32		22		22
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	9,900	13,785	14,827	16,413	18,161	20,088	18,161	20,088
Total	**9,900**	**13,785**	**14,827**	**16,413**	**18,161**	**20,088**	**18,161**	**20,088**

Inter-district Desegregation Transportation

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	9,900	13,785	14,827	16,413	18,161	20,088	18,161	20,088
District Revenue	9,900	13,785	14,827	16,413	18,161	20,088	18,161	20,088
Direct Appropriation	12,310	13,785	14,828	16,413	18,161	20,088	18,161	20,088
Current Year	9,900	13,785	14,827	16,413	18,161	20,088	18,161	20,088
Cancellations	2,410		1					
Expenditures	**9,900**	**13,785**	**14,827**	**16,413**	**18,161**	**20,088**	**18,161**	**20,088**
Biennial Change in Expenditures				7,555		7,009		7,009
Biennial % Change in Expenditures				32		22		22
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Choice Programs
Activity: COMPASS

https://education.mn.gov/MDE/dse/compass/

AT A GLANCE

- Statewide system of continuous improvement for all districts, charter schools and Tribal Schools
- Aligned guidance, professional learning, and flexible support in all areas of continuous improvement
- Free to all districts
- Research based and evidence aligned

PURPOSE AND CONTEXT

Collaborative Minnesota Partnerships to Advance Student Success (COMPASS) is the statewide system for continuous improvement for all districts, charter schools, and Tribal Schools in Minnesota. The allocated COMPASS budget is used for staff capacity at the agency and regional level who provide direct and indirect services to schools; contractors including the Center for Applied Research and Educational Improvement (CAREI) and TNTP (formerly the New Teacher Project) that create research-based guides, design and deliver professional development, and conduct evaluation services; and to convene in-person and online trainings with Minnesota educators and administrators. This organizational model maximizes access for local education agencies (LEA) to regional instructional support resources and increases efficiency and effectiveness through centralized research-based product development in the forms of guides, courses, and workshops.

As a result of these investments, the COMPASS system provides aligned guidance, professional learning, and flexible supports in all areas of continuous improvement, through the MnMTSS (Minnesota Multi-tiered System of Support) framework. The system was designed and is implemented in partnership with the Minnesota Service Cooperatives (MSC) to ensure regional access to research-based guidance and support within the local context. This system is designed to support systems change to ensure all students have access to high quality tier one instruction, and foundation safe, welcoming, and engaging learning environments. All COMPASS support is free of cost to districts.

SERVICES PROVIDED

- COMPASS provides professional development and coaching support directly to schools through regional staffing models based out of nine educational service cooperatives. This includes 9 Culturally Responsive Instructional Leadership specialists, 9 literacy leads, 20 literacy coaches, 9 math leads, 4 math regional coaches, 10 equitable access leads, 9 MnMTSS leads, 5 climate and culture leads, 4 attendance leads, 1 MnMTSS data and assessment literacy lead, 1 MnMTSS mental health lead, 1 MnMTSS Family and Community Engagement lead, 3 advocate leads, and 40 ESSA-Identified School Advocates. These positions are led regionally by COMPASS supervisors and Minnesota Service Cooperative Executive Directors. Led by 8 COMPASS MDE leaders, regional staff collaborate across the service cooperatives with their content area peers to develop and deliver research-based professional development and coaching resources.
- COMPASS contracts with national and state partners to develop and deliver research-informed training in guidance on evidence-based instructional practices and school leadership strategies to reach the aim stated above.
- COMPASS MnMTSS: Through COMPASS MnMTSS, all districts, charter schools, and Tribal Schools can access support in the areas of MnMTSS, Family and Community Engagement, Data and Assessment Literacy, Climate and Culture, Culturally Responsive Instructional Leadership, and Equitable Access.

- COMPASS Math: Through COMPASS Math, all districts, charter schools, and Tribal Schools can access support in the area of Math. This includes access to Math guidance, professional learning, and flexible support.
- COMPASS Attendance: Provide support as requested, including presentations, data, and other information to the student attendance and truancy legislative taskforce. Work collaboratively with the attendance pilot program to respond to requests for support, ensure reporting of outcomes, and learn from the outcomes to lead state attendance work.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
COMPASS Summer Institute (or COMPASS professional development convenings)	Quantity	Number of attendees Number of break-out sessions	# of people attended 2022 Not applicable – no institute.	# of people attended 2023 Virtual institute: 5 sessions a day over 2 weeks – an average of 45 unique daily participants averaging 29 unique districts/charter schools represented daily.
MnMTSS trainings and cohorts	Quantity	Number of hours of training developed and provided Number of district/charter teams attending training	2022 DATA Intro to MnMTSS: 15 hours of training. Attended by 49 district/charter team with average of 5 members per team. Implementation of MnMTSS: 22.5 hours of training attended by 15 district/charter teams with average of 5 members per team.	2023 DATA Intro to MnMTSS: 15 hours of training. Attended by 41 district/charter team with average of 5 members per team. Implementation of MnMTSS: 22.5 hours of training attended by 9 district/charter teams with average of 5 members per team. Additional MnMTSS Training: 20 hours: Tier 2/Tier 3 attended by 15 teams with average of 5 members per team. 10 hours: School Leadership for MnMTSS attended by 8 teams with average of 5 members per team.
Tier 1 (Atlas) cohort	Quantity	Number of district/charter teams engaging	2022 N/A	2023 157 participants representing 22 districts/charter schools
Evidence-Based Education Resource Development	Quantity Quality	Guidebooks, charters, etc	2022 MnMTSS Professional Learning Guidebook published	2023 MDE published research-based guidebook for learning acceleration in Tier 1 Instruction (43 pages) Link to guidebook* MnMTSS Fiscal Guidebook and MnMTSS Data Guidebook published Links on MnMTSS webpage**

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Statewide MnMTSS Survey	Quantity Quality	MnMTSS annual survey administered by CAREI 2023: 130 district responses 2024: 84 district responses	State average MnMTSS implementation progress (0-5): Infrastructure: 3.18 Layered practices: 3.49 Community Engagement: 3.35 Assessment: 3.15 Data decision making: 3.62	State average MnMTSS implementation progress (0-5): Infrastructure: +.06 Layered practices: -.11 Community Engagement: +.09 Assessment: +.31 Data decision making: -.16
MnMTSS Grant	Quantity	Districts received	2022 N/A	2023 50 applicants 11 district/charter schools received for FY23 & 24

*Link to guidebook (https://education.mn.gov/mdeprod/groups/communications/documents/basic/cm9k/mdgx/~edisp/prod081132.pdf)

**Links on MnMTSS webpage (https://education.mn.gov/MDE/dse/mtss/)

M.S. 121A.201

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			968	30,720	13,500	13,500	13,500	13,500
Total			**968**	**30,720**	**13,500**	**13,500**	**13,500**	**13,500**
Biennial Change				31,688		(4,688)		(4,688)
Biennial % Change						(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			61	1,371	1,030	1,050	1,030	1,050
Operating Expenses			348	11,047	4,638	4,623	4,638	4,623
Grants, Aids and Subsidies			559	18,302	7,832	7,827	7,832	7,827
Total			**968**	**30,720**	**13,500**	**13,500**	**13,500**	**13,500**
Full-Time Equivalents			**0.44**	**9.50**	**9.50**	**9.50**	**9.50**	**9.50**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation			13,500	18,251	13,500	13,500	13,500	13,500
Balance Forward In				12,533				
Transfers Out				64				
Balance Forward Out			12,532					
Expenditures			**968**	**30,720**	**13,500**	**13,500**	**13,500**	**13,500**
Biennial Change in Expenditures				31,688		(4,688)		(4,688)
Biennial % Change in Expenditures						(15)		(15)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.44	9.50	9.50	9.50	9.50	9.50

Program: Choice Programs
Activity: Recovery Program

AT A GLANCE

- $750,000 per year is available for grants to cover a portion of the costs of licensed support staff and unreimbursed transportation expenses.
- Recovery programs are eligible for grants of up to $125,000 per year

PURPOSE AND CONTEXT

The Recovery Program Grant provides additional revenue to help with the cost of substance abuse recovery program support staff at approved recovery schools. Recovery programs must provide academic instruction designed to meet graduation requirements and assist students recovering from substance abuse or dependency.

This grant program supports the objective that every student should receive a world-class education in a safe and nurturing environment.

SERVICES PROVIDED

Grants pay for a portion of the costs of recovery program support staff. In fiscal year (FY) 2018, coverage for unreimbursed transportation expenses was added to the list of eligible expenses.

Recovery program support staff are defined as:

- Licensed alcohol and chemical dependency counselors;
- Licensed school counselors;
- Licensed school psychologists;
- Licensed school nurses; and
- Licensed school social workers.

The Minnesota Department of Education provides the following services for the program:

- Approving recovery programs;
- Developing application process and reporting forms for applicants/recipients;
- Providing technical assistance to applicants/recipients;
- Creating grant contracts including work plans and budget information;
- Calculating, auditing, and processing payments; and
- Providing guidance as it relates to Minnesota statutes and state policies

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Schools receiving grants	Quantity	Data collected by MDE	FY2022: 6	FY2023: 6
Students served	Quantity	Data collected by MDE	FY2022: 152	FY2023: 146
Licensed recovery program support staff paid using grant funds	Quantity	Data collected by MDE	FY2022: 10.43 FTE	FY2023: 10.49 FTE

M.S. 124D.695

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	750	721	750	750	750	750	750	750
Total	**750**	**721**	**750**	**750**	**750**	**750**	**750**	**750**
Biennial Change				29		0		0
Biennial % Change				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	750	721	750	750	750	750	750	750
Total	**750**	**721**	**750**	**750**	**750**	**750**	**750**	**750**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	750	750	750	750	750	750	750	750
Cancellations		29						
Expenditures	**750**	**721**	**750**	**750**	**750**	**750**	**750**	**750**
Biennial Change in Expenditures				29		0		0
Biennial % Change in Expenditures				2		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education
Activity: Minnesota Indian Teacher Training Program

https://education.mn.gov/MDE/dse/indian/mnindtrain/

AT A GLANCE

- Historically, grants were awarded to four project sites: Augsburg University, in collaboration with Minneapolis Public Schools and St. Paul Public Schools; Bemidji State University, in collaboration with Red Lake Public Schools; Minnesota State University Moorhead, in collaboration with Mahnomen Public Schools; and the University of Minnesota-Duluth, in collaboration with Duluth Public Schools.
- In fiscal year (FY) 2019, the Minnesota Indian Teacher Training Program (MITTP) expanded to award competitive joint grants. St. Cloud State University in partnership with St. Cloud Area Schools; Fond du Lac Tribal and Community College in partnership with Fond du Lac Ojibwe School; and Minnesota State University Mankato in partnership with Mankato Public Schools/Redwood Area Schools have each earned competitive grants.
- Program funding increased from $460,000 to $600,000 annually starting in FY 2022. In the 2023 session, lawmakers created a special revenue account for MITTP and invested significant, one-time funding for the program for FY24 ($2,210,000) and returned base funding to $600,000 for FY25.
- In FY22, 50 students received scholarships across 7 joint grantees. The average award was $9,608.51. 43 of the 50 students were on track for licensure/certification and/or graduation, which is an 86% retention rate. In FY23, 42 students received scholarships across 7 joint grantees. The average award was $10,802.98. 32 of 42 students were on track for licensure/certification and/or graduation, representing a 76% retention rate.

PURPOSE AND CONTEXT

The Minnesota Indian Teacher Training Program (MITTP) provides scholarships and program support to assist American Indian students to become teachers and to assist current American Indian teachers in gaining additional education, credentials, or certifications. The program seeks to increase the number of American Indian teachers and school staff in Minnesota. Access to American Indian teachers is important for all students to receive the highest quality education. This program is designed to ensure all students receive a world-class education from caring, qualified teachers.

SERVICES PROVIDED

This program provides scholarships and program support to American Indian students and teachers who have the potential to complete a teacher-training program or certification needed to work in a prekindergarten through grade 12 school setting. At least 80% of grant funds must be used for scholarships or stipends. The program receives $600,000 per year, though there was a one-time infusion of an additional $1,610,000 for a total appropriation of $2,210,000 in FY24. Additionally, the 2023 legislature created a special revenue account for the program to allow grants to be made for a five-year period as opposed to being limited to a biennial cycle. MDE calculates and processes payments and provides technical support for this program.

RESULTS

Students receive scholarship funds and are supported for multiple years during their teacher training or educational certification program. MITTP students also receive other state, federal, and tribal grant dollars to support their education.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Program participants	Quantity	Data is collected by MDE	FY2022: 50	FY2023: 42
Retention rate (#grads, licensed, continuing over total participants)	Quantity	Data is collected by MDE	FY2022: 43 (86%)	FY2023: 32 (76%)

M.S. 122A.63; M.S. 124D.72.

Indian Teacher Training Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	600	989						
2001 - Other Misc Special Revenue			553	2,257	600	600	600	600
Total	**600**	**989**	**553**	**2,257**	**600**	**600**	**600**	**600**
Biennial Change				1,221		(1,610)		(1,610)
Biennial % Change				77		(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			17	24	24	24	24	24
Operating Expenses			1	33	1	1	1	1
Grants, Aids and Subsidies	600	989	535	2,200	575	575	575	575
Total	**600**	**989**	**553**	**2,257**	**600**	**600**	**600**	**600**
Full-Time Equivalents			**0.12**	**0.15**	**0.15**	**0.15**	**0.15**	**0.15**

Indian Teacher Training Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	600	600	2,210	600	600	600	600	600
Balance Forward In		389						
Transfers Out			2,210	600	600	600	600	600
Expenditures	**600**	**989**						
Biennial Change in Expenditures				(1,589)		0		0
Biennial % Change in Expenditures				(100)				
Governor's Change from Base								0
Governor's % Change from Base								
2001 - Other Misc Special Revenue								
Balance Forward In				1,657				
Transfers In			2,210	600	600	600	600	600
Balance Forward Out			1,657					
Expenditures			**553**	**2,257**	**600**	**600**	**600**	**600**
Biennial Change in Expenditures				2,810		(1,610)		(1,610)
Biennial % Change in Expenditures						(57)		(57)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.12	0.15	0.15	0.15	0.15	0.15

Program: American Indian Education
Activity: Tribal Contract Schools

https://education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- In fiscal year (FY) 2023, 628 American Indian students attended the four federal Bureau of Indian Education (BIE) tribal contract schools in Minnesota.

PURPOSE AND CONTEXT

The program seeks to provide tribal schools with sufficient and equalized funding so they can provide an adequate and uniform education to their students, as required by the Minnesota Constitution. Tribal contract schools do not receive the standard per-pupil funding from the State of Minnesota. This funding provides aid to tribal contract schools to bring them closer to the per pupil amount that other public schools in Minnesota receive. Participants include the four tribal contract schools in the state: Bug-O-Nay-Ge-Shig School, Leech Lake; Circle of Life Academy, White Earth; Nay ah Shing School, Mille Lacs; and Fond du Lac Ojibwe School, Fond du Lac.

This program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

This state aid program provides funding to promote equal education for American Indian students enrolled in BIE tribal contract schools. The funds provide general education services and are not specifically set aside to meet any legislated goals. State aid is calculated based on the difference between the state per pupil adjusted aid amount minus the amount provided by the federal government. State aid to BIE tribal contract schools increases alongside the state per-pupil general education aid.

The Minnesota Department of Education (MDE) calculates and processes aid payments to tribal contract schools for this program.

RESULTS

MDE does not track or report participant performance. Tribal contract schools are under federal jurisdiction and are not state public schools under Minnesota statutes. Therefore, MDE cannot require tribal schools to submit assessment data related to this program.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of BIE Tribal contract schools	Quantity	Data collected by MDE	FY2021: 4 FY2022: 4	FY2023: 4
Number of BIE Tribal contract students served	Quantity	Data collected by MDE	FY2021: 649 FY2022: 676	FY2023: 628

M.S. 124D.83

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	2,808	2,580	1,852	2,131	2,415	2,692	2,415	2,692
Total	**2,808**	**2,580**	**1,852**	**2,131**	**2,415**	**2,692**	**2,415**	**2,692**
Biennial Change				(1,405)		1,124		1,124
Biennial % Change				(26)		28		28
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	2,808	2,580	1,852	2,131	2,415	2,692	2,415	2,692
Total	**2,808**	**2,580**	**1,852**	**2,131**	**2,415**	**2,692**	**2,415**	**2,692**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	2,853	2,558	1,774	2,193	2,440	2,720	2,440	2,720
District Revenue	2,853	2,558	1,774	2,193	2,440	2,720	2,440	2,720
Direct Appropriation	2,743	2,581	1,673	2,131	2,415	2,692	2,415	2,692
Current Year	2,568	2,302	1,597	1,974	2,196	2,448	2,196	2,448
Prior Year	240	278	255	157	219	244	219	244
Transfers In	65		179					
Cancellations		1						
Expenditures	**2,808**	**2,580**	**1,852**	**2,131**	**2,415**	**2,692**	**2,415**	**2,692**
Biennial Change in Expenditures				(1,405)		1,124		1,124
Biennial % Change in Expenditures				(26)		28		28
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education
Activity: Tribal Early Childhood Program

https://education.state.mn.us/MDE/fam/indian/

AT A GLANCE

- Provides support to four tribal early childhood family education (ECFE) programs.
- Serves 800 to 1,100 children, birth to age 5, every year.
- Program sites: Bug-O-Nay-Ge-Shig school in Leech Lake; Circle of Life Academy in White Earth; Fond du Lac Ojibwe School in Cloquet; and, Wewinabi Early Education Center in Mille Lacs.

PURPOSE AND CONTEXT

This program ensures Early Childhood and Family Education (ECFE) services are available for parents who live in tribal communities and who will send their children to tribal schools.

This program supports the objective that all children deserve a world class education in a safe and nurturing school.

SERVICES PROVIDED

The program uses culturally appropriate materials and strategies to deliver the basic ECFE program, with an added emphasis on preserving American Indian history, language, and culture.

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

- Programs to educate parents about the physical and mental development of the children.
- Programs to enhance parents' skills in providing for their children's learning and development.
- Participation in "Positive Indian Parenting" programs.
- Learning experiences for children and parents.
- Activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems.
- Activities and materials designed to encourage self-esteem, skills, and behaviors that prevent sexual and other interpersonal violence.
- Educational materials that may be borrowed for home use.
- Home visits or center-based activities.
- Other programs or activities to improve the health, development, and school-readiness of children.

The Minnesota Department of Education (MDE), through the Office of Indian Education, works with each of the four project sites annually to determine how allocations will be utilized and verifies how many children and families are served. MDE also calculates and processes aid payments for this program.

RESULTS

Tribally-run Early Childhood Programs are under federal jurisdiction and, therefore, are not state public schools under Minnesota statutes. They are not required to submit assessment data for this program. MDE does not track or report participant performance.

M.S. 124D.83, subdivision 4

Tribal Early Childhood Program

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	68	68	68	68	68	68	68	68
Total	**68**	**68**	**68**	**68**	**68**	**68**	**68**	**68**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	68	68	68	68	68	68	68	68
Total	**68**	**68**	**68**	**68**	**68**	**68**	**68**	**68**

Tribal Early Childhood Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Direct Appropriation	68	68	68	68	68	68	68	68
Expenditures	**68**	**68**	**68**	**68**	**68**	**68**	**68**	**68**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education
Activity: American Indian Education Aid

https://education.mn.gov/MDE/dse/indian/tribnatmn/

AT A GLANCE

- Provides formula funding to 178 eligible school districts, charter schools, and tribal contract schools.
- Funding is intended to reach state identified American Indian students in schools or districts that have 20 or more American Indian students.
- 29,661 American Indian students served annually.

PURPOSE AND CONTEXT

This program seeks to increase the academic achievement, decrease the dropout rate, and improve the school climate for American Indian students in culturally inclusive and appropriate ways. The program serves American Indian students in school districts, tribal contract schools, intermediate school districts, and charter schools.

The Minnesota Department of Education's Office of Indian Education convened a stakeholder group to recommend how to improve educational outcomes for American Indian students. The working group decided that the Success for the Future program, a $4.2 million competitive grant program, needed to be replaced to reach more American Indian students. The recommendation, and eventual statutory funding formula that was enacted in 2015, expands funding to eligible districts and schools from 32 to 143, serving nearly 97 percent of American Indian students in Minnesota. Under the current formula, school districts, charter schools, and tribal schools that have 20 or more American Indian students enrolled are eligible to receive $40,000 for the first 20 students, and an additional $500 per student beyond the initial count of 20.

This program is designed for American Indian students to reach their full potential within their school communities through meaningful, equitable, and targeted educational experiences that affirms and values their unique cultural identities.

SERVICES PROVIDED

American Indian education programs are designed to meet the unique educational and cultural needs of American Indian students.

The following statutorily mandated services are funded by the American Indian formula aid program with the goals of increasing student achievement, increasing graduation rates, reducing the achievement gap, and lowering dropout rates:

- Support postsecondary preparation for pupils;
- Support the academic achievement of American Indian students;
- Make the curriculum relevant to the needs, interests, and cultural heritage of American Indian pupils:
- Provide positive reinforcement of the self-image of American Indian pupils;
- Develop intercultural awareness among pupils, parents, and staff; and
- Supplement, not supplant, state and federal educational and co-curricular programs.

The Minnesota Department of Education administers the aid program and calculates payments to school districts, charter schools, intermediate school districts, and tribal contract schools.

RESULTS

The program is designated for Minnesota's state-identified American Indian students enrolled in public schools, Charter Schools, Intermediate School Districts, and Tribal contract schools. Those schools and/or districts with 20 or more State-identified American Indian students and who meet the eligibility criteria through the Indian Education Act of 1988 are able to receive this formula-based aid. American Indian Education Aid enables participating students to take part in programs designed to meet the unique cultural and academic needs of American Indian students.

Name of Measure	Measure type	Measure data source	Historical trend	Most recent data
Statewide American Indian Graduation Rate	Results	Data collected by MDE	FY2020: 55.7% FY2021: 58.6% FY2022: 61.3%	FY2023: 61.3%

M.S. 124D.81

American Indian Education Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	11,399	10,835	16,708	19,524	20,469	21,343	20,469	21,343
Total	**11,399**	**10,835**	**16,708**	**19,524**	**20,469**	**21,343**	**20,469**	**21,343**
Biennial Change				13,998		5,580		5,580
Biennial % Change				63		15		15
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	11,399	10,835	16,708	19,524	20,469	21,343	20,469	21,343
Total	**11,399**	**10,835**	**16,708**	**19,524**	**20,469**	**21,343**	**20,469**	**21,343**

American Indian Education Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	11,482	10,773	17,276	19,763	20,547	21,432	20,547	21,432
District Revenue	11,482	10,773	17,276	19,763	20,547	21,432	20,547	21,432
Direct Appropriation	11,351	11,575	18,131	19,524	20,469	21,343	20,469	21,343
Current Year	10,334	9,697	15,549	17,787	18,493	19,289	18,493	19,289
Prior Year	1,065	1,138	1,159	1,737	1,976	2,054	1,976	2,054
Transfers In	85							
Cancellations	37	740	1,423					
Expenditures	**11,399**	**10,835**	**16,708**	**19,524**	**20,469**	**21,343**	**20,469**	**21,343**
Biennial Change in Expenditures				13,998		5,580		5,580
Biennial % Change in Expenditures				63		15		15
Governor's Change from Base								0
Governor's % Change from Base								0

Program: American Indian Education
Activity: American Indian Education Other Grants Miscellaneous

https://education.mn.gov/MDE/dse/indian/grant/

AT A GLANCE

- The Native Language Revitalization Grant provides funding for districts and schools to provide Dakota and/or Anishinaabe language classes that build a sustainable language revitalization effort across Minnesota.

PURPOSE AND CONTEXT

Children who learn their Indigenous language are able to maintain critical ties to their culture, affirm their identity, and preserve important connections with older generations. Language is a vital asset for Native People and communities. It defines who they are, where they come from, and the value systems that in many ways cannot be translated into English.

The Native Language Revitalization Grant prioritizes equity by providing funding to schools and districts that will otherwise not have the capital to provide equity to American Indian students. This grant will invest in students and improve conditions for learning for all students who wish to participate. This revitalization effort will provide options for students who have little or no Dakota or Anishinaabe language classes in their schools. This grant will also work to sustain and grow the revitalization of Dakota and Anishinaabe languages in Minnesota.

SERVICES PROVIDED

With this grant, districts and schools are able to offer Dakota and/or Anishinaabe language courses to students K-12. It provides funding for Language teachers, curricular materials, and Professional Development for Language teachers to continue learning. The program aims to achieve true language revitalization with more students across Minnesota speaking the Indigenous languages of the original people of this land. Specifically, this grant will enable districts and schools who do not offer Indigenous languages to do so, and for those who currently have Dakota and/or Anishinaabe language classes, to make them sustainable and to build true language speakers fluent enough to pass the language seals tests in Anishinaabe and Dakota.

The legislature provided one time Permanent School Fund Supplemental Aid in fiscal year (FY) 2025 to American Indian schools.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most Recent Data
Number of school districts, charter schools, and Tribal Contract schools offering language instruction in Dakota, Anishinaabe, or another indigenous language because of this grant	Quantity	Data collected by MDE	FY2024: 0	N/A

M.S. 122A.63

American Indian Education Other Grants/Misc

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			16	15,024	7,500	7,500	7,500	7,500
Total			**16**	**15,024**	**7,500**	**7,500**	**7,500**	**7,500**
Biennial Change				15,040		(40)		(40)
Biennial % Change						(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			15	326	262	266	262	266
Operating Expenses			1	538	178	174	178	174
Grants, Aids and Subsidies				14,160	7,060	7,060	7,060	7,060
Total			**16**	**15,024**	**7,500**	**7,500**	**7,500**	**7,500**
Full-Time Equivalents			**0.13**	**2.00**	**2.00**	**2.00**	**2.00**	**2.00**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation			7,500	7,540	7,500	7,500	7,500	7,500
Balance Forward In				7,484				
Balance Forward Out			7,484					
Expenditures			**16**	**15,024**	**7,500**	**7,500**	**7,500**	**7,500**
Biennial Change in Expenditures				15,040		(40)		(40)
Biennial % Change in Expenditures						(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.13	2.00	2.00	2.00	2.00	2.00

Program: Innovation and Accountability
Activity: Assessments

AT A GLANCE

- Serves approximately 65,000 students per grade, grades 3-8 Mathematics and Reading, grade 10 Reading, grade 11 Mathematics, and grades 5, 8, and high school Science. This totals approximately 1 million assessments across the grades for Minnesota Comprehensive Assessments (MCAs).
- Serves approximately 73,000 English learners (ELs), grades K-12.
- Serves approximately 6,000 students with severe cognitive disabilities.
- Supports all charter schools, districts, Minnesota Department of Education (MDE) divisions, and stakeholders with statewide assessment literacy and analysis.
- The cost of college entrance exams is reimbursed for over 14,000 students annually.

PURPOSE AND CONTEXT

Statewide testing's mission is to design, develop, and implement a system of assessment so Minnesota students, parents, teachers, administrators, legislators, and taxpayers will have access to valid and reliable data to support and improve education in Minnesota. Our purpose is to build a comprehensive assessment system and provide analytics that adds value to Minnesota's education system.

This program supports the objective of ensuring every student receives a world-class education. To further that goal, college entrance exam costs are reimbursed. Those reimbursements are prioritized for students eligible for free or reduced-price meals.

SERVICES PROVIDED

This program provides data and analysis to inform parents, teachers, and the public on the achievement of students against the Minnesota K-12 Academic Standards and Minnesota English Language Proficiency Standards. This includes special populations such as English learners, students receiving special education services, and student receiving free or reduced-price meals. These services are possible due to state funds as well as federal assessment grants.

MDE awards contracts to vendors, manages the contracts, supports districts' administration of the statewide assessments, and reports statewide assessment results.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
District satisfaction with test administration support/training materials. (Baseline of 75-85% in FY16)	Quality	Data collected by MDE	FY2020: NA FY2021: NA FY2022: 90%	FY2023: 90%

M.S. 120B.30; M.S. 120B.31; M.S. 124D.59
ESEA 195, Title VI, Part A, Subpart I, Section 1111(b) (2)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	10,647	11,355	11,903	11,903	11,903	11,903	11,903	11,903
3000 - Federal	1,049	1,144	569	61				
Total	**11,696**	**12,498**	**12,472**	**11,964**	**11,903**	**11,903**	**11,903**	**11,903**
Biennial Change				242		(630)		(630)
Biennial % Change				1		(3)		(3)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	10,685	10,892	11,461	10,953	10,892	10,892	10,892	10,892
Grants, Aids and Subsidies	1,011	1,607	1,011	1,011	1,011	1,011	1,011	1,011
Total	**11,696**	**12,498**	**12,472**	**11,964**	**11,903**	**11,903**	**11,903**	**11,903**
Total Agency Expenditures	11,696	12,498	12,472	11,964	11,903	11,903	11,903	11,903
Internal Billing Expenditures	4	4	4	3				
Expenditures Less Internal Billing	**11,691**	**12,494**	**12,468**	**11,961**	**11,903**	**11,903**	**11,903**	**11,903**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	10,703	10,703	11,903	11,903	11,903	11,903	11,903	11,903
Balance Forward In		652						
Balance Forward Out	56							
Expenditures	**10,647**	**11,355**	**11,903**	**11,903**	**11,903**	**11,903**	**11,903**	**11,903**
Biennial Change in Expenditures				1,804		0		0
Biennial % Change in Expenditures				8		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Receipts	1,049	1,144	569	61				
Expenditures	**1,049**	**1,144**	**569**	**61**				
Biennial Change in Expenditures				(1,562)		(630)		(630)
Biennial % Change in Expenditures				(71)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Student and Teacher Opportunities
Activity: Advanced Placement-International Baccalaureate

AT A GLANCE

In fiscal year (FY) 2022:

- 74 International Baccalaureate (IB) programs were in place in 64 authorized IB schools.
- 35,276 Advanced Placement (AP) students took 55,096 exams.
- 3,085 IB students took 7,224 exams.
- Efforts focused on increasing the number of low-income students taking AP or IB exams.
- 170 AP teachers attended in-depth training.
- 362 IB teachers attended in-depth training.

PURPOSE AND CONTEXT

This state aid program gives high school students the opportunity to take college-level courses and earn college credit while in high school. The funding is used to pay all Advanced Placement (AP) and International Baccalaureate (IB) exam costs for students from low-income families and a portion of exam costs for all students. The program also provides funding for AP/IB teachers to attend training programs.

SERVICES PROVIDED

Most of Minnesota's public and private colleges and universities have credit-awarding policies for AP and IB course credits for exams taken by students.

- Colleges and universities in Minnesota State must award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.
- The University of Minnesota and private postsecondary institutions are encouraged, but not required, to award college credit to high school students who receive a score of three or higher on an advanced placement examination or four or higher on the international baccalaureate program examination.

The AP and IB programs provide financial incentives to support:

- Teacher training and support.
- Student examination fees.

The Minnesota Department of Education (MDE) reviews and approves applications and calculates and processes aid payments for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of AP exams proficient or above (national average is 57-58%). These are scores of 3 out of 5 and above.	Quality	Data collected by MDE	FY2019: 66% FY2020: 66% FY2021: 60%	FY2022: 67%

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of IB exams proficient or above (national average is 74%). These are scores of 4 out of 7 and above.	Quality	Data collected by MDE	FY2019: 61% FY2020: 60% FY2021: 80%	FY2022: 75%
Number of low-income students/percentages of low-income students taking AP exams. These exam fees are fully funded.	Quality	Data collected by MDE	FY2019: 5,325 (12%) FY2020: 4,596 (11%) FY2021: 3,357 (10%)	FY2022: 4,701 (10%)
Number of low-income students/percentages of low-income students taking IB exams. These exam fees are fully funded.	Quality	Data collected by MDE	FY2019: 1,117 (28%) FY2020: 1,041 (27%) FY2021: 577 (21%)	FY2022: 639 (21%)

M.S. 120B.13

MN Laws 2023, chapter 55, article 5, section 64 subdivision 15 (Examination fees; teacher training and support programs.)

Advanced Placement-International Baccalaureate

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	3,000	6,704	4,087	4,913	4,500	4,500	4,500	4,500
Total	**3,000**	**6,704**	**4,087**	**4,913**	**4,500**	**4,500**	**4,500**	**4,500**
Biennial Change				(704)		0		0
Biennial % Change				(7)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	3,000	3,704	3,012	3,297	3,000	3,000	3,000	3,000
Grants, Aids and Subsidies		3,000	1,075	1,616	1,500	1,500	1,500	1,500
Total	**3,000**	**6,704**	**4,087**	**4,913**	**4,500**	**4,500**	**4,500**	**4,500**

Advanced Placement-International Baccalaureate

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500
Balance Forward In		2,204		413				
Balance Forward Out	1,500		413					
Expenditures	**3,000**	**6,704**	**4,087**	**4,913**	**4,500**	**4,500**	**4,500**	**4,500**
Biennial Change in Expenditures				(704)		0		0
Biennial % Change in Expenditures				(7)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities
Activity: Concurrent Enrollment

https://education.mn.gov/MDE/dse/ccs/pseo/

AT A GLANCE

- In fiscal year (FY) 2022, of the 32,505 students that participated in concurrent enrollment, 4,745 were low-income students and 467 were English learners.
- For FY 2022, the state aid amount was prorated to $52.57 per student, per course.

PURPOSE AND CONTEXT

The Concurrent Enrollment program provides funding to districts to defray the cost of delivering concurrent enrollment courses in high schools. This program is available to all students in grades 11 and 12; students participating in career and technical education classes in grade 10, and students in grades 9 and 10 on a limited basis. This program provides dual high school and college credit.

This aid program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

This program provides funding to districts that offer an agreed-upon concurrent enrollment course for students who take the course at the high school.

- Concurrent enrollment courses are taught during the regular school day at the high school.
- These courses are offered in partnership with a college or university.
- State aid is set at $150 per student per course. However, because funding is capped and enrollment is increasing, full course reimbursement exceeds the appropriation, and the program is prorated. For FY 2022, districts received $52.57 per student in state aid, with local funding making up an increasing portion of the cost.

Participating students are provided:

- Credit for both high school and college credits at no cost to the student;
- Qualified high school instructors or college faculty teaching the course;
- Exposure to college-level courses and coursework;
- Similar coursework and testing as is used in classes taught on a college campus; and
- Continued participation in the high school culture while earning college credits.

The Minnesota Department of Education:

- Helps districts interpret the laws regarding concurrent enrollment;
- Reviews and approves annual partnership agreements between school districts and colleges or universities;
- Verifies student, course, and program eligibility; and
- Calculates and processes aid payments to districts.

RESULTS

In 2021-22, 335 districts and charter schools had 76,084 student enrollments in concurrent enrollment courses through 39 Minnesota colleges and universities.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of student enrollments	Quantity	Data collected by MDE	FY2019: 76,296 FY2020: 76,295	FY2021: 76,236 FY2022: 76,084
College credits earned that generated Concurrent Enrollment aid	Quantity	Data collected by MDE	FY2019: 261,091 FY2020: 261,170	FY2021: 268,023 FY2022: 256,168
Number of unique students	Quantity	Data collected by MDE	FY2019: 32,272 FY2020: 32,905	FY2021: 33,159 FY2022: 32,505
Number of districts and charters with Concurrent Enrollment courses	Quantity	Data collected by MDE	FY2019: 328 FY2020: 328	FY2021: 324 FY2022: 335

M.S. 124D.091
MN Laws 2023, chapter 55, article 5, section 64 subdivision 10 (Concurrent enrollment aid)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Expenditures	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**	**4,000**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities
Activity: Literacy Incentive Aid

AT A GLANCE

- In fiscal year (FY) 2023, 47.7 percent of third-grade students were proficient in reading statewide. (Source: Minnesota Report Card)
- In FY 2023, 48.8 percent of fourth-grade students were proficient in reading statewide. (Source: Minnesota Report Card)

PURPOSE AND CONTEXT

This program provides schools with additional aid based on student reading performance. Literacy incentive aid is available to all public school districts and charter schools with students in grades 3 and 4. This program supports the objective that every student receives a world-class education.

SERVICES PROVIDED

Part of literacy incentive aid is based on the portion of students in a school that meet or exceed proficiency on the MCA grade three reading test (called “proficiency aid”). The other part of literacy incentive aid is based on the portion of students that show medium or high growth in reading proficiency between grades three and four (called “growth aid”).

For FY 2021, FY 2022, and FY 2023, there were no restrictions on the use of Literacy Incentive Aid. Beginning with FY 2024, Literacy Incentive Aid must be used in accordance with provisions in the Read Act.

The COVID-19 pandemic disrupted the statewide assessments during the 2019-2020 school year that would have been included in the Literacy Incentive Aid calculations. Literacy Incentive Aid is calculated by school site using third and fourth grade test results averaged from the previous three test administrations. There were no testing results for 2020, and Minnesota Session Laws 2020, chapter 116, article 3, section 6, subdivision 8 excluded 2020 from the Literacy Incentive Aid calculations.

Minnesota Session Laws 2020, chapter 116, article 3, section 6, subdivision 8 allowed the commissioner to change the per pupil aid amount from $530 to an amount that ensured that Literacy Incentive Aid did not fall below the February 2020 forecast amount, which was $44.6 million for FY 2021. Per pupil aid increased from $530 to $539.55, $586.21, and $597.23 for FY 2021, FY 2022, and FY 2023, respectively, to meet this requirement.

Literacy Incentive Aid was contingent on districts and charter schools submitting a local literacy plan by July 1 under Minnesota Statutes section 120B.12, subdivision 4a. Historically, there have been some districts and charter schools that do not submit a plan and, therefore, forfeit their calculated Literacy Incentive Aid. The final aid calculations reflect any material amounts that were redistributed due to the lack of plan submissions for FY 2021, FY 2022, and FY 2023.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Portion of grade three students generating proficiency aid (three-year average proficiency calculation)	Quality	Data collected by MDE	FY2021: 53.1% FY2022: 53.1%	FY2023: 50.5%
Portion of grade four students generating growth aid (three-year average growth calculation)	Quality	Data collected by MDE	FY2021: 74% FY2022: 75%	FY2023: 75%

**There were no MCA tests administered during the 2019-2020 school year due to the COVID-19 pandemic.*

M.S. 124D.98

Literacy Incentive Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	45,075	45,968	41,071	40,570	40,616	40,890	40,616	40,890
Total	**45,075**	**45,968**	**41,071**	**40,570**	**40,616**	**40,890**	**40,616**	**40,890**
Biennial Change				(9,402)		(135)		(135)
Biennial % Change				(10)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	45,075	45,968	41,071	40,570	40,616	40,890	40,616	40,890
Total	**45,075**	**45,968**	**41,071**	**40,570**	**40,616**	**40,890**	**40,616**	**40,890**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	45,124	46,062	40,516	40,576	40,621	40,920	40,621	40,920
District Revenue	45,124	46,062	40,516	40,576	40,621	40,920	40,621	40,920
Direct Appropriation	45,075	45,968	41,071	40,570	40,616	40,890	40,616	40,890
Current Year	40,612	41,456	36,465	36,519	36,559	36,828	36,559	36,828
Prior Year	4,463	4,512	4,606	4,051	4,057	4,062	4,057	4,062
Cancellations		0						
Expenditures	**45,075**	**45,968**	**41,071**	**40,570**	**40,616**	**40,890**	**40,616**	**40,890**
Biennial Change in Expenditures				(9,402)		(135)		(135)
Biennial % Change in Expenditures				(10)		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities
Activity: Read Act

https://education.mn.gov/MDE/dse/READ/

AT A GLANCE

- The READ Act serves children prekindergarten through grade 12.
- The READ Act's goal is to have every child reading at grade level beginning in kindergarten.

PURPOSE AND CONTEXT

The legislature seeks to have every child reading at or above grade level every year, beginning in kindergarten, and to support multilingual learners and students receiving special education services in achieving their individualized reading goals.

The MDE mission and strategic plan aligns with the Due North Education Plan and was built from the voices and ideas of Minnesotans whom the Walz-Flanagan Administration engaged. Specifically, our partnership and collaboration with students, families, educators, school leaders and education organizations across the state. This engagement was invaluable in helping to frame the comprehensive reform efforts needed to ensure that all students receive a world-class education, in a safe, nurturing learning environment, from caring qualified teachers.

The READ Act supports our goal of ensuring a world-class education which requires a student-centered approach that removes structural barriers, provides the best teacher workforce that reflects the students in our classrooms, and creates safe and welcoming environments in every school in Minnesota.

SERVICES PROVIDED

The READ Act provides funding for:

- Training for educators and school leaders in evidence-based structured literacy best practices
- Partnering with the MN Service Cooperatives to establish the Regional Literacy Network to provide support to districts in the implementation of the READ Act.
- Partner with the Center for Applied Research and Educational Outcomes (CAREI) in supporting implementation of the READ Act

MDE, in partnership with CAREI, provides the following support to districts in order to successfully implement READ Act requirements:

Professional Development

Provide background knowledge and learning around reading research and foundational evidence-based instructional practices through approved professional development.

Screening and Data-based Decision Making

Provide guidance to districts on universal and dyslexia screening designed to regularly detect risk and monitor the development of early literacy and early reading skills.

Curricular Resources

Provide reviews and reports of Tier 1 Core Instructional materials and intervention models.

Evidence-based Practices
Provide guidance to districts regarding best practices in literacy instruction, as well as, practices that are not evidence-based.

Provide MnMTSS literacy guidance that districts may refer to in order to support efforts to screen, identify, intervene, and monitor the progress of students not reading at grade level.

Regional Literacy Network
Provide regional support to ensure districts have access to Literacy Specialists who provide learning and coaching through the Regional Literacy Network (literacy component of the COMPASS system).

By partnering with the Minnesota Service Cooperatives, this support is geographically equitable.

Literacy Specialists receive literacy lead training that is aligned with the READ Act goals and enables Specialists to provide implementation support of comprehensive literacy reform efforts for district and site level leadership teams, to support literacy data collection and analysis, and to provide guidance on curriculum selection.

Professional Educator Licensing and Standards Board (PELSB) and Pre-service Teacher Preparation
Collaborate with PELSB to ensure Board-approved teacher preparation programs for teachers of elementary education provide instruction in the following:

- Evidence-based and structured literacy reading instructional practices that teach students to read using foundational knowledge, practices, and strategies with emphasis on mastery of foundational reading skills so that students achieve grade level proficiency in reading
- Teach reading in the teacher candidate's content areas
- Teach specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels, including multilingual learners and students demonstrating characteristics of dyslexia, to become proficient readers

Literacy Incentive Aid and READ Act Literacy Aid
MDE provides guidance to districts on approved comprehensive literacy efforts that may be paid for with these funds.

RESULTS

The READ Act Evaluation Plan is being finalized at this time. The measures below are projected measures used to evaluate implementation and impact of the READ Act.
Note: Minnesota Comprehensive Achievement (MCA) scores measure student proficiency on the English Language Arts Minnesota standards. The first year the 3rd graders who have had teachers since Kindergarten who are trained in the research will be SY28-29. This is important to keep in mind when people reference MCA scores. This also sets expectations as to when the state will begin to see an upward shift in our third grade reading proficiency levels.

Timeline:
- SY24-25: State-wide Teacher training begins
- SY25-26: Kindergarten
- SY26-27: 1st Grade
- SY27-28: 2nd Grade
- SY28-29: 3rd Grade

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of teachers registered for training by December 31, 2024; percent of educators who completed training by July 2026	Quantity	Data base maintained by MDE	No trend data at this time as evaluation items are being currently being collected.	FY24-25 – 33,000+ teachers registered for training. FY23-24 - 2484 teachers have completed training.
Number of districts submitting Local Literacy Plan on June 15, 2024	Quantity	Data base maintained by MDE	No trend data at this time as evaluation items are being currently being collected.	FY23-24 504/549 (92%) of Minnesota districts submitted 2024 Local Literacy Plans.
Number of districts having a qualified Literacy Lead on staff	Quantity	District Local Literacy Plan; Data base maintained by MDE	No trend data at this time as evaluation items are being currently being collected.	Districts are not required to have an identified Literacy Lead until SY25-26
Number of school leaders and early childhood educators register in approved training	Quantity	District Local Literacy Plan; Data base maintained by MDE	No trend data at this time as evaluation items are being currently being collected.	FY24-25 - Currently we have 4,424 registered in these two categories.
Growth in Student screening data beginning in June of 2026	Result	Student Universal screening data	Student data will be collected beginning June of 2025.	N/A
Number of students who are screened for dyslexia	Quantity	District Local Literacy Plan; Data base maintained by MDE	No trend data at this time as evaluation items are being currently being collected.	N/A
Minnesota Comprehensive Assessment (MCA) Reading student and district data beginning 26-27 school year	Result	State MCA Reading data	Statewide 3rd grade proficiency on the MCA reading assessment: 2021: 48.5% 2023: 48% 2024: 47.3%	N/A

Part B: Evidence of Effectiveness

Evidence-based practice:	Source:	FY 24-25 Expenditures
Training in evidence-based structured literacy	Educator outcomes associated with implementation of Mississippi's K-3 early literacy professional development initiative https://ies.ed.gov/ncee/edlabs/regions/southeast/pdf/REL_2017270.pdf Reviewing the Evidence on How Teacher Professional Development Affects Student Achievement (https://files.eric.ed.gov/fulltext/ED498548.pdf)	$20.7 m
Evidence-based literacy coaching via Regional Literacy Networks	March, A.L.,& Gaunt, B.T.(2013). *Systems coaching: A model for building capacity*. Tampa, FL: University of South Florida, Florida's Multi-tiered System of Supports Project. Retrieved from Systems Coaching Oct 7 (usf.edu), (http://www.floridarti.usf.edu/resources/format/pdf/SystemsCoaching.pdf) University of South Florida, Florida's Multi-Tiered System of Supports Project (2022) *Systems Coaching and Leadership Fact Sheet.* Retrieved from https://floridarti.usf.edu/resources/factsheets/index.html Iowa Department of Education (2019) *Coaching Field Guide: Resources and Tools to Support Iowa Coaches*. Retrieved from https://educate.iowa.gov/media/5318/download?inline Virginia Commonwealth University, Virginia Tiered System of Supports (2024). *Systems Coaching Institute 101.* Virginia Department of Education, Virginia Tiered Systems of Supports Project. Retrieved from https://vtss-ric.vcu.edu/media/vtss-ric/documents/systems-coaching-101/2023-24/SCI101January2024.pptx Foundation for California Community Colleges, ASAPconnect (2022). *A Framework for Effective Technical Assistance Delivery V.2*. ASAPconnect. Retrieved from https://asapconnect.org/wp-content/uploads/2023/02/Full-TA-Framework.pdf	$18 m

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M.S. 120.12

Minnesota Session Law, Chapter 55, Article 3, READ Act (https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/55/)
Updated information from READ Act 2.0 can be accessed under Minnesota Statutes 2023, section 120B.12 (https://www.revisor.mn.gov/statutes/cite/120B.12)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			10,107	101,768	8,000	8,000	8,000	8,000
Total			**10,107**	**101,768**	**8,000**	**8,000**	**8,000**	**8,000**
Biennial Change				111,875		(95,875)		(95,875)
Biennial % Change						(86)		(86)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			215	905	683	683	683	683
Operating Expenses			9,892	30,894	5,323	5,323	5,323	5,323
Grants, Aids and Subsidies				69,969	1,994	1,994	1,994	1,994
Other Financial Transaction			0					
Total			**10,107**	**101,768**	**8,000**	**8,000**	**8,000**	**8,000**
Full-Time Equivalents			**1.48**	**6.34**	**4.25**	**4.25**	**4.25**	**4.25**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation			74,400	37,475	8,000	8,000	8,000	8,000
Balance Forward In				64,293				
Balance Forward Out			64,293					
Expenditures			**10,107**	**101,768**	**8,000**	**8,000**	**8,000**	**8,000**
Biennial Change in Expenditures				111,875		(95,875)		(95,875)
Biennial % Change in Expenditures						(86)		(86)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.48	6.34	4.25	4.25	4.25	4.25

Program: Student and Teacher Opportunities
Activity: Student Organizations

AT A GLANCE

- There are six career and technical education student organizations supported by the Minnesota Foundation for Student Organizations (MSFO).
- MFSO is governed by a 23-member board of directors, half of which are appointed by the governor and half which serve as representatives to the student organizations.

PURPOSE AND CONTEXT

The Minnesota Foundation for Student Organizations (MFSO) supports secondary and postsecondary career and technical student organizations that are operated as co-curricular activities and/or integrated into Career and Technical Education (CTE) coursework.

SERVICES PROVIDED

The MFSO supports career and technical student organizations as they provide opportunities for students in Career and Technical Education pathways to further their knowledge and skills by participating in leadership activities, events, community service, and competitions.

The student organizations provide those opportunities in the following areas:

- Health Occupations (HOSA)
- Trade and Industry Technology (SKILLSUSA)
- Business (BPA)
- Agriculture, Food and Natural Resources (FFA)
- Family and Consumer Science (FCCLA)
- Marketing (DECA)

The MFSO coordinates joint activities and outreach among its member student organizations. The MFSO requires member organizations to provide desired support and opportunities for students.

The Minnesota Department of Education (MDE) processes payments and provides technical support for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Membership in career and technical education student organizations (*membership numbers submitted as part of the MFSO Legislative biennium report)	Quantity	Data collected by MDE	FY2021: 24,764	FY2023: 26,293

M.S. 124D.34; M.S. 124D.355

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	768	768	1,084	1,084	1,084	1,084	1,084	1,084
Total	**768**	**768**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**
Biennial Change				632		0		0
Biennial % Change				41		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	768	768	1,084	1,084	1,084	1,084	1,084	1,084
Total	**768**	**768**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	768	768	1,084	1,084	1,084	1,084	1,084	1,084
Expenditures	**768**	**768**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**	**1,084**
Biennial Change in Expenditures				632		0		0
Biennial % Change in Expenditures				41		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Student and Teacher Opportunities
Activity: Early Childhood Literacy

https://minnesotareadingcorps.org/

AT A GLANCE

- This program is implemented by Reading Corps, an initiative of ServeMinnesota.
- In the 2022-23 school year, Reading Corps served 19,300 students.
- In the 2022-23 school year, children from 74 Minnesota counties were served.
- In the 2022-23 school year, Reading Corps worked with 450 elementary schools and 96 pre-K sites.

PURPOSE AND CONTEXT

This program's purpose is to reduce Minnesota's opportunity gap, better prepare preschoolers for kindergarten, and increase the number of students meeting literacy standards by the end of third grade, which support the objective of ensuring every student receives a world-class education.

The program is funded with a combination of state aid, federal funds, and private donations. Only the state aid is reflected on the fiscal pages of this Budget Activity.

SERVICES PROVIDED

The Minnesota Reading Corps places AmeriCorps members in early childhood and elementary school settings. AmeriCorps members:

- Are trained in research-based tutoring techniques and work with children age 3 to grade three.
- Monitor each student's progress.

The Minnesota Reading Corps provides master literacy coaches to all sites. They:

- Train internal literacy coaches on early literacy curriculum and coaching techniques.
- Administer the early learning classroom observation tool in pre-K settings.
- Provide feedback/coaching to AmeriCorps members.

The Minnesota Department of Education awards and makes payments for the program grant, approves work plans and invoices, and reviews annual reports.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of prekindergarten children receiving individualized instruction.	Quantity	Data collected by MDE	FY2020: 4,165 FY2021: 3,583 FY2022: 3,386	FY2023: 2,724
Percentage of prekindergarten children who meet their growth goals.	Quality	Data collected by MDE	FY2020: 76%[1] FY2021: 89% FY2022: 675%	FY2023: 65%
Number of K-3 children receiving individualized instruction.	Quantity	Data collected by MDE	FY2020: 13,289[2] FY2021: 123,174 FY2022: 15,163	FY2023: 16,573

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of K-3 children who meet their growth goals.	Quality	Data collected by MDE	FY2020: 81% FY2021: 76% FY2022: 69%	FY2023: 77%

[1] Prekindergarten data in 2020 is fall to winter growth instead of the usual fall to spring, since programming was suspended in March 2020 due to the COVID-19 pandemic.

[2] The COVID-19 pandemic caused a disruption to the regular tutoring services provided by Minnesota Reading Corps, and ultimately impacted the number of students served in the final months of the school year.

M.S. 119A.50; M.S. 124D.42

Early Childhood Literacy

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	7,950	10,730	7,950	7,950				
Total	**7,950**	**10,730**	**7,950**	**7,950**				
Biennial Change				(2,780)		(15,900)		(15,900)
Biennial % Change				(15)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Expenditures by Category								
Grants, Aids and Subsidies	7,950	10,730	7,950	7,950				
Total	**7,950**	**10,730**	**7,950**	**7,950**				

Early Childhood Literacy

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	7,950	7,950	7,950	7,950	0	0	0	0
Balance Forward In		2,780						
Expenditures	**7,950**	**10,730**	**7,950**	**7,950**				
Biennial Change in Expenditures				(2,780)		(15,900)		(15,900)
Biennial % Change in Expenditures				(15)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Student and Teacher Opportunities
Activity: Elementary and Secondary Education Act (ESEA) Programs

https://education.mn.gov/MDE/dse/esea/

AT A GLANCE

- The Elementary and Secondary Education Act (ESEA) provides supplementary educational funds for underserved learner programs, professional development of teachers and principals, and English language development.
- ESEA was reauthorized December 2015 and is now more commonly referred to as the Every Student Succeeds Act (ESSA).
- COVID-19 federal funding for Elementary and Secondary School Emergency Relief (ESSER) and Governor's Emergency Education Relief (GEER) are reflected in this Budget Activity in addition to certain other federal funds. School district activities in response to and recovery from the impacts of COVID-19 are addressed with ESSER and GEER funds.

PURPOSE AND CONTEXT

The Elementary and Secondary Education Act (ESEA) is federal legislation that promotes student achievement through school and district improvement.

The law requires each state to develop and implement a system for holding all districts and schools accountable for the education of students.

Annual federal education grants are allocated to eligible districts using census and student enrollment information.

SERVICES PROVIDED

Funds are authorized for instructional programs and materials, professional development, and for promoting family engagement under:

- Improving Academic Achievement, Title I, Part A of ESEA, which provides technical and financial assistance to local education agencies (LEAs) and schools with high numbers or percentages of children from low-income families, in order to help schools make sure that all children meet challenging state academic standards.
- Migrant Education, Title I, Part C, which ensures that migratory children receive appropriate educational services that address their special needs.
- Neglected and Delinquent Education, Title I, Part D, which provides prevention and intervention programs for children who are neglected, delinquent, or at-risk.
- Supporting Effective Instruction, Title II, Part A, which improves the preparation of prospective teachers and enhances professional development activities for teachers and other school leaders.
- English Acquisition and Language Enhancement and Academic Achievement, Title III Part A, which helps LEAs ensure that English learners and immigrant students attain English proficiency and meet the same standards required of all students.
- Student Support and Academic Enrichment, Title IV, Part A, which provides access to holistic education in three main areas: well-rounded education, safe and healthy schools, and effective use of technology.
- The Rural and Low-Income Schools Grant, Title VI, Part B, which helps small rural districts with high concentrations of poverty meet challenging state academic standards.

- Educating Homeless Children and Youth (ECHY), McKinney-Vento Act, which provides subgrants for districts and charter schools with large populations of children and youth experiencing homelessness.

The Minnesota Department of Education administers federal education programs for learners under ESEA and provides school districts:

- Leadership to ensure that programs funded under ESEA are implemented according to legislation and demonstrate reasonable promise of success.
- Support for the design, development, implementation, administration, and evaluation of ESEA programs.
- Programmatic accountability with ESEA programs.

RESULTS

In 2022, Minnesota identified schools for support using its North Star accountability system in compliance with the federal Every Student Succeeds Act and as approved by the U.S. Department of Education. Identification uses a combination of quantitative measurements aggregated across multiple years in the identification cycle. These measurements include math and reading achievement, math and reading progress, English learners' progress toward English language proficiency, four-year and seven-year graduation rates, and consistent attendance. The 2022 identification also used a measure of maintenance of enrollment during the early stages of the COVID-19 pandemic.

In 2022, a new category of identification—linked high schools—was used. When 30% or more of the students at a school focused on credit or dropout recovery identified for comprehensive support and improvement came to that school from a single other school, the other school was identified as a linked high school.

The next identification is scheduled for 2025; all schools identified in 2022 remain identified until the next identification.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Schools identified for comprehensive support and improvement	Quantity	Data collected by MDE	FY2022: 198	FY2023: 198
Schools identified for targeted support and improvement	Quantity	Data collected by MDE	FY2022: 58	FY2023: 58
Linked high schools	Quantity	Data collected by MDE	FY2022: 52	FY2023: 52

P.L. 114-95 Every Student Succeeds Act (ESSA), enacted December 2015.

CFDA 84.010; CFDA 84.011; CFDA 84.358B; CFDA 84.365A; CFDA 84.367.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
3000 - Federal	694,594	853,047	607,063	630,194	222,801	223,401	222,801	223,401
Total	**694,594**	**853,047**	**607,063**	**630,194**	**222,801**	**223,401**	**222,801**	**223,401**
Biennial Change				(310,384)		(791,055)		(791,055)
Biennial % Change				(20)		(64)		(64)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	919	1,199	1,715	572				
Operating Expenses	20,243	26,359	25,877	12,635	90	100	90	100
Grants, Aids and Subsidies	673,431	825,489	579,471	616,987	222,711	223,301	222,711	223,301
Total	**694,594**	**853,047**	**607,063**	**630,194**	**222,801**	**223,401**	**222,801**	**223,401**
Total Agency Expenditures	694,594	853,047	607,063	630,194	222,801	223,401	222,801	223,401
Internal Billing Expenditures	208	276	375	272	13	13	13	13
Expenditures Less Internal Billing	**694,385**	**852,771**	**606,688**	**629,922**	**222,788**	**223,388**	**222,788**	**223,388**
Full-Time Equivalents	**6.99**	**10.06**	**12.43**	**3.66**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3000 - Federal								
Receipts	694,594	853,052	607,063	630,194	222,801	223,401	222,801	223,401
Balance Forward Out		5						
Expenditures	**694,594**	**853,047**	**607,063**	**630,194**	**222,801**	**223,401**	**222,801**	**223,401**
Biennial Change in Expenditures				(310,384)		(791,055)		(791,055)
Biennial % Change in Expenditures				(20)		(64)		(64)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	6.99	10.06	12.43	3.66				

Program: Student and Teacher Opportunities
Activity: Student Opportunities

AT A GLANCE

- P-TECH schools establishes a public-private partnership structure to teach students skills for jobs in the Science, Technology, Engineering, and Math (STEM) field.
- AP/IB STEM is for Minnesota school districts and charter schools to encourage low-income and other underserved students to participate in Advanced Placement and International Baccalaureate STEM programs consistent with Minnesota Statute 120B.132.
- Suicide prevention training for teachers establishes an online training curriculum accessible statewide.
- The Javits Gifted and Talented program encourages interest in computer science for underrepresented groups.
- Water Safety funding is provided for Minnesota nonprofit organizations and city and county parks and recreation programs to provide low-income and at-risk children with scholarships and water safety instructors and lifeguards for swimming lessons based on nationally recognized water safety curricula.
- Starbase-Multisensory learning program provides hands on experiences for students in grades 4-6.
- The Rural Career and Technical Education program is intended to provide career and technical education opportunities to middle school and high school students within the service cooperative's multicounty service area and to increase the number of students equipped with the work-readiness skills needed by regional employers.
- Grants to Museums and Educational Centers are awarded to support entity operations.
- The ServeMinnesota Innovation program provides state funding to leverage federal and private funding to fulfill the purposes of Minnesota Statutes sections 124D.37 to 124D.45.
- Minnesota Independence College and Community (MICC) is a three-year postsecondary, life-skills training program for young adults with Autism Spectrum Disorder or other learning differences.
- The agricultural educator program funds summer agricultural, food, and natural resources (AFNR) programs in schools.
- The MN Math Corps program trains AmeriCorps members in research-based curriculum to help students in Grades K-8 achieve math proficiency.
- Expanded Concurrent Enrollment Introduction to Teaching grants develop or expand programs that encourage secondary school students to pursue teaching.
- The 2023 legislature created paraprofessional training requirements beginning in fiscal year FY 2024 and later which has an appropriation $7,230,000 in paraprofessional training aid in FY 2025

PURPOSE AND CONTEXT

Grant funding provides additional resources to achieve specific programmatic objectives and services as described below. The programs support the goals of the objective of ensuring every student receives a world-class education. The majority of these programs are state funded.

SERVICES PROVIDED

P-TECH schools are established as a public-private partnership that will prepare students for high-skill jobs of the future in identified growth industries.

The P-TECH school model must deliver five core benefits to students:

1. a rigorous, relevant, and cost-free education in grades 9 to 14, inclusive, focused on knowledge and skills that students need for science, technology, engineering, and mathematics (STEM) careers;
2. workplace learning that includes mentoring by industry professionals, worksite visits, speakers, and internships;
3. intensive, individualized academic support by both secondary and postsecondary faculty within an academic year or school day that enables students to progress through the program at their own pace;
4. an opportunity to earn an associate's degree; and
5. a commitment to students who complete the program to be first in line for a job with participating business partners following completion of the program.

The AP/IB STEM Program – MDE provides grants to school districts and charter schools to encourage low-income and other underserved students to participate in Advanced Placement and International Baccalaureate Science, Technology, Engineering, and Math (STEM) programs consistent with Minnesota Statutes, section 120B.132.

The Javits Gifted & Talented program is federally funded. Six named school districts received grants for the following activities:

1. increasing student interest in and positive attitude towards their learning in general and computer science in particular;
2. identifying greater numbers of students as gifted, particularly in computer science;
3. increasing the number of students who are limited English proficient, twice-exceptional (2e), or are from a traditionally underrepresented racial/ethnic group or gender identified as gifted, particularly in computer science;
4. for educators from participating districts to demonstrate a greater awareness of gifted student characteristics and effective instructional best practices.

Water Safety Grants (Arts and Cultural Heritage Fund) - The Minnesota Youth Water Safety Grant is a state funded grant from the Arts and Culture Heritage Fund. The funds are available to:

- Provide low-income and at-risk children with scholarships for swimming lessons based on nationally recognized water safety curriculum.
- To hire water safety instructors or lifeguards.
- To train water safety instructors or lifeguards in nationally recognized water safety practices and instruction.

Starbase-Multisensory is a grant program that provides rigorous STEM education to students in grades 4-6 with a multisensory learning experience and hands –on curriculum in an aerospace environment using state-of-the-art-technology. In FY 2020, over 2,400 students participated in STARBASE across the northland region of Minnesota. Additionally, over 3,500 students in the Twin Cities were able to participate at the 133rd Airlift Wing, a STARBASE facility in St. Paul, Minnesota.

Grants to Museums and Educational Centers. These grants must be used to encourage and increase access for historically underserved communities.

ServeMinnesota works closely with 11 regional non-profits to empower youth to improve their life opportunities through literacy, job placement, and other essential skills as authorized by Minnesota Statutes, section 124D.37 to 124D.45. This funding leverages federal and private funding.

Minnesota Independence College and Community - For a transfer to the Office of Higher Education for grants to Minnesota Independence College and Community (MICC) for tuition reduction and institutional support. MICC is a three-year postsecondary, life-skills training program for young adults with Autism Spectrum Disorder or other learning differences.

MN Math Corps trains ServeMinnesota AmeriCorps members in a research-based curriculum to help students in Grade K-8 achieve math proficiency. MN Math Corps members provide targeted tutoring to students in pairs or groups of three using the evidence-based intervention curriculum supplied to the member. Students will receive tutoring for a minimum of 12 weeks. The goal of MN Math Corps is that students served by trained members will meet or exceed their targeted national normed growth rates.

Expanded Concurrent Enrollment Grants - Funds encourage secondary school students, especially American Indian students and students of color, to pursue teaching by developing and offering concurrent enrollment course options in schools for "Introduction to Teaching" or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

MDE administers all aspects of the grant program. Services include:

- Providing technical assistance to applicants/recipients.
- Creating grant contract including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

Paraprofessional Training - Paraprofessional training provides reimbursements to school districts, charters schools, intermediate school districts and other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies for providing the required eight hours of paid orientation or professional development annually to all paraprofessionals, Title I aides, and other instruction support staff.

For FY 2025 only, school districts may reduce the hours of training required from eight to six, and must pay for paraprofessional test materials and fees for certain paraprofessionals who were employed during the 2023-24 school year who have not yet met training requirements. Districts are reimbursed at the amount they would have received if the training requirement was eight hours. For FY 2026 only, the commissioner must reimburse a school for six hours of paraprofessional training and must pay each school an additional amount equal to 33.33 percent of that amount. The school must use these funds either for test preparation and exam fees, or additional training. Starting in FY 2027, schools are reimbursed for the prior year compensation expenses associated with providing the required eight hours of paraprofessional training.

Nonexclusionary Discipline Grants – Funds provide grants to school districts and charter schools to train staff on nonexclusionary disciplinary practices that maintain the respect, trust, and attention of students and help keep students in classrooms.

Computer Science Education Advancement - Funds various purposes related to computer science education, including a computer science supervisor at MDE, and expenses related to the development, advancement, and promotion of K-12 computer science education.

Sanneh Foundation Grant - A grant to the Sanneh Foundation promotes educational attainment and improves lives by providing programs that strengthen physical health and social and emotional development.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of Starbase STEM kits distributed	Quantity	Data collected by MDE	FY2021: 9,200	FY2022: 30,000
Teacher surveys collected on Starbase STEM kits	Quantity	Data collected by MDE	NA	FY2022: 531
Number of teachers who completed the Kognito At-Risk one-hour suicide prevention training	Quantity	Data collected by MDE	NA	FY2020-FY22: 11,380
The Javits Gifted and Talented Program- percent of enrolled 2nd and 3rd graders identified as gifted	Quantity	Data collected by MDE	NA	FY2022: 13.42%
The Javits Gifted and Talented Program- percent of enrolled 2nd and 3rd grade students identified as gifted in computer science	Quantity	Data collected by MDE	No students identified prior to grant	FY2022: 17.87%
The Javits Gifted and Talented Program- student interest and attitude toward computer science	Quantity	Data collected by MDE	FY2021 data showed fairly high interest	FY2022: 5 of 6 sites showed no significant growth
Schools awarded agricultural educator program funds*	Quantity	Data collected by MDE	FY2020: 48	FY2021-22: 46
MN Math Corps- number of students who received tutoring services	Quantity	Data collected by MDE	FY2021: 3,681	NA
MN Math Corps-number of students who improved academic performance	Quality	Data collected by MDE	FY2021: 1,671	NA
Number of districts partnered with postsecondary institutions to offer "Introduction to Teaching" or "Introduction to Education" concurrent enrollment courses with grant funding.	Quantity	Data collected by MDE	FY2022: 13	FY2024: 7
Number of districts increasing AP/IB STEM courses with grant funding.	Quantity	Data collected by MDE	FY2022: 2	FY2024: 7

Many of these programs are relatively new; therefore, data is limited for certain programs.

* Results for Agricultural Education. FY20 grantees' plans were adapted to meet needs in COVID-19, including virtual instruction and flexible learning. Many districts reported this program as being one of the few student opportunities available during the pandemic, as teachers were able to work with students in smaller groups on work-based learning/internships and social-emotional learning/leadership. No grantees returned funds outside of normal unused balances. FY21 operated in a much more normal fashion, with schools focusing more on work-based learning due to limited state-wide and regional programs for social-emotional learning and student comfort with overnight events and travel.

Minnesota Session Laws 2019, 1st Special Session, Chapter 11, Article 2, Section 33, Subdivision 25 (Race 2 Reduce) and 26 (Construction Report)

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 2, Section 4, Subdivision 5 (Civic Education), 11 (STEM), 14 (MN Independence College), 15 (MN Math Corps), 19 (P-Tech), 23 (Serve MN Youthworks)
Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 3, Section 7, Subdivision 6 (Expanded Concurrent Enrollment)
Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 6, Section 3, Subdivision 2 (Suicide Prevention Training)
Minnesota Statutes, section 124D.09, subdivision 10, paragraph (b) & MN Laws 2023, chapter 55, article 5, section 64 subdivision 9 (Expanded concurrent enrollment grants)
Minnesota Statutes, section 120B.132 & MN Laws 2023, chapter 55, article 2, section 64 subdivision 18 (Grants to increase science, technology, engineering, and math course offerings.)
Minnesota Statutes, section 121A.642 (Paraprofessional Training)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	5,619	8,980	7,586	34,106	23,520	23,725	23,520	23,725
2301 - Arts & Cultural Heritage	2	193	250					
3000 - Federal	518	704	671	184				
Total	**6,140**	**9,878**	**8,506**	**34,290**	**23,520**	**23,725**	**23,520**	**23,725**
Biennial Change				26,778		4,449		4,449
Biennial % Change				167		10		10
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	8	8	208	410	343	345	343	345
Operating Expenses	125	153	313	1,078	419	417	419	417
Grants, Aids and Subsidies	6,007	9,718	7,986	32,802	22,758	22,963	22,758	22,963
Total	**6,140**	**9,878**	**8,506**	**34,290**	**23,520**	**23,725**	**23,520**	**23,725**
Total Agency Expenditures	6,140	9,878	8,506	34,290	23,520	23,725	23,520	23,725
Internal Billing Expenditures	12	14	11	2				
Expenditures Less Internal Billing	**6,128**	**9,864**	**8,496**	**34,288**	**23,520**	**23,725**	**23,520**	**23,725**
Full-Time Equivalents	**0.08**	**0.14**	**1.49**	**2.66**	**2.57**	**2.57**	**2.57**	**2.57**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	8,391	6,376	17,882	25,112	24,145	24,350	24,145	24,350
Balance Forward In		3,586		9,669				
Transfers Out	890	625	625	675	625	625	625	625
Cancellations		357	3					
Balance Forward Out	1,882		9,669					
Expenditures	**5,619**	**8,980**	**7,586**	**34,106**	**23,520**	**23,725**	**23,520**	**23,725**
Biennial Change in Expenditures				27,092		5,553		5,553
Biennial % Change in Expenditures				186		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.40	2.57	2.57	2.57	2.57	2.57
2301 - Arts & Cultural Heritage								
Balance Forward In	38	110	0					
Direct Appropriation	110	110	250					
Cancellations	35	27						
Balance Forward Out	110							
Expenditures	**2**	**193**	**250**					
Biennial Change in Expenditures				54		(250)		(250)
Biennial % Change in Expenditures				28				
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	518	704	671	184				
Expenditures	**518**	**704**	**671**	**184**				
Biennial Change in Expenditures				(368)		(855)		(855)
Biennial % Change in Expenditures				(30)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.08	0.14	0.09	0.09				

Program: Student and Teacher Opportunities
Activity: Teacher Opportunities

AT A GLANCE

- Grow Your Own grants provide scholarships/stipends for adults of color or American Indians to pursue teacher licensure and for student education career opportunities. 51 Adult Pathway Grants totaling $29,922,321.57 have been awarded since FY 2022 and will be implemented in FY 2025. 26 Student Pathway Grants totaling $14,408,488.74 have been awarded since FY 2022 and will be implemented in FY 2025.
- Statewide Concurrent Enrollment Teacher Training Grants are for the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76.
- Come Teach in Minnesota offers hiring and retention bonuses for teachers who are American Indian or teachers of color from another state or country.
- ~4,172 teachers who received their first professional teaching license after July 1, 2022 received a stipend under the licensing and exam fees reimbursement program.
- The Special Education Teacher Pipeline Grant is a new program established in 2023 legislative session focused on developing a pipeline of trained, licensed Tier 3 or Tier 4 Special Education Teachers. In Fiscal Year 2024 awarded 25 grantees with over 160 joint partners totaling $19,825,000. Fiscal Year 2025 awarded 9 grantees with over 35 joint partners totaling $8,931,372.
- The Statewide Teacher Mentoring Program provides grants to ten regional partners and funds a partnership with the New Teacher Center (NTC) as a national contractor to support induction and mentoring for district and charter schools across the state. Total legislative funding is $9,940,000 through FY2027.
- The Teacher Residency Program provides grants to 2 residency programs that meet the requirements of Minnesota Rules, part 8705.2100, subpart 2, item D, subitem (5), unit (g) and grants to 5 teacher preparation providers and partner districts and charter schools to plan new residency and apprenticeship programs.
- The alternative teacher professional pay system (commonly known as Q Comp) provides school districts and charter schools with up to $260 per student and education districts and intermediate districts with $3,000 per teacher in additional revenue for designing and implementing a program.
- The 2023 legislature created student support personnel aid beginning in fiscal year (FY) 2024 and later. The legislature appropriated $29,138,000 in student support personnel aid in 2024

PURPOSE AND CONTEXT

Grant and stipend funding provides additional resources to achieve specific programmatic objectives and services as described below. The programs support the goal of expanding and diversifying the educator workforce in order to ensure every student receives a world- class education. These programs are state funded.

SERVICES PROVIDED

Grow Your Own (GYO) – The Grow Your Own (GYO) grant was created to help address teacher shortages and encourage more people of color including Indigenous people to pursue careers in teaching. The grant has two pathways, programs for adults looking to obtain teacher licensure and programs to encourage secondary students to pursue teaching careers. Both pathways focus on the recruitment of people of color into education careers. Through the various pathways candidates receive scholarships and other resources to help them pursue their degrees and become teachers when completing their programs.

GYO Pathway for Adults provides scholarships and stipends for paraprofessionals or other adults affiliated with the school to obtain teacher licensure. At least 80% of funds must be spent on scholarships/stipends for people of color and American Indian people to pursue teacher licensure, and remaining funds may be used for recruitment and support programming.

GYO Pathway for Students provides funding to develop innovative programming for secondary students to explore teaching careers. Grant winners may use funds to develop future teacher clubs or service-learning opportunities, provide post-secondary enrollment options (PSEO), provide wrap-around services for students in postsecondary enrollment options (PSEO), or may offer scholarships for graduating students to pursue teaching careers.

Across the two pathways we currently have 76 grant programs operating for a total of $44,330,810.31. Each grant is awarded for a five-year period starting with Fiscal Year (FY) 2022.

- 11 grant programs (6 adult pathway and 5 student pathway) totaling $6,387,598.97 began in Fiscal Year (FY) 2022 and will end in FY 2026.
- 11 grant programs (5 adult pathway and 6 student pathway) totaling $6,399,997.00 began in FY 2023 and will end in FY 2027.
- 38 grant programs (28 adult pathway and 10 student pathway) totaling 22,151,968.71 began in FY 2024 and wl end in FY 2028.
- 17 grant programs (12 adult pathway and 5 student pathway) totaling $9,391,245.63 are beginning in FY 2025 and will end in FY 2029.

The Minnesota Department of Education (MDE) administers a state GYO grant under 122A.73. Staff provide consultative and technical assistance, communities of practice and other professional learning opportunities, written guidance and other resources. Grantees provide written annual program reports, and MDE is required to publish a report that summarizes the activities and outcomes of grant recipients and what was done to promote sharing of effective practices among grant recipients and potential grant recipients.

Statewide Concurrent Enrollment Teacher Training Grants are for the concurrent enrollment teacher partnership under Minnesota Statutes, section 122A.76. Lakes Country Service Cooperative, in consultation with the Northwest Service Cooperative, may develop a continuing education program to allow eligible teachers to attain the requisite graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit. In addition, the State Partnership, a voluntary association of the Northwest Regional Partnership and the Brightworks must contract with one or more eligible postsecondary institutions to establish a continuing education credit program to allow eligible teachers to attain sufficient graduate credits to qualify to teach secondary school courses for postsecondary credit. Members of the State Partnership must work to eliminate duplication of service and develop the continuing education credit program efficiently and cost-effectively.

- $375,000 each year in FY2024 and FY2025.

Come Teach in Minnesota - The purpose of Come Teach in Minnesota is to support districts and charter schools in recruiting and retaining teachers to diversify the teacher workforce. This program supports the goal of ensuring every student receives a world-class education by attracting and retaining a racially, ethnically, and linguistically diverse teacher workforce to reflect and honor the diversity of Minnesota's student population.

The Come Teach in Minnesota Program provides funding for participating districts or charter schools to offer hiring and retention bonuses for teachers. Enrolled districts or charters may offer a hiring bonus up to $5,000 for eligible teachers and a retention bonus of $5,000 after four years of service.

The total Come Teach in Minnesota appropriation for fiscal years 2022 and 2023 was $400,000, with MDE reserving $70,000 of the appropriation for administrative costs. The program budget of $330,000 is held in a special revenue account and was available for schools to offer hiring bonuses and reserve funding for retention

bonuses. After administering an application and selection process, seventeen districts and charter schools were selected to participate in this program. Due to some constraints in the law, only six teachers were eligible to receive hiring bonuses in the pilot year of the program.

The Come Teach in Minnesota program was revised in the 2023 legislative session. As a result of lessons learned from the previous year as well as revised program language to reduce eligibility barriers, MDE revamped the design of this program, opening it up on a statewide basis.

MDE provides programmatic guidance and technical assistance to the school districts and charters interested in utilizing these resources to recruit and retain teachers of color from out of state. We facilitate information sessions, publish FAQs and other guidance, and review eligibility requirements for candidates for the hiring stipends. Other agency staff process payments upon approval from program staff.

Fiscal Year 2024 Program Budget: $413,500

- $165,000: ($200, 000 from FY 2024 appropriation, with MDE reserving $35,000 for administration costs)
- $248,500 (remaining amount from FY 2023)

Licensing and Exam Fees Reimbursement - Under Minnesota Session Laws 2023, Chapter 55, House File 2497, Article 55, Sec 64, Subdivision 11 (https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/55/), the "Reimbursements for teacher licensing and exam fees" appropriation to MDE was designed to reduce "financial burdens for aspiring teachers by funding costs associated with Minnesota teacher licensing exams and first professional teacher license fees for newly graduated teachers." $1,400,000 was appropriated in 2024 with the funding available through June 30, 2027. Up to $50,000 of that amount is available for administration.

Eligible teachers received a stipend in honor of their expenses rather than eliminating their expenses on the front end, as the technology supporting new teacher applications could not be revised in short order for a one-time program. Newly licensed Tier 1 teachers were eligible for a $100 stipend, and newly licensed Tier 2, 3 or 4 teachers were eligible for a $325 stipend, as they may have had additional costs to obtain a license, including fees for licensing exams.

PELSB provided a spreadsheet of teachers who were eligible for the program having received their first teaching license after July 1, 2022. MDE directly emailed eligible teachers requesting them to complete a short survey so that the agency could mail them checks to reimburse them for their expenses. Program staff assisted teachers with questions they had about the program, and finance staff organized the payment processes.

Special Education Teacher Pipeline Grants - The Special Education Teacher Pipeline grant supports the goal of ensuring that every student receives a world-class education by addressing the Special Education teacher shortage that Minnesota's PreK-12 districts face. The grant is open to school districts, charter schools, or cooperative units to support participants who are employed by the grantee in becoming a licensed tier 3 or tier 4 Special Education teacher. Grant applicants may partner with multiple eligible applicants to take on a regional or group approach to this grant. Additionally, to the extent that there are sufficient applications and to the extent practicable, this grant will award an equal number of grants between applicants in greater Minnesota and applicants in the metropolitan area.

This grant provides scholarships and stipends for grantee employees to become a Special Education teacher or to add an additional Special Education license. At least 80% of the funds must be spent on scholarships, stipends or both for the teacher candidate to pursue Special Education teacher licensure, and remaining funds may be used for recruitment and program support. Grantees are required to prioritize Tier 1 and 2 Special Education teachers and then they may recruit and support other employees, including currently licensed Tier 3 or 4 teachers wishing to add an additional license, as well as paraprofessionals and other non-licensed employees wishing to become a licensed teacher.

The Minnesota Department of Education (MDE) administers a state Special Education Teacher Pipeline Grant under Minnesota Statutes 2023, 122A.77. Grant staff manages 34 grantees accessing FY 2024 and FY 2025 funding. Staff provide consultative and technical assistance, communities of practice and other professional learning opportunities, written guidance and other resources.

Grantees provide MDE with written annual program reports, and MDE publishes a consolidated report to share results and practices with grantees, lawmakers and the general public. The first consolidated report will be published in the fall of 2024, though it will be too early to see much participant data, as the first grants were awarded in March 2024.

Statewide Teacher Mentoring Program - The goal of the program is to retain a diverse, effective, and thriving teacher workforce that benefits every student by providing an induction program that provides culturally responsive learning and inclusive working environments. The teacher mentoring program administers a research-based framework, implementation guidance, training, and networking opportunities for local districts/charters to improve their mentoring programs. The program is specifically focused on support to Tier 1 and Tier 2 special education teachers, teachers of color, and Indigenous teachers.

The Department, in partnership with the New Teacher Center (NTC), piloted an induction and mentoring program with fourteen districts and charters in the 2023-2024 school year. Through the state pilot, a comprehensive framework for induction and mentoring was developed. The framework provided a basis for implementation guidance as local districts and charters developed or improved their mentoring program.

In the 2023-2024 legislative session, grantees of the Statewide Teacher Mentoring program were awarded $7,942,045 in funding to provide regional support to districts and charters through FY2027. Grantee induction support to districts and charters includes providing new teacher orientation, mentor and leader training and coaching, program consultation, networking and affinity groups, and program evaluation.

The Statewide Teacher Mentoring Program appropriation also includes funding for administration of the program, part of which funds an Induction and Mentoring Coordinator Position at MDE.

The MDE Educator Workforce and Development Center, in partnership with the New Teacher Center (NTC), provides technical support to grantees. The technical support includes foundational and advanced mentor training institutes, consultation, in-field coaching, and forums for mentors and school leaders. A data platform is provided for logging mentor interactions and support with program evaluation. The New Teacher Center's extended $1,489,280 contract provides services through FY2027.

Teacher Residency Program – The goal of the program is to support existing teacher residency programs as well as planning for new residency programs and apprenticeship programs. Teacher residency represents an alternative pathway to teaching for aspiring educators who often already hold a bachelor's degree. Unlike comparable teacher training and certification models, residents are not the teachers of record in their classrooms. Instead, they serve an extended internship while they meet licensure requirements. The program is being implemented with an emphasis on preparing special education teachers and on diversifying the educator workforce. $3 million in FY2024 and $3 million in FY2025 was appropriated for the program.

Funds were granted to 2 existing residency programs to support program expansion and diversification. Grantees use funds for stipends for participants and mentor teachers, scholarships for participants, and program administration.

Additional funds were granted to 5 teacher preparation providers and their partner districts and charter schools to support planning for new residency programs and apprenticeship programs that will emphasize increasing the

geographical access to programs beyond the metropolitan area. Grantees use funds for stipends for planning team members, travel and supply expenses, and recruitment materials.

MDE retains some administrative funds for a partial FTE to support program activities and grant administration.

Alternative Teacher Compensation (Q Comp) - Q Comp programs approved by the Minnesota Department of Education (MDE) use various methods to improve classroom instruction and student learning while also recruiting and retaining highly qualified teachers. Program revenue is available to all districts and sites that apply and have an approved plan. However, basic aid has been limited by statute to $88,118,000 for FY 2017 and later. Program expenditures reached this cap as of the start of FY 2017. Due to enrollment increases, all participating programs had funding statutorily prorated FY 2021 through FY 2023 to ensure the basic aid cap is not exceeded. The 2024 legislature increased basic alternative teacher compensation aid to $88,961,000 for FY25 and $89,486,000 for FY26 and later, though these increases are designed to help approved programs avoid prorated funding. Applications are still accepted for the waiting list, but no plans will be approved until revenue is available.

Approved districts or schools use the program funding to provide:

- Compensation to teacher leaders and licensed staff members.
- Professional development, training, and resources related to the program.

MDE performs several functions in support of this program, including:

- Review and approve applications and subsequent program changes.
- Provide technical assistance on program development and implementation.
- Provide professional development, networking and coaching to support educators to effectively implement the program including but not limited to observation and feedback, professional learning communities, and teacher leadership development.
- Calculate and process Q Comp payments.

Student Support Personnel Aid - Student support personnel aid provides aid to school districts, charter schools, intermediates and other cooperatives to help fund additional licensed school support personnel above pre-pandemic levels, including licensed school counselors, licensed school psychologists, licensed school social workers, licensed school nurses, and licensed chemical dependency counselors. This aid program supports the objective of ensuring every student receives a world-class education.

For FY 2024, a school district received the greater of $11.94 per adjusted pupil unit (APU) or $40,000; a charter school received the greater of $11.94 per APU or $20,000; and an intermediate or other cooperative unit received the greater of $0.60 per member district APU or $40,000 per district.

Aid for school districts must be reserved in a fund balance that, beginning in FY 2025, and may not exceed the greater of the aid entitlement in the prior fiscal year or the fund balance in the prior fiscal year. Aid for Intermediate Districts and Cooperative Organizations must not exceed actual annual expenditures.

Schools may use student support personnel aid to pay for the salaries and benefits of new full-time equivalent (FTE) for licensed school counselors, psychologists, social workers, school nurses and chemical dependency counselors; or to increase the FTE of part-time licensed staff, including those hired using onetime resources awarded through federal ESSER/ARP funds whose positions are ending.

Local Education Agencies may use the funds to pay for contracted staff if they are not able to get at least two qualified candidates for the new FTE positions. Contracted staff must be licensed in the identified fields.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

Agricultural Educator Grants pay for licensed agricultural, food, and natural resources (AFNR) education teachers who are working in the summer with high school students on extended projects, specifically: work-based learning/experiential learning, rural mental health/AFNR farm safety, career exploration and development, social-emotional learning/leadership development, and service learning. A total of 46 schools were awarded funding in FY 2022.

RESULTS

Grow Your Own Grants - Data reported as of July 2024. A new consolidated report for FY24 will be published by December 2024 and includes the significant funding increase from the 2023 legislative session and 39 additional grantees.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of adult pathway grantees (as reported in consolidated reports)	Quantity	*Data collected by MDE*	*FY2022:* 6	*FY2023: 11*
# adults receiving scholarships/stipends to pursue teaching license	Quantity	*Data collected by MDE*	FY2022: 35	FY2023: 121
Percentage of supported adults planning to continue licensure program or have completed licensure process (aka retention rate)	Quantity	*Data collected by MDE*	FY2022: 100%	FY2023: 93%
Percentage of supported adults who are people of color, including Indigenous	Quantity	*Data collected by MDE*	FY2022: 85.7%	FY2023: 65%
# of student pathway grantees (as reported in consolidated reports)	Quantity	*Data collected by MDE*	FY2022: 5	FY2023: 11
# of students participating in program	Quantity	*Data collected by MDE*	FY2022: 152	FY2023: 527
Percentage of students planning to continue exploring careers in teaching	Quantity	*Data collected by MDE*	FY2022: 69%	FY2023: 63%

Statewide Concurrent Enrollment Teacher Training Grants

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of participating teachers	Quantity	Data collected by MDE	FY2023: 4.454	FY2024: 4,570
# of credits earned	Quantity	Data collected by MDE	FY2019: 2,148	FY2024: NA
# of new courses	Quantity	Data collected by MDE	NA	FY2024: 4
Equitable geographic distribution of participating teachers	Quantity	Data collected by MDE	NA	NA
Equitable geographic distribution of participating teachers	Quantity	Data collected by MDE	NA	NA
# of new teachers qualified to teach concurrent enrollment	Results (Better off)	Data collected by MDE	NA	FY2024: 103

Come Teach in MN

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of participating districts/charters	Quantity	Data collected by MDE	FY2023: 17	FY2024: 56
# of teachers that funding is reserved for	Quality	Data collected by MDE	FY2023: 41	FY2024: 41
# BIPOC teachers recruited to MN	Results	Data collected by MDE	FY2023: 6	FY2024: 41

Licensing and Exam Fees Reimbursement - As of early July 2024, approximately 4,172 eligible teachers have received a stipend through this program.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of eligible teachers receiving stipends	Quantity	Data collected by MDE	NA	7/3/2024: ~4,172
Amount of funding remaining and available for stipends	Quantity	Data collected by MDE	NA	7/3/2024: $126,750 (spend ~90% of funds)

Special Education Teacher Pipeline Grants - This grant is new, and grantees have not had sufficient time to enroll candidates and to report. The following table include measures that we will be able to report in future years.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of teacher candidates supported	Quantity	Data collected by MDE	NA	NA
# of teacher candidates pursuing a degree and the type of preparation pathway they follow (e.g., traditional, licensure via portfolio, alternative)	Quantity	Data collected by MDE	NA	NA
# of participating districts, charters and cooperatives and their geographical location	Quantity	Data collected by MDE	NA	NA
Types of special education licenses candidates are pursuing	Quantity	Data collected by MDE	NA	NA

Statewide Teacher Mentoring Program

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of induction and mentoring grants made to regional entities	Quantity	Data collected by MDE	NA	June 2024: 10
# of new teachers served through the statewide pilot	Quantity	Data collected by MDE	NA	June 2024: 138
# of new teachers supported through the pilot intending to stay in education	Results	Data collected by MDE	NA	June 2024: 100%

Teacher Residency Program - This program is new, and grantees have not had sufficient time to enroll candidates and to report. The following table include measures that we will be able to report in future years.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of teacher candidates supported with grant funds to existing programs	Quantity	Data collected by MDE	NA	*NA*
# of teacher candidates enrolled in new programs supported with planning grants	Quantity	Data collected by MDE	NA	NA
# of new programs supported with planning grants approved by PELSB and DLI	Quantity	Data collected by MDE	NA	NA
Number of special education licenses candidates are pursuing in programs receiving grant funding	Quantity	Data collected by MDE	NA	NA
Number of candidates of color and Indigenous candidates enrolled in programs receiving grant funding	Quantity	Data collected by MDE	NA	NA

Since Q Comp was enacted, two outside studies have been done to investigate its effectiveness:

- A 2014 study published in The Journal of Human Resources found a 0.03 standard deviation increase in student achievement on two different reading assessments and on one math assessment at districts receiving Q comp revenue (http://jhr.uwpress.org/content/49/4/945.abstract).
- A 2009 study identified a positive correlation between the implementation of Q Comp over a number of years and improved student achievement (Hezel Associates Q Comp for Teachers Summative Evaluation – (https://www.leg.state.mn.us/docs/2009/other/090321.pdf).

Measure name	Measure type	Measure data source	Historical trend	Most recent data
# of charter schools participating in Q Comp	Quantity	Data collected by MDE	71	71
# of districts and cooperatives participating in Q Comp	Quantity	Data collected by MDE	111	111

Minnesota Statutes 122A.70 (Grow Your Own)
MN Laws 2023, chapter 55, article 5, section 64 subdivision 8 (Concurrent enrollment teacher training program)
2021 Minnesota Statutes Section 122A.59, Come Teach in Minnesota
Minnesota Session Laws 2023, Chapter 55, House File 2497, Article 55, Sec 64, Subdivision 11 (Licensing and Exam Fees Reimbursement)
Minnesota Statutes 2023, section 122A.77 (Special Education Teacher Pipeline Grants)
HF no. 2497, Article 5 Section 64.s (Statewide Teacher Mentoring Program)
HF 2497, Article 5, Section 64, Subdivision 16 (Teacher Residency Program)
M.S. 122A.414; M.S. 122A.415 (Q Comp)
M.S. 124D.901 (Student Support Personnel Aid)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	89,244	90,207	136,526	138,309	156,591	157,980	166,531	89,215
2001 - Other Misc Special Revenue	6,465	12,374	54,179	38,358	32,354	42,354	32,354	42,354
Total	**95,709**	**102,581**	**190,704**	**176,667**	**188,945**	**200,334**	**198,885**	**131,569**
Biennial Change				169,081		21,908		(36,917)
Biennial % Change				85		6		(10)
Governor's Change from Base								(58,825)
Governor's % Change from Base								(15)
Expenditures by Category								
Compensation	61	67	390	784	541	712	749	923
Operating Expenses	6	356	1,266	1,891	464	468	491	492
Grants, Aids and Subsidies	95,642	102,158	189,049	173,992	187,940	199,154	197,645	130,154
Total	**95,709**	**102,581**	**190,704**	**176,667**	**188,945**	**200,334**	**198,885**	**131,569**
Total Agency Expenditures	95,709	102,581	190,704	176,667	188,945	200,334	198,885	131,569
Internal Billing Expenditures	1							
Expenditures Less Internal Billing	**95,708**	**102,581**	**190,704**	**176,667**	**188,945**	**200,334**	**198,885**	**131,569**
Full-Time Equivalents	**0.46**	**0.56**	**3.03**	**6.51**	**3.91**	**5.06**	**5.51**	**6.66**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	88,529	88,241	121,972	124,649	149,335	148,134	149,335	60,685
Levies	42,396	37,025	40,156	39,506	39,791	38,290	39,791	0
District Revenue	130,925	125,266	162,128	164,155	189,126	186,424	189,126	60,685
Direct Appropriation	97,471	96,133	185,226	170,569	188,945	200,334	198,885	131,569
Current Year	79,676	79,417	109,776	112,185	134,402	133,322	134,402	54,617
Prior Year	8,871	8,886	8,824	8,875	8,814	8,837	8,814	8,837
Balance Forward In		864		3,140				
Transfers Out	7,450	6,700	45,200	35,400	32,354	42,354	32,354	42,354
Cancellations	349	90	361					
Balance Forward Out	428		3,139					
Expenditures	**89,244**	**90,207**	**136,526**	**138,309**	**156,591**	**157,980**	**166,531**	**89,215**
Biennial Change in Expenditures				95,383		39,736		(19,089)
Biennial % Change in Expenditures				53		14		(7)
Governor's Change from Base								(58,825)
Governor's % Change from Base								(19)
Full-Time Equivalents	0.15	0.16	1.08	4.06	2.61	2.61	4.21	4.21

2001 - Other Misc Special Revenue								
Balance Forward In		6,214	11,937	2,958				
Transfers In	6,718	6,750	45,200	35,400	32,354	42,354	32,354	42,354
Transfers Out	18	50						
Balance Forward Out	235	540	2,958					
Expenditures	**6,465**	**12,374**	**54,179**	**38,358**	**32,354**	**42,354**	**32,354**	**42,354**
Biennial Change in Expenditures				73,698		(17,829)		(17,829)
Biennial % Change in Expenditures				391		(19)		(19)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.31	0.40	1.95	2.45	1.30	2.45	1.30	2.45

Program: Student and Teacher Opportunities
Activity: One-Time Grants

AT A GLANCE

One-time grant programs provide funding to outside organizations, which supports MDE's goal of ensuring every Minnesota student receives a world-class education.

PURPOSE AND CONTEXT

One-time grant funding provides resources to outside organizations to help achieve specific programmatic objectives and services, as described below. By law, these grants or grant programs are not included in the Department of Education's base budget for FY 2026 and beyond.

SERVICES PROVIDED

A grant to the Alliance of Chicanos, Hispanics, and Latin Americans for the Juntos Club supports English language learners, low-income students, migrant students, and Latinx students with improving English and math proficiency.

- $300,000 in FY2024
- $200,000 in FY2025

A grant to the Minnesota Association of Alternative Programs STARS (Success, Teamwork, Achievement, Recognition, and Self-Esteem) program helps students in alternative programs develop employment, academic, and social skills and support student participation in trainings and conferences.

- $50,000 in FY2024

A grant to the Building Assets, Reducing Risks (BARR) Center delivers an evidence-based, research-validated program to schools.

- $5,000,000 in FY2024

A grant to Pillsbury United Communities implements a framework to improve educational outcomes and accountability.

- $150,000 in FY2024
- $150,000 in FY2025

A grant to Junior Achievement North expands access to its financial literacy programming for elementary and secondary students.

- $500,000 in FY2024
- $500,000 in FY2025

A grant to the Minnesota Alliance of Boys and Girls Clubs supports the establishment and expansion of clubs to support after-school and summer programming that address learning loss.

- $2,500,000 in FY2024
- $2,500,000 in FY2025

A grant to MacPhail Center for Music supports an online music instruction program.

- $300,000 in FY2024

A grant to the regional centers of excellence provides the ActivEd Walkabouts program, an evidence-based, standards-aligned, kinesthetic learning platform using physical activity to teach math, English, language arts, and literacy standards for prekindergarten through grade 5.

- $250,000 in FY2024
- $250,000 in FY2025

Grants to support schools in their efforts to close opportunity gaps.

- $3,000,000 in FY2024
- $3,000,000 in FY2025

The Support our Students Grant program addresses shortages of student support services personnel within Minnesota schools. Student support services personnel included individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselors. Grant funds were used to fund new positions for student support services personnel.

- $12 million spent from FY2017 to FY2022.

A grant to the Minnesota Council on Economic Education (MCEE) seeks to address the gap in teacher knowledge regarding economic education. Through teacher staff development, MCEE provides opportunities for educators to improve their understanding of economics content and instructional strategies to help all students achieve the state economics standards.

- $200,000 in FY2024
- $200,000 in FY2025

Grants to the YMCA Youth in Government program and the YMCA Center for Youth Voice program support civic education programs for youth by providing teacher professional development, educational resources, and program support.

- $75,000 each year from FY2020 to FY2023
- $150,000 in FY2025

A grant to the Minnesota Alliance With Youth supports the activities of the Minnesota Youth Council.

- $187,000 in FY2022 and $188,000 in FY2023
- $375,000 in FY2025

A grant to LiveMore ScreenLess promotes digital well-being.

- $1,000,000 in FY2022

A grant to the Girls Taking Action program provides and expands Twin Cities area school and community-based programs that encourage and support low-income girls of color. Programs provide academic support, mentorship, career development opportunities, resources for survivors of sexual assault, and financial literacy for postsecondary and careers.

- $1,500,000 in FY2024

The Language Essential for Teachers of Reading and Spelling (LETRS) appropriation provides funds for licensed teachers to complete the LETRS program.

- $3,000,000 in FY2022.

Innovation Service Learning Grants provide funds for up to 32 districts, charter schools, tribal contract or grant schools, or cooperative units to expand or strengthen service learning opportunities for K-12 students. The result of this work is more systemic support in schools, which results in more opportunities for underserved youth to participate in service learning.

- $1,000,000 in FY2024

MDE administers and supports these grant programs, including through:

- Developing application process and reporting forms for applicants.
- Providing technical assistance to applicants.
- Creating grant contracts including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

Some of these programs are relatively new; therefore, data is limited.

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

2023 Result	2025 Goal	Distance from Current Result to 2025 Goal
47% overall	79% overall	32 percentage points

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

2023 Result	2025 Goal	Distance from Current Result to 2025 Goal
40% overall	78% overall	38 percentage points

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

2023 Result	2025 Goal	Distance from Current Result to 2025 Goal
48% overall	78% overall	30 percentage points

MN Laws 2023, Chapter 55
MN Laws 2023, Chapter 57
MN Laws 2024, Chapter 115

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	8,002	2,031	10,904	11,853				
Total	**8,002**	**2,031**	**10,904**	**11,853**				
Biennial Change				12,725		(22,757)		(22,757)
Biennial % Change				127		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Expenditures by Category								
Compensation			23	103				
Operating Expenses	1,997	1,074	2	332				
Grants, Aids and Subsidies	6,005	957	10,879	11,418				
Total	**8,002**	**2,031**	**10,904**	**11,853**				
Full-Time Equivalents			**0.54**	**1.01**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	5,912	413	14,850	7,950	0	0	0	0
Balance Forward In	3,200	1,680		3,903				
Cancellations	77	62	43					
Balance Forward Out	1,033		3,903					
Expenditures	**8,002**	**2,031**	**10,904**	**11,853**				
Biennial Change in Expenditures				12,725		(22,757)		(22,757)
Biennial % Change in Expenditures				127		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.54	1.01				

Program: Special Education
Activity: Special Education - Regular

https://education.state.mn.us/MDE/dse/sped/
https://education.mn.gov/MDE/dse/schfin/sped/

AT A GLANCE

- In fiscal year (FY) 2024, 165,285 children and youth, ages birth-21, received special education services.
- In FY 2024, 144,698 K-12 students (17.1 percent of total K-12 students) received special education services.
- In FY 2024, 29,420.94 full-time equivalent special education teachers and paraprofessional staff were employed.

PURPOSE AND CONTEXT

This state aid program funds specially designed instruction and related services for children and youth with disabilities ages birth-21.

Districts also receive federal funds through the Individuals with Disabilities Education Act (IDEA) for special education services. IDEA ensures that all children with disabilities receive a Free Appropriate Public Education (FAPE). FAPE emphasizes that special education and related services must meet students' unique needs and prepare them for postsecondary education, employment, and independent living.

This program supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Goals of special education:

- Provide FAPE in the least restrictive environment.
- Increase participation and improve performance on statewide assessments.
- Increase special education student graduation rates and decrease dropout rates.
- Coordinate services for students receiving support from more than one agency.

Students receiving special education services must have an Individualized Education Program (IEP). The IEP helps students with disabilities with schoolwork and helps them make progress toward graduation according to their individualized goals. Students are eligible for IDEA Part B services if they meet specific state eligibility requirements under one or more of 13 disability categories as defined in Minnesota Rules.

To be eligible for special education IDEA Part B services, students ages 3-21 must be:

- Found to have a disability.
- In need of specialized instruction and related services.

To be eligible for special education IDEA Part C infant and toddler intervention services, infants and toddlers aged birth-2 must meet at least one of the three components:

- They meet the criteria for any one of Minnesota's recognized special education disability categories.
- They have a demonstrated developmental delay.
- They are diagnosed with a physical or mental condition that has a high probability of resulting in developmental delay.

The combination of these laws and rules require the provision of FAPE for all eligible children and youth with disabilities. FAPE is defined as instruction and services that are:

- Based on eligibility and need.
- Written into an Individualized Education Program (IEP) or an Individualized Family Service Plan (IFSP).
- Provided in the least restrictive environment possible and at no cost to parents.

Local educational agencies (LEAs) receive state special education aid for the current fiscal year based on a portion of eligible special education expenditures from the previous fiscal year. State special education aid also includes a "tuition billing adjustment" for unreimbursed costs associated with serving non-resident students. Districts' state aid is further compared to a hold harmless calculation which sets a minimum aid they will receive. Finally, districts receive additional aid based on a percentage of their prior year cross subsidy.

The Minnesota Department of Education (MDE) calculates and processes aid payments and provides technical support for this program.

RESULTS

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

Measure name	Measure type	Measure data source	Historical trend	Most recent data
MN 4-Year Adjusted Cohort Graduation Rates for Students with IEPs	Quantity	Data collected by MDE	FY2020-21: 64.0% FY2021-22: 65.5%	FY2022-23: 65.6%
MN 4-Year Adjusted Cohort Dropout Rates for Students with IEPs	Quantity	Data collected by MDE	FY2020-21: 7.0% FY2021-22: 7.7%	FY2022-23: 7.9%
MN 4-Year Adjusted Cohort Dropout Rates for Students with IEPs	Quantity	Data collected by MDE	FY2020-21: 73.0% FY2021-22: 88.9%	FY2022-23: 89.7%
Participation Rates for Students with IEPs on the MN Statewide Reading Assessments	Quantity	Data collected by MDE	FY2020-21: 74.1% FY2021-22: 90.5%	FY2022-23: 90.7%

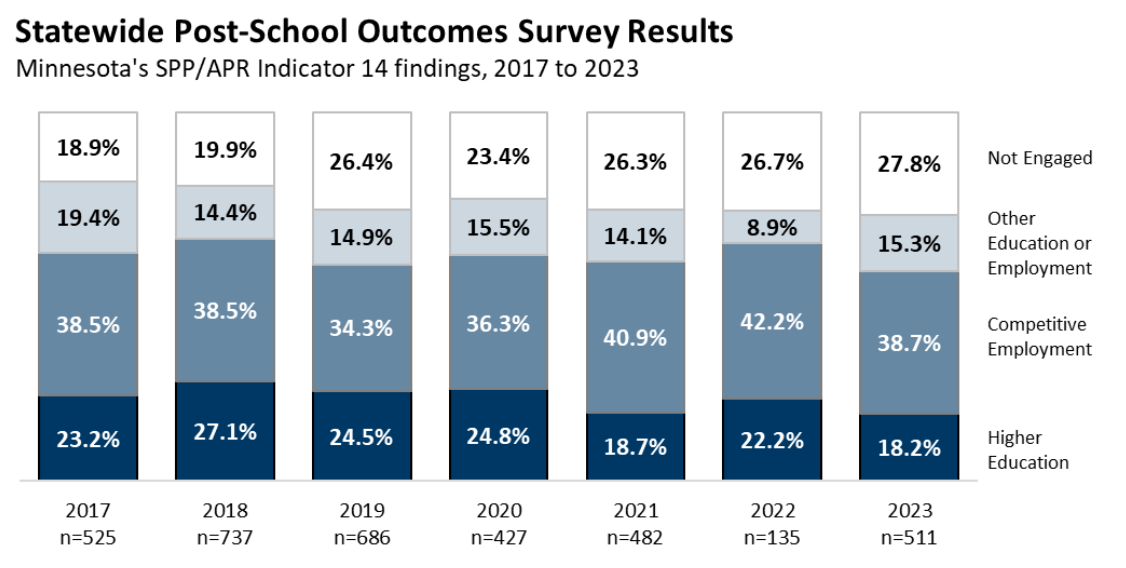
Proficiency Rates for Students with IEPs on the Minnesota Statewide Math and Reading Assessments

Only students with valid scores[3] are included in the table below.

	Math				Reading			
Grade	2019-20	2020-21	2021-22	2022-23	2019-20	2020-21	2021-22	2022-23
Grade 3	NA	35.4%	38.8%	39.1%	NA	27.1%	27.3%	28.1%
Grade 4	NA	32,1%	34.3%	35.8%	NA	26.3%	27.3%	26.6%
Grade 5	NA	20.5%	22.1%	22.8%	NA	30.0%	30.9%	30.7%
Grade 6	NA	18.5%	18.9%	19.9%	NA	26.2%	25.6%	26.0%
Grade 7	NA	13.7%	15.5%	15.5%	NA	21.7%	20.0%	20.6%
Grade 8	NA	15.8%	16.3%	16.8%	NA	21.1%	21.4%	20.3%
High School[4]	NA	14.0%	13.7%	12.1%	NA	26.5	26.4%	25.5%

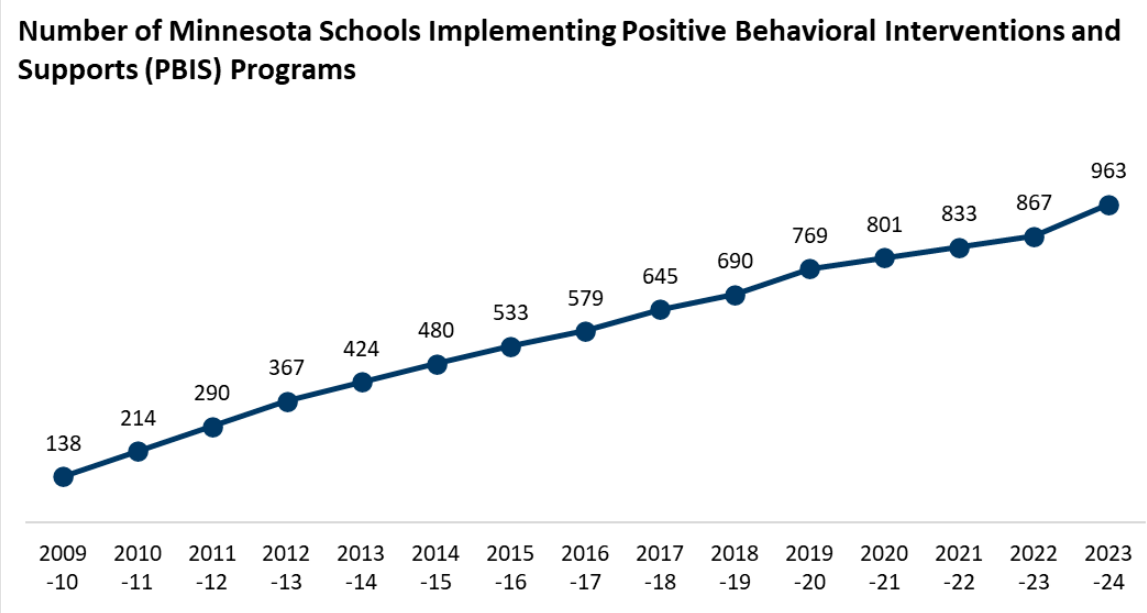
Goal: To increase postsecondary education and employment outcomes for students with disabilities.

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



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

Measure: Number of schools implementing PBIS.



M.S. 125A.02; M.S. 125A.03; M.S. 125A.75; M.S. 122A.726

MN Rules 3525; Special Education disability categories MN Rules 3525.1325 to 3525.1348; Eligibility criteria for infant and toddler intervention services MN Rules 3525.1350

Federal Law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300)

Special Education - Regular

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	1,734,175	1,848,808	2,288,210	2,564,838	2,760,022	3,001,353	2,741,694	2,950,159
3000 - Federal	5,354	25,849	21,191					
Total	**1,739,529**	**1,874,657**	**2,309,401**	**2,564,838**	**2,760,022**	**3,001,353**	**2,741,694**	**2,950,159**
Biennial Change				1,260,053		887,136		817,614
Biennial % Change				35		18		17
Governor's Change from Base								(69,522)
Governor's % Change from Base								(1)
Expenditures by Category								
Compensation		13	6					
Operating Expenses	1	865	741					
Grants, Aids and Subsidies	1,739,528	1,873,779	2,308,654	2,564,838	2,760,022	3,001,353	2,741,694	2,950,159
Total	**1,739,529**	**1,874,657**	**2,309,401**	**2,564,838**	**2,760,022**	**3,001,353**	**2,741,694**	**2,950,159**
Total Agency Expenditures	1,739,529	1,874,657	2,309,401	2,564,838	2,760,022	3,001,353	2,741,694	2,950,159
Internal Billing Expenditures	0	33	74					
Expenditures Less Internal Billing	**1,739,529**	**1,874,623**	**2,309,327**	**2,564,838**	**2,760,022**	**3,001,353**	**2,741,694**	**2,950,159**
Full-Time Equivalents		**0.13**	**0.06**					

Special Education - Regular

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	1,732,888	1,850,862	2,348,106	2,593,963	2,783,398	3,032,034	2,762,491	2,976,578
District Revenue	1,732,888	1,850,862	2,348,106	2,593,963	2,783,398	3,032,034	2,762,491	2,976,578
Direct Appropriation	1,822,998	1,859,205	2,288,826	2,564,838	2,760,022	3,001,353	2,741,694	2,950,159
Current Year	1,519,050	1,622,466	2,058,350	2,273,868	2,439,927	2,657,882	2,421,599	2,609,268
Prior Year	215,125	226,342	229,860	290,970	320,095	343,471	320,095	340,891
Cancellations	88,823	10,397	616					
Expenditures	**1,734,175**	**1,848,808**	**2,288,210**	**2,564,838**	**2,760,022**	**3,001,353**	**2,741,694**	**2,950,159**
Biennial Change in Expenditures				1,270,065		908,327		838,805
Biennial % Change in Expenditures				35		19		17
Governor's Change from Base								(69,522)
Governor's % Change from Base								(1)
3000 - Federal								
Receipts	5,354	25,849	21,191					
Expenditures	**5,354**	**25,849**	**21,191**					
Biennial Change in Expenditures				(10,012)		(21,191)		(21,191)
Biennial % Change in Expenditures				(32)				
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.13	0.06					

Program: Special Education
Activity: Other Federal Special Education Programs

https://education.state.mn.us/MDE/dse/schfin/sped/
https://helpmegrowmn.org/HMG/

AT A GLANCE

- This budget activity currently consists of five programs: the Minnesota DeafBlind Technical Assistance Project, the Preschool Special Education Part B program, the State Systemic Improvement Plan, the Employment Capacity Building Cohorts, and Project SEARCH. Highlights for these programs include:
- Deaf-blindness is the special education categorical disability area with the lowest percentage of students (0.08 percent; 124 out of 165,285 students with disabilities in Minnesota).
- In December 2023, census data from the Minnesota Deaf-Blind Project indicated that 318 students with disabilities receiving special education services had combined vision and hearing loss with 133 of those students reported as having deaf-blind as the primary disability on the Individualized Education Program (IEP).
- 14,152 children ages 3-5 with disabilities were counted as being served through IEPs on December 1, 2023, and more than 70 percent of these children participate in regular early childhood programs and receive special education services in those settings.
- In 2020, the U.S. Department of Education's Office of Special Education and Rehabilitative Services awarded the Minnesota Department of Education (MDE) a five-year State Personnel Development Grant (SPDG) to support State Systemic Improvement Plan (SSIP) implementation. Current SSIP partner districts include Minneapolis, St. Paul, Osseo Bagley, Cloquet, Deer River, Nay-Ah-Shing, Red Lake, and Redwood.
- In the 2023-24 school year, the Minnesota Department of Education, Department of Employment and Economic Development, and Department of Human Services developed and launched the Youth in Transition Framework and Toolkit.The Youth in Transition Toolkit provides special education IEP case managers, local vocational rehabilitation counselors, and local disability services providers, with a shared set of tools to for using Charting the LifeCourse to help youth develop a vision for their future and discover what it takes to live their best lives. In addition, it provides instructional and practical resources for: teaching in(ter)dependent living skills; career exploration and work-based learning; and learning about postsecondary employment and education. Each set of instructional resources includes an objective for each of four learning stages: Awareness, Exploration, Preparation, and Implementation. MDE is developing strategies to match the toolkit to required components of IEP transition planning, and proxy measures of Youth in Transition Toolkit implementation.
- In the 2023-24 school year, 11 Minnesota businesses participated as Project SEARCH sites hosting 73 student interns with developmental cognitive disabilities.

PURPOSE AND CONTEXT

This budget activity currently consists of five programs: The Minnesota DeafBlind Technical Assistance Project (DB Project), the Preschool Special Education Part B program, the State Systemic Improvement Plan (SSIP), the Employment Capacity Building Cohorts (ECBC), and Project SEARCH.

- The DB Project is a federally funded formula grant received by the Minnesota Department of Education (MDE) to support services for students with both vision and hearing loss and their families.
- The Preschool Special Education Part B program provides individualized education services to preschool children with disabilities.

- The SSIP is a comprehensive, multi-year plan that focuses on improving results for children and youth with disabilities.
- The Youth in Transition Framework and Toolkit is a training and technical assistance program provided for school districts to improve their employment practices for students with developmental cognitive disabilities.
- Project SEARCH provides educational internships for students with intellectual/developmental cognitive disabilities through workplace immersion at participating business sites with the goal of obtaining competitive integrated employment within four to 11 months after completion of their internship experience.

SERVICES PROVIDED

The Minnesota Deaf Blind Technical Assistance Project (DB Project)

- Supports appropriate and timely evaluation of students suspected of having dual sensory loss to help ensure earlier identification of student who are DeafBlind.
- Provides support to teams, including educators and parents, to enhance their ability to address the unique education and service needs of children with deaf blindness.
- Provides training to new cohorts of interveners, educational aides who help the student who is DeafBlind, each year.

Federally mandated Preschool Special Education Part B program

- Federal funds support statewide efforts to:
    - Seek out and identify potentially eligible children; and,
    - Provide professional development opportunities promoting evidence-based practices through the Regional Centers of Excellence.
- Services are provided to each eligible child through an Individualized Education Program.
- The goal is to increase each child's ability to actively and independently participate in current and future environments such as home, preschool, and kindergarten.
- Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.
- To support program implementation the Minnesota Department of Education interprets regulations, statutes and rules; collects and reports data; processes payments/reimbursements; provides professional development; and connects children and families to appropriate local programs and monitors local implementation.

State Systemic Improvement Plan (SSIP) goals and partnerships

Increase the six-year graduation rates for American Indian and Black students with disabilities.

Develop capacity of districts to select and implement effective and sustainable evidence-based practices that support improving graduation outcomes for students with disabilities.

MDE was awarded a $5.5 million, five-year State Personnel Development Grant in 2020 to support SSIP implementation, among other grant initiatives. MDE is collaborating with six partner districts – Bagley, Cloquet, Deer River, Nay-Ah-Shing, Red Lake, and Redwood – to improve graduation rates for American Indian students with IEPs. In addition to these school districts and tribal school, MDE continues to partner with the 2015 cohort of SSIP partner districts, Duluth, Minneapolis, Osseo, and Saint Paul, supporting districts to implement Check & Connect with fidelity.

The Youth in Transition (YIT) Framework and Toolkit

- The Youth in Transition Framework and Toolkit provides training and technical assistance to school districts in their efforts to learn and change secondary transition practices for students with disabilities in

their school districts and associated counties. Districts partner with their local vocational rehabilitation supervisors and counselors, as well as county level supervisors and case-managers from disability services, to use the YIT Framework and Toolkit.

Project SEARCH

- Project SEARCH is an internationally recognized evidence-based, one-year internship program for students with intellectual/developmental cognitive disabilities, ages 18-21, in their last year of high school. The Project SEARCH Transition Program provides educational experiences for these students through workplace immersion at participating business sites. Students receive skill-based training in independent living and employability skills. The goal of Project SEARCH is to provide student interns with competitive integrated employment within four to 11 months after completion of their internship experience.

RESULTS

DeafBlind Project

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Unduplicated child count where DeafBlind is listed as the primary disability	Quantity	Data collected by MDE	FY2020: 126 FY2021: 129 FY2022: 124 FY2023: 118	FY2024: 124
Number of DeafBlind interveners completing training cohort.	Quantity	Data collected by MDE	FY2020: unknown FY2021: 26 FY2022: 37 FY2023: 41	FY2024:25

Preschool Education Part B Program

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years (FFY) 2020-22.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Children will demonstrate positive relationships (A) Greater than expected progress (B) Exited Part C within age expectations	Results	Data collected by MDE	FY2020: 60.9% FY2021: 63.7% FY2020: 48.0% FY2021: 50.7%	FY2022: 60.4% FY2022: 51.3%
Children will acquire and use knowledge and skills (A) Greater than expected progress (B) Exited Part C within age expectations	Results	Data collected by MDE	FY2020: 63.4% FY2021: 65.2 % FY2020: 45.7% FY2021: 47.0%	FY2022: 61.2% FY2022: 46.8%
Children will take action to meet needs (A) Greater than expected progress (B) Exited Part C within age expectations	Results	Data collected by MDE	FY2020: 62.5% FY2021: 64.9% FY2020: 58.2% FY2021: 60.2%	FY2022: 63.2% FY2022: 60.9%

State Systematic Improvement Plan

MDE's state identified measurable result (SIMR) is to improve six-year graduation rates for American Indian and Black students with disabilities by at least one percent per year over six years.

State Identified Measurable Result—Targets and Data

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Minnesota 6-Year Adjusted Cohort Graduation Rates for American Indian and Black Students with IEPs	Results-Target	Data collected by MDE	FY2020: 58.0% FY2021: 59.0%	FY2022: 60.0%
Minnesota 6-Year Adjusted Cohort Graduation Rates for American Indian and Black Students with IEPs	Results-Target	Data collected by MDE	FY2020: 59.4% FY2021: 62.5%	FY2022: 63.1%

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2021

Race/Ethnicity Group	Total Special Education Students in Six-year Cohort	Total Special Education Students Graduating	Percent of Special Education Graduates	Total Special Education Students Not Graduating in 2021
American Indian	204	358	57.0%	142
Black	1,474	941	63.8%	687
American Indian and Black	**1,832**	**1,145**	**62.5%**	687
All Race/Ethnic Groups Combined	10,601	7,827	73.8%	2,744

State Identified Measurable Result—Six-Year Cohort Statewide Cohort Totals and Graduation Rates 2022

Race/Ethnicity Group	Total Special Education Students in Six-year Cohort	Total Special Education Students Graduating	Percent of Special Education Graduates	Total Special Education Students Not Graduating in 2020
American Indian	383	222	58.0%	161
Black	1,466	944	64.4%	683
American Indian and Black	1,849	1,166	63.1%	683
All Race/Ethnic Groups Combined	10,454	7,843	75.0%	2,611

Youth in Transition Framework and Toolkit

- In the 2023-24 school year, the Minnesota Department of Education, Department of Employment and Economic Development, and Department of Human Services developed and launched the Youth in Transition Framework and Toolkit. The Youth in Transition Toolkit provides special education IEP case managers, local vocational rehabilitation counselors, and local disability services providers, with a shared set of tools to for using Charting the LifeCourse to help youth develop a vision for their future and

discover what it takes to live their best lives. In addition, it provides instructional and practical resources for: teaching in(ter)dependent living skills; career exploration and work-based learning; and learning about postsecondary employment and education. Each set of instructional resources includes an objective for each of four learning stages: Awareness, Exploration, Preparation, and Implementation. MDE is developing strategies to match the toolkit to required components of IEP transition planning, and proxy measures of Youth in Transition Toolkit implementation.

Project SEARCH

In 2023-24, 11 Minnesota businesses participated as Project SEARCH sites and hosted 75 interns, 73 of which completed the full program.

M.S. 125A
Federal law [Individuals with Disabilities Education Act (IDEA) 20 U.S.C. §1400 (2004)]; Federal Regulations (34 CFR 300); IDEA (P.L. 108-466); Preschool Incentive Program (P.L. 108-466, Sec. 619); Infants and Toddlers Program (P.L. 108-466, Part C); Part B/Section 619 of the Individuals with Disabilities Education Act

Other Federal Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
3000 - Federal	195,865	192,128	197,992	210,384	210,309	210,309	210,309	210,309
Total	**195,865**	**192,128**	**197,992**	**210,384**	**210,309**	**210,309**	**210,309**	**210,309**
Biennial Change				20,383		12,242		12,242
Biennial % Change				5		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	8,876	9,255	9,853	11,540	11,837	12,025	11,837	12,025
Operating Expenses	9,218	8,364	8,479	9,955	9,726	9,683	9,726	9,683
Grants, Aids and Subsidies	177,771	174,510	179,661	188,889	188,746	188,601	188,746	188,601
Other Financial Transaction		0						
Total	**195,865**	**192,128**	**197,992**	**210,384**	**210,309**	**210,309**	**210,309**	**210,309**
Total Agency Expenditures	195,865	192,128	197,992	210,384	210,309	210,309	210,309	210,309
Internal Billing Expenditures	1,966	2,051	1,876	2,203	2,203	2,203	2,203	2,203
Expenditures Less Internal Billing	**193,899**	**190,076**	**196,116**	**208,181**	**208,106**	**208,106**	**208,106**	**208,106**
Full-Time Equivalents	**72.74**	**76.63**	**73.59**	**77.82**	**77.82**	**77.82**	**77.82**	**77.82**

Other Federal Special Education Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3000 - Federal								
Balance Forward In	3	3		75				
Receipts	195,863	192,125	198,067	210,309	210,309	210,309	210,309	210,309
Balance Forward Out			75					
Expenditures	**195,865**	**192,128**	**197,992**	**210,384**	**210,309**	**210,309**	**210,309**	**210,309**
Biennial Change in Expenditures				20,383		12,242		12,242
Biennial % Change in Expenditures				5		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	72.74	76.63	73.59	77.82	77.82	77.82	77.82	77.82

Program: Special Education
Activity: Other State Special Education Programs

https://education.state.mn.us/MDE/dse/schfin/sped/

AT A GLANCE

- There are four additional ongoing state special education funding sources: Children with Disabilities, Travel for Home-based Services, Court-Placed Revenue, and Out-of-State Tuition.
- 83 students with disabilities were placed in care and treatment facilities in fiscal year (FY) 2023.
- 40 students without disabilities were placed in care and treatment programs in FY 2023.
- In FY 2023, the average length of stay in a foster facility for care and treatment for students both with and without disabilities was 49 school days, at an average cost of $6,336 per stay.
- 6,227 early childhood special education (ECSE) (birth-4) children were served in the Home-based Services program in FY 2023.
- In FY 2023, Minnesota courts placed 6 non-Minnesota students with Individual Education Programs (IEP) into care and treatment facilities.
- In FY 2023, court action placed 36 Minnesota students out of state.
- The 2023 legislature created special education separate sites and programs aid beginning in fiscal year (FY) 2024 and later. The legislature appropriated $4,378,000 in special education separate sites and programs aid in 2024.

PURPOSE AND CONTEXT

The state provides four additional ongoing special education appropriations to help cover district costs for students who are considered wards of the state, students placed out of state for services by court action, out of state students placed into Minnesota programs by court action where the other state is unwilling to pay the educational costs, and finally staff transportation costs for home-based services to students with disabilities under the age of 5.

The Children with Disabilities program provides funding for individuals who are placed for care and treatment in a licensed residential facility or foster facility, and for whom no district of residence can be determined. Children with disabilities are eligible for this program if no district of residence can be determined because:

- Parental rights have been terminated by court order.
- The parent or guardian is not living in the state.
- No other district of residence can be established.
- The parent or guardian with legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of Corrections.

Children without disabilities are eligible for this program if no district of residence can be determined because parental rights have been terminated by court order.

Districts that serve these students receive full payment for the cost of their education from varying state sources, including children with disabilities aid.

This program contributes to the objective that all students receive a world-class education.

The Home-based Services aid program reimburses school districts for travel costs associated with early childhood special education (ECSE) services. This program contributes to the objective of all students ready for school.

Court-Placed Revenue pays for special education for non-Minnesota students with Individual Education Programs (IEP) when the school district is unable to collect tuition from the responsible state, school district, or other non-Minnesota agency. Without this aid, a school district would have to pay for special education costs out of their general fund.

This program contributes to the objective of all students graduating from high school.

The Out-of-State Tuition program provides education funding for Minnesota resident students placed by court action in out-of-state care and treatment facilities, in a state that does not have a reciprocity agreement. Students are placed in specialized care and treatment services when those services are not available in Minnesota, either because the facilities are full, or Minnesota does not have the specialized treatment center available.

The special education separate sites and programs aid provides aid to a public separate day school facility attended by students with disabilities for 50 percent or more of their school day.

SERVICES PROVIDED

The Children with Disabilities program ensures a free and appropriate education for eligible children. This funding is for both special and general education students who are placed in residential facilities and who are considered wards of the state. These students are considered residents of the district in which the facility is located, and these funds help to cover the full cost of educating these students.

- State expenditures were $1,114,480 for FY 2023.
- Districts are reimbursed for 100 percent of the additional costs of educating these children; they are reimbursed the year after they provide the services.
- The Minnesota Department of Education (MDE) processes reimbursement requests and provides technical support for this program.
- Aid is based on prior year cost, so students who were served in FY 2023 were funded with FY 2024 aid in the spring of 2024.

With the Home-based Services program, the state reimburses districts half of the amount spent, based on mileage, by workers traveling to provide home- or community-based services to children under age 5 who have disabilities.

- $396,224 for FY 2023
- For very young children, services may also include parent consultation and training.
- Federal funding may be used for this purpose.
- MDE calculates and processes aid payments and provides technical support for this program.

With the Court-Placed Revenue program, Minnesota school districts that provide special education and related services to court-placed non-Minnesota students with IEPs are reimbursed for those services if the out-of-state placing agencies do not pay tuition.

- $32,688 for FY 2023
- In FY 2023, Minnesota courts placed 6 non-Minnesota students with Individual Education Programs (IEP) into care and treatment facilities.
- Districts must document that they tried to collect tuition from the students' resident districts or states and submit proof to MDE.
- Districts are reimbursed the fiscal year after they provide the services.
- MDE processes reimbursement requests and provides technical support for this program.

Out-of-State Tuition is provided when a Minnesota student is placed in an out-of-state care and treatment facility.

- The out-of-state care and treatment facilities submit tuition bills to the Minnesota resident district, based on the actual cost of providing education.
- The Minnesota resident district submits the tuition bills to MDE.
- MDE calculates state aid and processes aid payments to the district.
- The aid is paid as a reimbursement in the year after the services are provided.
- This appropriation is not forecasted but rather the state provides $250,000 annually to help cover these costs. The amounts below are the actual program costs incurred by districts. In the year after aid is paid, if there are funds available in the commissioner's reserve (M.S. 127A.41), additional aid helps further cover this shortfall.
- $413,173 for FY 2023.
- MDE also provides technical support for this program.

The special education separate sites and program aid equals $1,689 times the adjusted kindergarten through grade 12 pupil units served in special education separate sites and programs. The aid may be used for the same purposes as permitted for state special education aid under section 125A.76. The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

The name "Children with Disabilities" is for a specific subset of students for which this funding is made available. These are either students with or without disabilities whose parent rights have been terminated and who are receiving services in a residential program. They are therefore considered a resident of the district in which the resident facility is located, and these funds help to fully cover the cost of education for these local districts.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Children with Disabilities - Number of eligible Average Daily Memberships (ADM) with disabilities in placement.	Quantity	Data collected by MDE	FY2021: 61.85 FY2022: 53.68	FY2023: 55.83
Children with Disabilities - Number of eligible Average Daily Memberships (ADM) without disabilities in placement.	Quantity	Data collected by MDE	FY2021: 26.35 FY2022: 23.94	FY2023: 24.90
Home-based Services - Number of children under age five receiving special education services.	Quantity	Data collected by MDE	FY2021:5,254 FY2022: 5,711	FY2023: 6,227
Partial-year students aggregated to determine average daily membership (ADM) placed out-of-state for care and treatment.	Quantity	Data collected by MDE	FY2021: 30.85 FY2022: 27.14	FY2023: 21.75

Over the past five years, the number of students eligible for court-placed revenue has declined and remains low. Many school districts are making sure that the resident state or district pays for the cost of special education services.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Partial-year students aggregated to determine the Number of Eligible Full-Year Students (ADM) in Court Placement	Quantity	Data collected by MDE	FY2019 Placement/FY2020 Aid: 0.00 FY2020 Placement/FY2021 Aid: 0:00	FY2021 Placement/FY2022 Aid: 0.81

M.S. 125A.75, subdivision 3; M.S. 125A.75, subdivision 1; M.S. 125A.79, subdivision 4; M.S.125A.79, subdivision 8, M.S 125A.81

Other State Special Education Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	12,368	1,997	5,702	7,318	7,904	8,537	7,904	8,537
Total	**12,368**	**1,997**	**5,702**	**7,318**	**7,904**	**8,537**	**7,904**	**8,537**
Biennial Change				(1,345)		3,421		3,421
Biennial % Change				(9)		26		26
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	12,368	1,997	5,702	7,318	7,904	8,537	7,904	8,537
Total	**12,368**	**1,997**	**5,702**	**7,318**	**7,904**	**8,537**	**7,904**	**8,537**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	1,706	1,730	4,746	7,098	7,684	8,317	7,684	8,317
District Revenue	1,706	1,730	4,746	7,098	7,684	8,317	7,684	8,317
Direct Appropriation	12,982	2,096	6,191	7,318	7,904	8,537	7,904	8,537
Current Year	1,670	1,698	5,420	6,588	7,144	7,747	7,144	7,747
Prior Year	23	49	32	49	58	65	58	65
Cancellations	614	99	489					
Expenditures	**12,368**	**1,997**	**5,702**	**7,318**	**7,904**	**8,537**	**7,904**	**8,537**
Biennial Change in Expenditures				(1,345)		3,421		3,421
Biennial % Change in Expenditures				(9)		26		26
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology
Activity: Debt Service Equalization

AT A GLANCE

- In fiscal year (FY) 2025: 248 districts have eligible debt service equalization revenue.
- 25 districts will receive regular debt service equalization aid.
- 2.1 percent of eligible regular debt service revenue is state aid.
- Two districts will receive disaster debt service equalization aid.

PURPOSE AND CONTEXT

Debt Service Equalization is a state aid and local property tax levy program that helps to ensure that all school districts can provide adequate educational facilities for their students.

Beginning in FY 2017, Natural Disaster Debt Service Equalization revenue is available to districts that suffered a natural disaster.

School districts must receive approval from a majority of those voting in a school bond referendum before issuing bonds to construct, acquire, or improve school facilities.

This program serves all public school students and communities in Minnesota. School districts with a relatively high debt service tax rate and low-to-moderate tax base per pupil unit may receive aid to reduce the tax burden for local property owners.

SERVICES PROVIDED

The regular Debt Service Equalization program under Minnesota Statutes, section 123B.53, includes several components:

- Required Debt Service Levy
  - A school district must levy for the principal and interest payments on its general obligation bonds, plus an additional five percent to cover potential tax delinquencies, for the following fiscal year.
  - The required debt service levy for all years is established and approved by the local school board at the time the bonds are sold.
  - To be eligible for debt service equalization, the bonds must have been sold by July 1 of the calendar year the levy is certified. In addition, debt service for repayment of bonds issued after July 1, 1992, must be for construction projects that have received a positive review and comment, have a bond schedule approved by the commissioner, and if necessary, adjusted to reflect a 20-year maturity schedule. Debt service for repayment of bonds issued after July 1, 1997, must be for facilities whose primary purpose is to serve students in kindergarten through grade 12.
  - Beginning in FY 2017, bonds related to the Long-Term Facilities Maintenance program are equalized through that program and are no longer eligible for debt service equalization.
- Debt Service Equalization Revenue
  - School districts qualify for state debt service equalization aid if the eligible debt service levy exceeds 15.74 percent of the district's tax base (as measured by Adjusted Net Tax Capacity (ANTC)) and the district's tax base per student is below the guaranteed tax base per student set in law.
  - There is no state aid on the portion of the levy falling below 15.74 percent of the district's ANTC.

- The state provides aid to pay a portion of the levy exceeding 15.74 percent of the district's ANTC using a two-tiered sliding scale that varies with the district tax base per student. As the district tax base per student declines, the state share of equalized revenue increases.
- Debt Service Equalization Aid equals the difference between the revenue and the levy.

To be eligible for Natural Disaster Debt Service Equalization under Minnesota Statutes, section 123B.535, a district must:

- Have been impacted by a natural disaster occurring after January 1, 2005, in an area eligible for Federal Emergency Management Agency (FEMA) payments.
- Have damage of $500,000 or more to school district buildings that is not covered by insurance or FEMA payments.
- Notify the commissioner of education of its intended natural disaster debt service revenue every year by July 1.
- A district receives aid under this program if its total debt service levy exceeds 10 percent of its tax base and the district's tax base per student is below a guaranteed tax base per student set in state law.
- The aid a district receives varies depending on the amount of the district's eligible debt service levy, the number of students it has, and its property tax capacity.
- The state guaranteed tax base for this program is significantly higher than under the regular state debt service equalization program.

The Minnesota Department of Education (MDE) reviews and comments on proposed school construction projects, and calculates state aid and property tax levies for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of districts ineligible for Tier 1 debt service equalization because tax base exceeds statutory Tier 1 equalizing factor	Quality	Data collected by MDE	FY2023: 93%	FY2025: 93%
Districts receiving regular debt service equalization aid	Quantity	Data collected by MDE	FY2023: 24	FY2025: 25

MDE does not collect data regarding unmet facility needs.

M.S. 123B.53; M.S. 123B.535; M.S. 123B.54; M.S. 123B.55; M.S. 123B.61; M.S. 123B.62; M.S. 126C.40; M.S. 126C.63; M.S. 475.61;

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	25,001	24,314	24,510	20,333	16,225	13,580	16,225	13,580
Total	**25,001**	**24,314**	**24,510**	**20,333**	**16,225**	**13,580**	**16,225**	**13,580**
Biennial Change				(4,472)		(15,038)		(15,038)
Biennial % Change				(9)		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	25,001	24,314	24,510	20,333	16,225	13,580	16,225	13,580
Total	**25,001**	**24,314**	**24,510**	**20,333**	**16,225**	**13,580**	**16,225**	**13,580**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	24,903	24,248	24,539	19,865	15,821	13,331	15,821	13,331
Levies	820,980	753,275	910,025	1,037,365	919,568	864,656	919,568	864,656
District Revenue	845,883	777,523	934,564	1,057,230	935,389	877,987	935,389	877,987
Direct Appropriation	25,001	24,315	24,511	20,333	16,225	13,580	16,225	13,580
Current Year	22,413	21,824	22,086	17,879	14,239	11,998	14,239	11,998
Prior Year	2,588	2,490	2,424	2,454	1,986	1,582	1,986	1,582
Cancellations	0	1	1					
Expenditures	**25,001**	**24,314**	**24,510**	**20,333**	**16,225**	**13,580**	**16,225**	**13,580**
Biennial Change in Expenditures				(4,472)		(15,038)		(15,038)
Biennial % Change in Expenditures				(9)		(34)		(34)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology
Activity: Telecommunications Access

https://education.mn.gov/MDE/dse/schfin/fac/

AT A GLANCE

- In fiscal year (FY) 2024, telecommunications access aid was received by school districts combined into 19 telecommunications clusters, as well as 4 districts filing independently
- Demand from districts in FY 2024 totaled $7.05 million.
- Aid is capped at the appropriated amount, which is currently $3.75 million per year. As a result, the aid for FY 2024 was prorated at approximately 53 percent.

PURPOSE AND CONTEXT

This program provides telecommunication and internet access funding for public and nonpublic schools in Minnesota.

All public school districts, charter schools, intermediate school districts, and nonpublic schools in Minnesota are eligible to participate in this program. Home schools are not eligible.

SERVICES PROVIDED

Schools and districts can be reimbursed for the following costs:

- Specific ongoing or recurring telecommunications/internet access costs;
- Recurring costs of specified maintenance on the school district's wide area network;
- Recurring costs of cooperative arrangements for delivery of telecommunications/internet access between certain entities; and
- Specific service provider installation fees.

Eligible costs for schools and school districts that are not members of a telecommunications cluster must exceed $16 per student to qualify for aid. Telecommunications access clusters are school associations; they do not need to meet the $16 per student threshold.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of public school districts receiving aid	Quantity	Data collected by MDE	FY2022: 298	FY2024: 286
Number of charter schools receiving aid	Quantity	Data collected by MDE	FY2022: 9	FY2023: 4
Number of nonpublic schools receiving aid	Quantity	Data collected by MDE	FY2022: 0	FY2023: 1

M.S. 125B.26

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	3,748	3,752	3,743	3,757	3,750	3,750	3,750	3,750
Total	**3,748**	**3,752**	**3,743**	**3,757**	**3,750**	**3,750**	**3,750**	**3,750**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	3,748	3,752	3,743	3,757	3,750	3,750	3,750	3,750
Total	**3,748**	**3,752**	**3,743**	**3,757**	**3,750**	**3,750**	**3,750**	**3,750**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Balance Forward In		2		7				
Balance Forward Out	2		7					
Expenditures	**3,748**	**3,752**	**3,743**	**3,757**	**3,750**	**3,750**	**3,750**	**3,750**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology
Activity: Long-Term Facilities Maintenance Aid

https://education.state.mn.us/MDE/dse/schfin/fac/ltfm/

AT A GLANCE

- This program began in fiscal year (FY) 2017, and replaced the Alternative Facilities, Deferred Maintenance, and Health and Safety revenue programs that were funded through FY 2016.
- In taxes payable 2023, there were 335 district and secondary cooperative 10-year facility plans approved for FY 2024 revenue.

PURPOSE AND CONTEXT

Students need a healthy, safe, accessible, and well-maintained place to learn and likewise, for school and district employees to work. The long-term facilities maintenance program is a state aid and levy program that addresses facility and grounds issues impacting safety, health, deferred maintenance, and accessibility concerns. One of the primary purposes of the program was to reduce the disparity in funding between the largest 27 districts that were eligible for Alternative Facilities Revenue and all other districts.

School districts, intermediate school districts and other cooperative units (through member districts) are eligible to participate in the program. Charter schools are not eligible to participate in the program but receive long-term facilities maintenance state aid which may be used for any school purpose

SERVICES PROVIDED

Program revenue may be used for qualifying facility issues in any existing public school building or site. However, the district must own or have contractually agreed to purchase (lease-purchase) any building or facility where program-funded work is done. New construction and portable classrooms are not eligible for funding. The program has its own equalization formula. Projects may be funded on a pay-as-you-go basis or by issuing debt. Intermediate districts and cooperatives do not receive state aid and charter school revenue is 100 percent state aid.

The program addresses a wide array of areas impacting facilities and school environments, including the following:

- Asbestos removal or encapsulation;
- Hazardous substance removal, including provisions for lead in water testing and mitigation; Fire safety, including compliance with state fire marshal orders;
- Indoor air quality;
- Environmental health and safety management;
- Physical hazard control;
- Accessibility to accommodate persons with a disability;
- Deferred capital and maintenance projects;
- School districts with an approved voluntary prekindergarten program under Minnesota Statutes 2023, section 124D.151, may include costs approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction; and
- Effective July 1, 2024, statutory requirements include 10-year plan provisions for at least one gender-neutral, single-user restroom per site (construction or remodeling).

The Minnesota Department of Education (MDE) reviews and approves 10-year facility plans that have been approved by the school board and submitted for commissioner approval. MDE calculates state aids and property tax levies for this program.

RESULTS

Districts broken down by former Alternative Facility districts and all other districts)	Measure type	Measure data source	Historical trend	Most recent data
Alternative Facility Districts [27 largest districts] (revenue per Average Daily Membership)	Quantity	Data collected by MDE	FY2023 (LTFM) $977	FY2024 (LTFM) $1,137
All Other Districts (revenue per Average Daily Membership)	Quantity	Data collected by MDE	FY2023 (LTFM) $583	FY2024 (LTFM) $607

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Districts, Intermediates, Cooperatives and charter schools receiving revenue for approved 10-year plans	Quantity	Data collected by MDE	FY2023 Charter: 181 FY2023 District: 335 FY2023 Total: 516	FY2024 Charter: 181 FY2024 District: 335 FY2024 Total: 516
Districts and Charter Schools receiving state aid	Quantity	Data collected by MDE	FY2023 Charter: 181 FY2023 District: 265 FY2023 Total: 446	FY2024 Charter:181 FY2024 District: 267 FY2024 Total: 448
State aid as a percentage of revenue	Quantity	Data collected by MDE	FY2023 Charter: 100% FY2023 District: 16.3% FY2023 Total: 17.5%	FY2024 Charter: 100% FY2024 District: 14.8% FY2024 Total: 16.0%

M.S. 123B.595

Long-Term Facilities Maintenance Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	107,183	108,004	107,615	107,242	106,480	105,485	106,480	105,485
Total	**107,183**	**108,004**	**107,615**	**107,242**	**106,480**	**105,485**	**106,480**	**105,485**
Biennial Change				(329)		(2,892)		(2,892)
Biennial % Change				(0)		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	107,183	108,004	107,615	107,242	106,480	105,485	106,480	105,485
Total	**107,183**	**108,004**	**107,615**	**107,242**	**106,480**	**105,485**	**106,480**	**105,485**

Long-Term Facilities Maintenance Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	107,575	108,303	107,548	107,203	106,399	105,384	106,399	105,384
Levies	459,112	465,798	494,179	502,744	662,032	692,401	662,032	692,401
District Revenue	566,687	574,101	601,727	609,947	768,431	797,785	768,431	797,785
Direct Appropriation	108,582	108,269	107,905	107,242	106,480	105,485	106,480	105,485
Current Year	96,818	97,474	96,794	96,483	95,760	94,846	95,760	94,846
Prior Year	10,365	10,530	10,821	10,759	10,720	10,639	10,720	10,639
Transfers In		85						
Cancellations	1,399	350	290					
Expenditures	**107,183**	**108,004**	**107,615**	**107,242**	**106,480**	**105,485**	**106,480**	**105,485**
Biennial Change in Expenditures				(329)		(2,892)		(2,892)
Biennial % Change in Expenditures				(0)		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Facilities and Technology
Activity: Special Facilities and Technology Opportunities

AT A GLANCE

- The Building and Cybersecurity and Gender-Neutral Bathroom grant programs provide funds to schools for facilities upgrades.
- The Maximum Effort Loan Aid is no longer active. It was paid annually from fiscal year (FY) 2018 through FY 2022 to 10 school districts that had state capital loans outstanding as of June 30, 2016. The total aid, over the course of the program, was $16.4 million.

PURPOSE AND CONTEXT

The Maximum Effort Loan Aid provided property tax relief to offset the amount of interest paid on state maximum effort loans between December 1, 1990, and June 30, 2016, and capital loans between June 30, 2017, and June 30, 2021, by the 10 qualifying districts.

SERVICES PROVIDED

The last installment of Maximum Effort Loan Aid, totaling $16.3 million over the course of the program, was paid in FY 2022.

MDE administered all aspects of the aid program. Services included:

- Developing application process and reporting forms for applicants/recipients;
- Providing technical assistance to applicants/recipients;
- Calculating, auditing, and processing payments; and
- Providing guidance as it relates to Minnesota statutes and state policies.

The Multi-Purpose Community Facility program supports community revitalization, connectedness, and equity by promoting education, work, and health for children and families in areas that would benefit most from expanded community facilities.

The Building and Cybersecurity Grant Program provides grants to schools to improve building security and cybersecurity. Funds may be used for security related facility improvements, cybersecurity insurance premiums, and associated costs.

Gender-Neutral Bathrooms grants provide funds to school districts for remodeling, constructing, or repurposing space for gender-neutral single-user restrooms.

RESULTS

The programs within this Budget Activity are new or no longer active.

Minnesota Session Laws 2021, 1st Special Session, Chapter 13, Article 7, Section 2, Subdivision 5

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	3,288		24	26,308	1,000	1,000	1,000	1,000
3000 - Federal			12	20,071	20,071	20,071	20,071	20,071
Total	**3,288**		**36**	**46,379**	**21,071**	**21,071**	**21,071**	**21,071**
Biennial Change				43,127		(4,273)		(4,273)
Biennial % Change						(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			18	75	71	72	71	72
Operating Expenses			4	236	75	74	75	74
Grants, Aids and Subsidies	3,288		14	46,068	20,925	20,925	20,925	20,925
Total	**3,288**		**36**	**46,379**	**21,071**	**21,071**	**21,071**	**21,071**
Total Agency Expenditures	3,288		36	46,379	21,071	21,071	21,071	21,071
Internal Billing Expenditures			2	9	9	9	9	9
Expenditures Less Internal Billing	**3,288**		**34**	**46,370**	**21,062**	**21,062**	**21,062**	**21,062**
Full-Time Equivalents			**0.16**	**0.23**	**0.23**	**0.23**	**0.23**	**0.23**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation			25,332	1,000	1,000	1,000	1,000	1,000
Open Appropriation	3,288							
Balance Forward In				25,308				
Balance Forward Out			25,308					
Expenditures	**3,288**		**24**	**26,308**	**1,000**	**1,000**	**1,000**	**1,000**
Biennial Change in Expenditures				23,044		(24,332)		(24,332)
Biennial % Change in Expenditures						(92)		(92)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.08	0.15	0.15	0.15	0.15	0.15
3000 - Federal								
Receipts			12	20,071	20,071	20,071	20,071	20,071
Expenditures			**12**	**20,071**	**20,071**	**20,071**	**20,071**	**20,071**
Biennial Change in Expenditures				20,083		20,059		20,059
Biennial % Change in Expenditures						100		100
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.08	0.08	0.08	0.08	0.08	0.08

Program: Nutrition
Activity: Minnesota Free School Meals - Lunch

https://education.mn.gov/MDE/dse/FNS/SNP/

AT A GLANCE

- Commodities equaling $37,657,425.54 were received by 652 schools in federal fiscal year (FY) 2023.
- The Minnesota Free school Meals Program (MN-FSM) allowed all Minnesota schools participating in the United States Department of Agriculture (USDA) National School Lunch Program to provide no cost meals to all students starting in school year 2023-24

PURPOSE AND CONTEXT

This program provides nutritious lunches during the school day to help meet children's nutritional needs and foster lifelong healthy eating habits. The United States Department of Agriculture (USDA) provides funding for the National School Lunch Program (NSLP). The afterschool snack component of the NSLP provides reimbursement for snacks served to children in afterschool educational and enrichment programs. Starting in school year 2023-24, the state of Minnesota implemented the Minnesota Free School Meals Program (MN-FSM), which provides additional state funding to participating schools to provide each student with one no cost breakfast and one no cost lunch per school day.

These programs support the objective of ensuring every child receives a quality education, no matter their race or zip code.

SERVICES PROVIDED

Student health and learning are improved through daily access to a nutritious school lunch. Students in afterschool care programs receive access to a nutritious snack.

- School lunch menus are planned and served according to federal meal-pattern guidelines.
- Students attending schools participating in MN-FSM receive meals at no cost to the household.
- Commodities such as meat, cheese, poultry, fruits, and vegetables are donated by the USDA to contribute to the school lunch menu.
- Schools complete commodity preference surveys for more than 1,000 raw processed products, fresh fruit and vegetable products through the Department of Defense (DoD), as well as for commercial products that have commodities in them.

School lunch programs are supported financially and administratively through:

- Federal and state reimbursements for lunches and afterschool snacks.
- Surveys of school preferences for USDA commodities.
- Notification to schools of students electronically certified for meal benefits.
- Cyber-Linked Interactive Child Nutrition System (CLiCS), an interactive website which allows schools to meet their application, commodity, and claim requirements online.

Reimbursement rate: 2023 -2024 (July 1, 2023 -June 30, 2024) Payment Type	Budget Code (CLiCS Payment Detail)	Paid Lunch Rates	Reduced-Price Lunch Rates	Free Lunch Rates
Federal Lunch – *Regular*	10555.002	.40 or .42[1]	.40 or .42[1]	.40 or .42[1]
Federal Lunch – *Free and Reduced-Price*	10555.004	N/A	3.45	3.85
Federal Lunch – *8 Cent Certified*	10555.006	.08	.08	.08
State Lunch – Minnesota Free School Meals (MN-FSM)	S6201	3.975[2]	.525[2]	.125
Total Federal/State Payments (*not* including value of USDA Foods) – MN-FSM	N/A	4.455 or 4.475[1]	4.455 or 4.475[1]	4.455 or 4.475[1]

[1] Federal rate for "additional two cents": The higher federal reimbursement rate and higher total payments are paid for all lunches if the school food authority served 60% or more free/reduced-price lunches in the first three months of School Year 2022 – 2023 (SY 2022 – 23) at all sites combined. To check whether a school food authority is approved for the higher rate, refer to the SY 2023 – 24 sponsor application in the Cyber-Linked Interactive Child Nutrition System (CLiCS).

[2] State payment for reduced-price and paid lunches: Reduced-price and paid lunches receive additional state reimbursement so that lunches can be served at no charge, as provided by state law. Although these meals are served at no charge, they must be claimed for reimbursement at the correct eligibility level so that correct federal and state reimbursements are paid.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of school lunch and afterschool snack programs.
- Provides technical assistance and resource materials to schools and residential childcare settings.
- Processes reimbursement claims for meals served.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of lunches sold that are USDA designated free or reduced price meals	Quantity	Data collected by MDE	FY2020: 45% FY2021*: 97% FY2022: 49%	FY2023: 48%
Number of school food authorities receiving administrative reviews to assure program compliance	Quantity	Data collected by MDE	FY2020: 126 FY2021: 140 FY2022: 126	FY2023: 140

* Schools that used the NSLP during FY 2021 – as opposed to other options that were available to them due to pandemic-related waivers – typically had very high free and reduced percentages.

M.S. 124D.111; National School Lunch Act (7 CFR 210).

Minnesota Free School Meals - Lunch

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	11,990	14,073	228,286	252,109	265,107	276,479	265,107	276,479
3000 - Federal	435,442	257,674	261,169	249,200	254,119	259,143	254,119	259,143
Total	**447,432**	**271,747**	**489,455**	**501,309**	**519,226**	**535,622**	**519,226**	**535,622**
Biennial Change				271,584		64,084		64,084
Biennial % Change				38		6		6
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	126	102	21	99	119	122	119	122
Operating Expenses	30	31	7	42	42	42	42	42
Grants, Aids and Subsidies	447,276	271,614	489,427	501,168	519,065	535,458	519,065	535,458
Total	**447,432**	**271,747**	**489,455**	**501,309**	**519,226**	**535,622**	**519,226**	**535,622**
Total Agency Expenditures	447,432	271,747	489,455	501,309	519,226	535,622	519,226	535,622
Internal Billing Expenditures	22	19	3	29	29	29	29	29
Expenditures Less Internal Billing	**447,409**	**271,728**	**489,451**	**501,280**	**519,197**	**535,593**	**519,197**	**535,593**
Full-Time Equivalents	**1.07**	**0.97**	**0.23**	**0.85**	**0.85**	**0.85**	**0.85**	**0.85**

Minnesota Free School Meals - Lunch

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	11,990	14,073	228,286	252,109	265,107	276,479	265,107	276,479
District Revenue	11,990	14,073	228,286	252,109	265,107	276,479	265,107	276,479
Direct Appropriation	16,661	15,984	218,801	252,109	265,107	276,479	265,107	276,479
Current Year	11,990	14,073	228,286	252,109	265,107	276,479	265,107	276,479
Transfers In			14,069					
Cancellations	4,671	1,911	4,584					
Expenditures	**11,990**	**14,073**	**228,286**	**252,109**	**265,107**	**276,479**	**265,107**	**276,479**
Biennial Change in Expenditures				454,332		61,191		61,191
Biennial % Change in Expenditures				1,743		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In				6				
Receipts	435,442	257,674	261,175	249,194	254,119	259,143	254,119	259,143
Balance Forward Out			6					
Expenditures	**435,442**	**257,674**	**261,169**	**249,200**	**254,119**	**259,143**	**254,119**	**259,143**
Biennial Change in Expenditures				(182,748)		2,893		2,893
Biennial % Change in Expenditures				(26)		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.07	0.97	0.23	0.85	0.85	0.85	0.85	0.85

Program: Nutrition
Activity: Minnesota Free School Meals - Breakfast

https://education.state.mn.us/MDE/dse/fns/snp

AT A GLANCE

- Over 36.3 million breakfasts were served in the federal fiscal year (FY) 2023.
- The Minnesota Free School Meals Program (MN-FSM) allowed all Minnesota schools participating in the United States Department of Agriculture (USDA) National School Lunch Program and School Breakfast Program to provide no cost meals to all students starting in school year 2023-24

PURPOSE AND CONTEXT

This program provides nutritious breakfasts to school children to help meet their nutritional needs and foster lifelong healthy eating habits. The United Stated Department of Agriculture (USDA) provides funding for the School Breakfast Program (SBP). Starting in school year 2023-24, the state of Minnesota implemented the Minnesota Free School Meals Program (MN-FSM), which provides additional state funding to participating schools to keep lunch prices affordable and provide each student with one no cost breakfast and one no cost lunch per school day.

These programs support the objective of ensuring every child receives a quality education, no matter their race or zip code.

SERVICES PROVIDED

The School Breakfast Program helps ensure students start their day with a nutritionally balanced meal.

- School breakfast menus are planned according to federal meal pattern guidelines.
- Student health and achievement are improved through daily access to a nutritious school breakfast.
- Students attending schools participating in MN-FSM receive meals at no cost to the household

School breakfast programs are supported through:

- Federal and state reimbursements for school breakfasts.
- USDA commodity food items.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) is a website that allows schools to meet their application and claims requirements online.

Reimbursement rates: 2023-2024 (July 1, 2023-June 30, 2024)

Payment Type	Budget Code (CLiCS Payment Detail)	Paid Breakfast Rates	Reduced-Price Breakfast Rates	Free Breakfast Rates
Federal Breakfast	10553	.38	1.98 or 2.43[1]	2.28 or 2.73[1]
State Breakfast – MN-FSM	S6210	1.90 or 2.35[2]	.30[2]	N/A
Total Federal/State Payments – MN-FSM	N/A	2.28 or 2.73	2.28 or 2.73	2.28 or 2.73

[1] Federal rates for reduced-price and free breakfasts: The higher federal reimbursement rates and higher total reimbursements are paid for free and reduced-price breakfasts served at "Severe Need" sites (sites that served 40% or more free/reduced-price lunches in the first three months of SY 2022 – 23). To check whether a site is approved for Severe Need reimbursement, refer to the site application in CLiCS.

[2] State payments for reduced-price and paid breakfasts: Reduced-price and paid breakfasts receive additional state reimbursement so that breakfasts can be served at no charge, as provided by state law. Although these meals are served at no charge, they must be claimed for reimbursement at the correct eligibility level so that the correct federal and state reimbursements are paid.

The household income threshold for free breakfasts is up to 130% of the poverty guideline and for reduced price breakfasts is up to 185% of the poverty guideline. However, students attending schools participating in MN-FSM receive meals at no cost to the household.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of school breakfast programs.
- Provides technical assistance and resource materials to schools and residential childcare settings.
- Processes reimbursement claims for meals served.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of school breakfasts served that are USDA federal designated free or reduced price meals	Quantity	Data collected by MDE	FY2020: 63% FY2021: 99% FY2022: 64%	FY2023: 61%*
Number of school food authorities receiving administrative reviews to assure program compliance	Quantity	Data collected by MDE	FY2020: 275 FY2021: 185 FY2022: 126	FY2023: 140

* Schools that used this program during FY 2021 – as opposed to other options that were available to them due to pandemic-related waivers – typically had very high free and reduced percentages.

M.S. 124D.1158; M.S. 124D.117
National School Lunch Act (7 CFR 220)

Minnesota Free School Meals - Breakfast

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	6	10,047	48,884	54,134	56,996	59,531	56,996	59,531
3000 - Federal	114,508	63,507	77,557	79,118	80,690	82,303	80,690	82,303
Total	**114,514**	**73,553**	**126,441**	**133,252**	**137,686**	**141,834**	**137,686**	**141,834**
Biennial Change				71,626		19,827		19,827
Biennial % Change				38		8		8
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	114,514	73,553	126,441	133,252	137,686	141,834	137,686	141,834
Total	**114,514**	**73,553**	**126,441**	**133,252**	**137,686**	**141,834**	**137,686**	**141,834**

Minnesota Free School Meals - Breakfast

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	6	10,047	48,884	54,134	56,996	59,531	56,996	59,531
District Revenue	6	10,047	48,884	54,134	56,996	59,531	56,996	59,531
Direct Appropriation	11,848	10,802	44,178	54,134	56,996	59,531	56,996	59,531
Current Year	6	10,047	48,884	54,134	56,996	59,531	56,996	59,531
Transfers In			5,562					
Cancellations	11,842	755	856					
Expenditures	**6**	**10,047**	**48,884**	**54,134**	**56,996**	**59,531**	**56,996**	**59,531**
Biennial Change in Expenditures				92,965		13,509		13,509
Biennial % Change in Expenditures				925		13		13
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In				11				
Receipts	114,508	63,507	77,568	79,107	80,690	82,303	80,690	82,303
Balance Forward Out			11					
Expenditures	**114,508**	**63,507**	**77,557**	**79,118**	**80,690**	**82,303**	**80,690**	**82,303**
Biennial Change in Expenditures				(21,340)		6,318		6,318
Biennial % Change in Expenditures				(12)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Summer Food

AT A GLANCE

- Over 2.6 million meals were served during the summer program year of 2023
- $955,250 was reimbursed to 690 sites that served meals

PURPOSE AND CONTEXT

The Summer Food Service Program (SFSP) helps children who rely on the school breakfast and lunch programs to get the healthy food they need outside the school year. During COVID-19 pandemic, the United States Department of Agriculture (USDA) released waivers that allowed SFSP to operate during the school year in place of the National School Lunch Program and School Breakfast Program to provide free meals to kids.

The USDA funds the program, and state funds of $150,000 are provided based on meals served to schools and non-schools who provide meals under the Summer Food Service Program.

This program supports the objective that every student attends a safe, nurturing learning environment.

SERVICES PROVIDED

The Summer Food Service Program (SFSP) is designed to fill the nutrition gap during the summer months and make sure children can get the nutritious meals they need to achieve.

- Menus for healthy meals and snacks are planned according to federal guidelines.
- Meals and snacks are provided at no charge at a variety of sites to children in low-income areas during the summer.
- Starting in summer 2024, rural areas in Minnesota that do not have a summer eating site can provide food for children to take with them and eat elsewhere.
- Nutritional meals and snacks improve children's health which leads to stronger academic outcomes.

Reimbursement rates: Federal fiscal year (FY) 2024 effective January 1, 2024 to December 31, 2024:

Reimbursement Rates (Operating plus Administrative)

Type of Meal	Self-preparation or Rural Sites	Other Sites (Vended-Urban)
Breakfast	2.9775 (2.71 + .2675)	2.9225 (2.71 + .2125)
Lunch or Supper	5.2125 (4.72 + .4925)	5.1300 (4.72 + .4100)
Supplement (Snack)	1.2350 (1.10 + .1350)	1.2050 (1.10 + .1050)

Self-preparation means the sponsor prepares the meals that will be served at the site(s) and does not contract with a food service management company, caterer, or school for the preparation of meals, which are considered "vended." Self-preparation includes sponsors that prepare meals in a central facility and deliver meals to their sites.

Camp sponsors are paid only based on the percentage of children eligible for free and reduced price meals. Reimbursement may be estimated by taking the number of meals to be served (by type) to all children during a camp session and multiplying it by the percentage of children eligible for free and reduced price meals. That number is then multiplied by the appropriate operational and administrative reimbursement rate.

State funding of $150,000 is allocated in proportion to the total number of meals served by each sponsor. Sponsors, such as a nonprofit, school, or other local government entity, are organizations that take on the administrative responsibility of managing the program at the local level. Program sites refer to the location of the meals being served and receive approximately $0.06 per meal.

The fiscal activity associated with two meal-related federal Coronavirus Relief Fund (CRF) appropriations is also displayed in the fiscal pages of this Budget Activity.

The Minnesota Department of Education (MDE):

- Reaches out to schools, anti-hunger, and youth serving organizations to increase SFSP participation.
- Reviews summer sites and provides training and technical assistance to sponsors.
- Calculates and processes reimbursement claims from sponsors.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of sponsors	Quantity	Data collected by MDE	FY2020: 513 FY2021: 609 FY2022: 132	FY2023: 154
Number of sites	Quantity	Data collected by MDE	FY2020: 1,653 FY2021: 2,199 FY2022: 635	FY2023: 690

M.S. 124D.119
National School Lunch Act (7 CFR 225)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	150	150	150	150	150	150	0	0
3000 - Federal	133,093	8,387	10,861	15,657	15,955	16,121	15,955	16,121
Total	**133,243**	**8,537**	**11,011**	**15,807**	**16,105**	**16,271**	**15,955**	**16,121**
Biennial Change				(114,961)		5,558		5,258
Biennial % Change				(81)		21		20
Governor's Change from Base								(300)
Governor's % Change from Base								(1)
Expenditures by Category								
Compensation	311	271	241	415	427	438	427	438
Operating Expenses	543	219	89	139	140	142	140	142
Grants, Aids and Subsidies	132,388	8,046	10,682	15,253	15,538	15,691	15,388	15,541
Total	**133,243**	**8,537**	**11,011**	**15,807**	**16,105**	**16,271**	**15,955**	**16,121**
Total Agency Expenditures	133,243	8,537	11,011	15,807	16,105	16,271	15,955	16,121
Internal Billing Expenditures	108	70	42	65	65	65	65	65
Expenditures Less Internal Billing	**133,134**	**8,466**	**10,969**	**15,742**	**16,040**	**16,206**	**15,890**	**16,056**
Full-Time Equivalents	**2.10**	**2.46**	**1.97**	**3.60**	**3.60**	**3.60**	**3.60**	**3.60**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	150	150	150	150	150	150	0	0
District Revenue	150	150	150	150	150	150	0	0
Direct Appropriation	150	150	150	150	150	150	0	0
Current Year	150	150	150	150	150	150	0	0
Expenditures	**150**	**150**	**150**	**150**	**150**	**150**	**0**	**0**
Biennial Change in Expenditures				0		0		(300)
Biennial % Change in Expenditures				0		0		(100)
Governor's Change from Base								(300)
Governor's % Change from Base								(100)
3000 - Federal								
Balance Forward In				2				
Receipts	133,093	8,387	10,863	15,655	15,955	16,121	15,955	16,121
Balance Forward Out			2					
Expenditures	**133,093**	**8,387**	**10,861**	**15,657**	**15,955**	**16,121**	**15,955**	**16,121**
Biennial Change in Expenditures				(114,961)		5,558		5,558
Biennial % Change in Expenditures				(81)		21		21
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	2.10	2.46	1.97	3.60	3.60	3.60	3.60	3.60

Program: Nutrition
Activity: USDA Foods

AT A GLANCE

- Minnesota schools receive an estimated 20 million pounds of commodity foods each year.

PURPOSE AND CONTEXT

The commodity program began in the early 1930s as an outgrowth of federal agriculture policies designed to shore up farm prices and help American farmers suffering from the Great Depression. When the National School Lunch Act was passed in 1946, its stated purpose was both to improve the health of children and to provide a market for agricultural production. The program serves to supplement food resources through entitlement funding for schools to directly purchase from available United States Department of Agriculture (USDA) commodities and Department of Defense programs.

The USDA provides the entire funding for the program.

This program supports the objective that every student attends a safe, nurturing learning environment.

SERVICES PROVIDED

Schools participating in the National School Lunch Program:

- Receive commodity foods, called "entitlement" foods, at a value of 36.5 cents (July 2023) for each lunch served. Foods purchased support meeting the dietary guidelines for nutritious meals and include grains, vegetables, fruits, proteins, and dairy products grown and processed in the United States.
- May also get "bonus" commodities such as meat, cheese, poultry, grains, rice, fruits, and vegetables, as they are available through USDA. These foods are offered periodically, but only as they become available through agricultural surpluses.

A state revolving fund was established in 2001 for the cash received for commodity donated foods that have been lost, damaged, recalled, or diverted for processing. Minnesota uses the fund to issue payments for the value of those foods, although through more efficient distribution processes this is now rare.

The Minnesota Department of Education (MDE) assists schools in spending and ordering products with their entitlement funds through technical assistance, food ordering, deliveries, inventories, monitoring, and other issues concerning the USDA Foods program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Total Dollar amount of commodities received by schools	Quantity	Data collected by MDE	FY2020: $32,170,833 FY2021: $33,283,426 FY2022: $38,208,275	FY2023: $37,657,426

M.S. 124D.1195

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
2000 - Restrict Misc Special Revenue	16							
3000 - Federal	10,974	1,782	2,212	2,206	2,250	2,295	2,250	2,295
Total	**10,990**	**1,782**	**2,212**	**2,206**	**2,250**	**2,295**	**2,250**	**2,295**
Biennial Change				(8,353)		127		127
Biennial % Change				(65)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	10,990	1,782	2,212	2,206	2,250	2,295	2,250	2,295
Total	**10,990**	**1,782**	**2,212**	**2,206**	**2,250**	**2,295**	**2,250**	**2,295**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
2000 - Restrict Misc Special Revenue								
Balance Forward In	7	7	7	7	7	7	7	7
Receipts	16							
Balance Forward Out	7	7	7	7	7	7	7	7
Expenditures	**16**							
Biennial Change in Expenditures				(16)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	10,974	1,782	2,212	2,206	2,250	2,295	2,250	2,295
Balance Forward Out	0							
Expenditures	**10,974**	**1,782**	**2,212**	**2,206**	**2,250**	**2,295**	**2,250**	**2,295**
Biennial Change in Expenditures				(8,338)		127		127
Biennial % Change in Expenditures				(65)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Nutrition
Activity: Child and Adult Care Food Program

AT A GLANCE

- 4,406 family child care homes, 923 child care centers, 21 adult care centers, and 12 emergency shelters participated in the Child and Adult Care Food Program (CACFP) in federal fiscal year (FFY) 2023
- 35.6 million meals and snacks were served in FFY 2023
- The United States Department of Agriculture (USDA) released COVID waivers that relaxed eligibility standards that allowed many more community-based organizations to enter the program. These limited time flexibilities skewed the results for 2020-21-22

PURPOSE AND CONTEXT

The Child and Adult Care Food Program (CACFP) helps ensure that children and youth, those receiving emergency shelter services, chronically disabled adults, and senior citizens receiving licensed organized care have access to nutritious meals.

Child care centers, family child care homes, school-age care sites, after-school programs, emergency shelters, and adult day care centers may participate in the CACFP.

The United States Department of Agriculture (USDA) provides all funding for the program, which is administered by the Minnesota Department of Education (MDE).

SERVICES PROVIDED

Health is improved through access to nutritional meals and snacks.

- Menus for healthy meals and snacks are planned according to federal guidelines.
- Most CACFP locations provide meals and snacks at no charge to all enrolled children.

CACFP is supported through:

- Federal reimbursement for meals and snacks. (Reimbursement rates are for federal FY 2024.)

Category	Breakfast	Lunch and Supper Including Cash-in-Lieu-of Commodities*	Snack
A	$2.28	$4.545 ($4.25 + $0.295)	$1.17
B	$1.98	$4.145 ($3.85 + $0.295)	$0.58
C	$0.38	$0.695 ($0.40 + $0.295)	$0.10

- Federal administrative reimbursements to family child care homes are defined by poverty level in geographic area served. Tier 1 sites are reimbursed at a higher rate as a result of serving more families that qualify for free or reduced price meals in a geographical area. For purposes of determining the tiering status of day care homes, the attendance area of a school in which at least 50 percent of the enrolled children are certified eligible for free or reduced price meals, or the area based on the most recent census data in which at least 50 percent of the children residing in the area are members of households that meet the income standards for free or reduced-price meals.

	Tier 1	Tier 2
Breakfast	$1.65	$.59
Lunch/supper	$3.12	$1.88
Snack	$.93	$.25

The Minnesota Department of Education (MDE):

- Assists in meeting program requirements.
- Conducts administrative reviews.
- Provides technical assistance, workshops on nutrition and program regulations, and provides resource materials.
- Processes meal reimbursement claims.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Total value of meals served, all settings	Dollars	Data collected by MDE	FY2021: $195,935.85 FY2022: $181,900,456	FY2023: $62,303,438
Number of participating child care centers	Quantity	Data collected by MDE	FY2021: 1,496 FY2022: 1,012	FY2023: 923
Number of participating family day care homes	Quantity	Data collected by MDE	FY2021: 5,315 FY2022: 4,634	FY2023: 4,406
Number of participating adult day care centers	Quantity	Data collected by MDE	FY2021: 99 FY2022: 36	FY2023: 21
Number of participating emergency shelters	Quantity	Data collected by MDE	FY2021: 99 FY2022: 36	FY2023: 21

Child Nutrition Act and National School Lunch Act (7 CFR 226)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
3000 - Federal	236,079	68,461	70,181	70,614	72,088	73,536	72,088	73,536
6000 - Miscellaneous Agency				1				
Total	**236,079**	**68,461**	**70,181**	**70,615**	**72,088**	**73,536**	**72,088**	**73,536**
Biennial Change				(163,744)		4,828		4,828
Biennial % Change				(54)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	1,077	1,094	1,159	1,183	1,394	1,439	1,394	1,439
Operating Expenses	716	387	421	660	547	547	547	547
Grants, Aids and Subsidies	234,285	66,980	68,601	68,772	70,147	71,550	70,147	71,550
Total	**236,079**	**68,461**	**70,181**	**70,615**	**72,088**	**73,536**	**72,088**	**73,536**
Total Agency Expenditures	236,079	68,461	70,181	70,615	72,088	73,536	72,088	73,536
Internal Billing Expenditures	210	215	192	232	232	232	232	232
Expenditures Less Internal Billing	**235,868**	**68,246**	**69,989**	**70,383**	**71,856**	**73,304**	**71,856**	**73,304**
Full-Time Equivalents	**9.50**	**9.16**	**9.37**	**12.70**	**12.70**	**12.70**	**12.70**	**12.70**

Child and Adult Care Food Program

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3000 - Federal								
Receipts	236,079	68,461	70,181	70,614	72,088	73,536	72,088	73,536
Expenditures	**236,079**	**68,461**	**70,181**	**70,614**	**72,088**	**73,536**	**72,088**	**73,536**
Biennial Change in Expenditures				(163,745)		4,829		4,829
Biennial % Change in Expenditures				(54)		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	9.50	9.16	9.37	12.70	12.70	12.70	12.70	12.70
6000 - Miscellaneous Agency								
Balance Forward In	1	1	1	1				
Balance Forward Out	1	1	1					
Expenditures				**1**				
Biennial Change in Expenditures				1		(1)		(1)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Nutrition
Activity: Other Nutrition Programs

AT A GLANCE

These federal nutrition grants are a key component in helping create a safe, nurturing learning environment for all children to learn and thrive. Other Nutrition Programs include:

- Team Nutrition (TN)
- Fresh Fruit and Vegetable Program (FFVP)
- Technology Innovation Grants (TIG)
- Equipment Grant
- Farm to School and Farm to Early Care
- Summer Electronic Benefit Program (S-EBT

PURPOSE AND CONTEXT

These grants all play a complementary role to the three main nutrition programs, which are the National School Lunch Program (NSLP), Child and Adult Care Food Program (CACFP), and Summer Food Service Program (SFSP). These grants provide:

- Financial resources for sponsoring learning institutions (schools, child care, or community-based youth development) to address nutrition needs of children and youth.
- Best practice training or technical assistance resources for sponsors to effectively administer the programs.
- Funds to assist MDE in maintaining necessary technology resources to administer the programs and provide additional resources (both technical assistance and financial) and distribute funds to sponsors.

Three programs have since been terminated when the COVID-19 pandemic ended. Those programs are the Emergency Operating Cost Reimbursement Program (EOCRP), the Supply Chain Assistance Program, and the Pandemic Electronic Benefit Transfer (P-EBT) Program. Out of P-EBT, the federal government implemented a brand-new program, Summer Electronic Benefit Transfer (S-EBT).

The population served by these programs include:

- Team Nutrition (TN) serves all public, nonpublic and charter schools
- Fresh Fruit and Vegetable Program (FFVP) serves elementary schools that have at least 50% free and reduced students
- Technology Innovation Grants (TIG) serve all sponsor organizations in improving access to the state's Cyber-Linked Interactive Child Nutrition System (CLiCS)
- Summer Electronic Benefit Transfer (S-EBT) which serves students eligible for federal free and reduced price meals.

SERVICES PROVIDED

The services provided through these programs include:

- Team Nutrition (TN)
  - The current grant involves working with parent advisory committee to assist in strategizing how to bring more culturally diverse foods into the school menu.
  - Access to guidebooks, videos, and stipends to engage in project activities.
  - Implemented the "Say Yes! To School Meals" campaign
- Fresh Fruit and Vegetable Program (FFVP)
  - Participating schools receive training and technical assistance on engaging students in eating healthy snacks and providing financial resources to purchase healthy snack items for students.
  - Formula based grants based on enrollment, level of free and reduced students, and the number of days additional fresh snacks are provided. Schools get an additional $75 per student for the school year.
- Technology Innovation Grants (TIG)
  - Current three-year grant is working to facilitate sponsor access to administering the key nutrition programs and enhancing program integrity and reporting functions.
  - Technology enhancements to existing CLiCS system to improve both the sponsor experience in managing program administration and the staff experience in providing monitoring functions.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Pandemic Electronic Benefits (P-EBT) (Notes: School year benefits begin September and are directly connected to COVID; Summer benefits from June – August and are based on free or reduced status)	Results	Data collected by MDE	FY2021: $369,583,333- Cash benefit to student FY2022: $130,629,871-Cash benefits to students	NA
Team Nutrition (Notes: 2-yr grant competitive that began 8/1/2022; MN's 4th competitive grant received)	Results	Data collected by MDE	FY2021: NA FY2022: Worked with students to develop eight new recipes for school lunch menu. FY2023: NA	FY2024 - NA
Fresh Fruit and Vegetables (Notes: School year benefits begin September and are directly connected to COVID; Summer benefits from June – August and are based on free or reduced status).	Results	Data collected by MDE	FY2021: NA FY2022: 97% schools received their request. FY2023: 100% of eligible schools will receive 100% of their request	FY2024: NA

Minnesota Laws 2024 Ch. 115, Article 22, Section 3

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			1,105	2,319	572	572	722	722
3000 - Federal	5,521	990	2,304	2,985	2,887	2,333	2,887	2,333
Total	**5,521**	**990**	**3,408**	**5,304**	**3,459**	**2,905**	**3,609**	**3,055**
Biennial Change				2,201		(2,348)		(2,048)
Biennial % Change				34		(27)		(24)
Governor's Change from Base								300
Governor's % Change from Base								5
Expenditures by Category								
Compensation	12	84	328	607	683	349	683	349
Operating Expenses	4	454	2,476	4,597	2,776	2,556	2,776	2,556
Grants, Aids and Subsidies	5,505	452	605	100			150	150
Total	**5,521**	**990**	**3,408**	**5,304**	**3,459**	**2,905**	**3,609**	**3,055**
Total Agency Expenditures	5,521	990	3,408	5,304	3,459	2,905	3,609	3,055
Internal Billing Expenditures	2	34	78	295	286	231	286	231
Expenditures Less Internal Billing	**5,519**	**956**	**3,330**	**5,009**	**3,173**	**2,674**	**3,323**	**2,824**
Full-Time Equivalents		**1.12**	**2.87**	**6.35**	**6.85**	**4.40**	**6.85**	**4.40**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement							150	150
District Revenue							150	150
Direct Appropriation			1,882	1,542	572	572	722	722
Current Year							150	150
Balance Forward In				777				
Balance Forward Out			777					
Expenditures			**1,105**	**2,319**	**572**	**572**	**722**	**722**
Biennial Change in Expenditures				3,424		(2,280)		(1,980)
Biennial % Change in Expenditures						(67)		(58)
Governor's Change from Base								300
Governor's % Change from Base								26
Full-Time Equivalents			0.13	1.30	1.30	1.30	1.30	1.30
3000 - Federal								
Receipts	5,521	990	2,304	2,985	2,887	2,333	2,887	2,333
Balance Forward Out			0					
Expenditures	**5,521**	**990**	**2,304**	**2,985**	**2,887**	**2,333**	**2,887**	**2,333**
Biennial Change in Expenditures				(1,222)		(69)		(69)
Biennial % Change in Expenditures				(19)		(1)		(1)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents		1.12	2.74	5.05	5.55	3.10	5.55	3.10

Program: Nutrition
Activity: Kindergarten Milk

AT A GLANCE

- 2,292,288 half pints of milk were subsidized in fiscal year (FY) 2023 by the federal Special Milk Program (SMP).
- 2,138,625 half pints were subsidized in FY 2023 through the Minnesota Kindergarten Milk Program (MKMP).

PURPOSE AND CONTEXT

Providing milk during the school day helps meet children's nutritional needs and fosters lifelong healthy eating habits. The health and achievement of preschoolers and kindergarteners are improved through daily access to milk.

The Special Milk Program (SMP) is funded by the United States Department of Agriculture (USDA) and is only available when students do not have access to other federal child nutrition programs. SMP provides schools and child care programs with a reimbursement of 26.25 cents per half pint of milk.

The Minnesota Kindergarten Milk Program (MKMP) is funded by state aid and provides schools with an additional reimbursement of 20 cents per half pint milk served to kindergartners. Schools that participate in SMP may also participate in MKMP, allowing participating districts to be reimbursed up to 47 cents per half pint of milk served to kindergarten children. Even combined, this reimbursement rate doesn't always cover the full cost of a half pint of milk, which depends on the milk vendor.

SERVICES PROVIDED

Both programs are supported financially and administratively through:

- Federal and state reimbursements for half pints of milk served.
- Cyber-Linked Interactive Child Nutrition System (CLiCS) – a website that allows participants to meet their application and claims requirements online.

The Minnesota Department of Education (MDE):

- Conducts administrative reviews of milk programs.
- Provides technical assistance and resource materials.
- Processes reimbursement claims for cartons of milk served.
- Monitors milk program compliance along with the School Nutrition Program monitoring schedule

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of school food authorities receiving administrative reviews to assure program compliance	Quantity	Data collected by MDE	FY2020: 126 FY2021: 140 FY2022: 126	FY2023: 140

M.S. 124D.118
National School Lunch Act (7 CFR 215)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	442	427	386	387	387	387	387	387
3000 - Federal	486	617	618	650	662	675	662	675
Total	**928**	**1,045**	**1,004**	**1,037**	**1,049**	**1,062**	**1,049**	**1,062**
Biennial Change				69		70		70
Biennial % Change				3		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	928	1,045	1,004	1,037	1,049	1,062	1,049	1,062
Total	**928**	**1,045**	**1,004**	**1,037**	**1,049**	**1,062**	**1,049**	**1,062**

Kindergarten Milk

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	442	427	386	387	387	387	387	387
District Revenue	442	427	386	387	387	387	387	387
Direct Appropriation	656	659	428	387	387	387	387	387
Current Year	442	427	386	387	387	387	387	387
Cancellations	214	232	42					
Expenditures	**442**	**427**	**386**	**387**	**387**	**387**	**387**	**387**
Biennial Change in Expenditures				(96)		1		1
Biennial % Change in Expenditures				(11)		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
3000 - Federal								
Balance Forward In				1				
Receipts	486	617	618	649	662	675	662	675
Balance Forward Out			1					
Expenditures	**486**	**617**	**618**	**650**	**662**	**675**	**662**	**675**
Biennial Change in Expenditures				165		69		69
Biennial % Change in Expenditures				15		5		5
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries
Activity: Basic Support and Federal Grants

https://education.state.mn.us/MDE/dse/Lib/sls/Reg/

AT A GLANCE

- Public library services are available in all 87 counties.
- 12 regional public library systems support 356 public libraries; 46% of all libraries are in non-metro areas.
- Public libraries shared over 1.1 million items to other libraries through interlibrary loan, which expanded the reach of local collections.
- In 2023, over 3.2 million Minnesotans had a library card, and public libraries were visited 15.4 million times.
- Arts and Cultural Heritage Funds (ACHF) provide grants to library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota; as well as funding for the Minnesota Center for the Book
- In addition to ongoing federal Library Services and Technology Act (LSTA) grants, the Institute of Museum and Library Services (IMLS) provided federal COVID-19 funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act and American Rescue Plan (ARP) Act to support LSTA programs. COVID funding through the IMLS ended in 2022.

PURPOSE AND CONTEXT

Minnesota's public libraries ensure all residents have equitable access to information regardless of educational or economic status or location in the state. This program helps Minnesota's public libraries offer free and equitable access to a variety of educational, cultural and informational resources, programs and activities from birth to the end of life.

Libraries support the objective that every student deserves a world class education. Ninety-four percent offer summer learning programs for children and teens.

SERVICES PROVIDED

Public libraries collect and make information available in a number of different formats – print book, magazine, DVD, CD, and download-only formats. Professional and trained staff help Minnesotans of all ages and abilities access this information.

Regional library basic system support:

- Provides incentives such as access to regionally administered programs (i.e., interlibrary loans) for counties and cities to work together in regional public library systems, extending service across jurisdictions at the most reasonable cost.
- Distributes funding between cooperating jurisdictions and encourages sharing of library materials through library-to-library lending and borrowing.
- Maintains and improves library programs, materials, and outreach to diverse residents.

In addition to state General Fund aids, the Minnesota Department of Education (MDE) administers certain state Arts and Cultural Heritage Funds (ACHF) and federal Institute of Museum and Library Services (IMLS) funds. ACHF funds are for grants to the state's twelve regional library systems to provide educational opportunities in the arts, history, literary arts, and cultural heritage of Minnesota. The funds – $2.5 million in each of FY 2022 and FY 2023 – may be used to sponsor programs provided by regional libraries, or to provide grants to local arts and cultural heritage organizations for projects in partnership with regional libraries. The ACHF Appropriation was increased to $2.75 million for FY 2024-2025. $100,000 in each of FY 2022 and FY 2023 was also made available for the Minnesota Center for the Book.

Federal funds from the IMLS are grants through the Library Services and Technology Act (LSTA). These funds are used to support statewide initiatives and services including access to electronic databases and the federally mandated Minnesota Braille and Talking Book Library. Additionally, MDE awards grants to support local efforts to address digital equity and access, workforce development programs, and improving library services for youth and seniors.

MDE administers all aspects of these programs. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing aid payments.
- Providing guidance as it relates to Minnesota statutes.
- Managing the statutory library annual report program.
- Giving technical assistance and training to all public libraries and regional library systems.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of Minnesotans attending library programs including story times, summer reading programs, digital literacy and job search. Thirty-seven out of 100 non-metro residents attended a program in 2019; 25 out of 100 for metro area.	Quantity	Data collected by MDE	FY2020: 402,863 FY2021: 465,715 FY2022: 811,981	FY2023: 1,092,028
Circulation of downloadable books, movies, and music	Quantity	Data collected by MDE	FY2020: 9,935,422 FY2021: 10,918,370 FY2022: 12,280,950	FY2023: 13,983,077
Number of weekly open hours	Quantity	Data collected by MDE	FY2020: 405,276 FY2021: 619,320 FY2022: 741,620	FY2023: 742,516

M.S. 134.31; M.S. 134.32; M.S. 134.34; M.S. 134.355

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	13,570	13,570	17,570	17,570	17,883	18,329	17,883	18,329
2301 - Arts & Cultural Heritage	2,600	2,600	2,750	2,750				
3000 - Federal	1,968	881	159	131	131	132	131	132
Total	**18,138**	**17,051**	**20,479**	**20,451**	**18,014**	**18,461**	**18,014**	**18,461**
Biennial Change				5,741		(4,455)		(4,455)
Biennial % Change				16		(11)		(11)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	98	35	56	57	59	62	59	62
Operating Expenses	214	92	104	74	72	70	72	70
Grants, Aids and Subsidies	17,825	16,924	20,320	20,320	17,883	18,329	17,883	18,329
Total	**18,138**	**17,051**	**20,479**	**20,451**	**18,014**	**18,461**	**18,014**	**18,461**
Total Agency Expenditures	18,138	17,051	20,479	20,451	18,014	18,461	18,014	18,461
Internal Billing Expenditures	32	85	99	17	15	13	15	13
Expenditures Less Internal Billing	**18,106**	**16,966**	**20,380**	**20,434**	**17,999**	**18,448**	**17,999**	**18,448**
Full-Time Equivalents	**1.22**	**0.59**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	13,570	13,570	18,014	17,521	17,923	18,374	17,923	18,374
District Revenue	13,570	13,570	18,014	17,521	17,923	18,374	17,923	18,374
Direct Appropriation	13,570	13,570	17,570	17,570	17,883	18,329	17,883	18,329
Current Year	12,213	12,213	16,213	15,769	16,131	16,537	16,131	16,537
Prior Year	1,357	1,357	1,357	1,801	1,752	1,792	1,752	1,792
Cancellations	0	0	0					
Expenditures	**13,570**	**13,570**	**17,570**	**17,570**	**17,883**	**18,329**	**17,883**	**18,329**
Biennial Change in Expenditures				8,000		1,072		1,072
Biennial % Change in Expenditures				29		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
2301 - Arts & Cultural Heritage								
Direct Appropriation	2,600	2,600	2,750	2,750	0	0	0	0
Expenditures	**2,600**	**2,600**	**2,750**	**2,750**				
Biennial Change in Expenditures				300		(5,500)		(5,500)
Biennial % Change in Expenditures				6		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
3000 - Federal								
Receipts	1,968	881	159	131	131	132	131	132
Expenditures	**1,968**	**881**	**159**	**131**	**131**	**132**	**131**	**132**
Biennial Change in Expenditures				(2,559)		(27)		(27)
Biennial % Change in Expenditures				(90)		(9)		(9)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.22	0.59	0.50	0.50	0.50	0.50	0.50	0.50

Program: Libraries
Activity: Multicounty Multitype

https://education.state.mn.us/MDE/dse/Lib/sls/Mult/

AT A GLANCE

- Seven multicounty, multitype library systems serve approximately 1,800 academic, public, school, and special libraries. Services are provided across all types of libraries.
- Multicounty, multitype libraries serve all 87 Minnesota counties

PURPOSE AND CONTEXT

Minnesota's multicounty, multitype library systems promote excellence in library services and connections between public libraries and libraries in schools, colleges, and universities so that library staff can better serve residents.

Multicounty, multitype library systems work across libraries of all types to provide collections, events, and other resources that support students, teachers, and all Minnesotans. Libraries support the objective that every Minnesotan deserves a world class education with caring, qualified teachers and high quality, unfettered access to information. Note: fiscal year (FY) 2022 and FY 2023 number changes are influenced by COVID, COVID recovery, and the restructuring of one of the seven Multicounty, multitype systems.

State aid provides operating funds based on a formula that includes population and land square miles served. Multicounty, multitype library systems may increase revenue through grants and/or cost-recovery fees for workshops and other continuing-education activities. Aid also incentivizes increasing the number of licensed library media specialists.

SERVICES PROVIDED

Multicounty, multitype library systems activities include:

- Organizing and promoting professional development and continuing education activities for library staff.
- Identifying and responding to regional needs across types of libraries.
- Encouraging communication and increasing knowledge of best practices among libraries.
- Supporting resource sharing and collaborative projects among participating libraries.

The Minnesota Department of Education (MDE) administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing guidance as it relates to Minnesota statutes.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Multicounty multitype member libraries.	Quantity	Data collected by MDE is collected.	FY2020: 1,594 FY2021: 1,602 FY2022:1,648	FY2023: 1,350
Scholarships awarded to library staff for participation in professional development and continuing education.	Quantity	Data collected by MDE is collected.	FY2020: 104 FY2021: 93 FY2022: 18	FY2023: 116
Attendance at multicounty, multitype sponsored professional development activities.	Quantity	Data collected by MDE is collected.	FY2020: 1,847 FY2021: 1,912 FY2022: 2,010	FY2023: 1,959

MS 134.351; MS 134.353; MS 134.354

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	1,300	1,300	2,300	2,700	2,000	2,000	2,000	2,000
Total	**1,300**	**1,300**	**2,300**	**2,700**	**2,000**	**2,000**	**2,000**	**2,000**
Biennial Change				2,400		(1,000)		(1,000)
Biennial % Change				92		(20)		(20)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	1,300	1,300	2,300	2,700	2,000	2,000	2,000	2,000
Total	**1,300**	**1,300**	**2,300**	**2,700**	**2,000**	**2,000**	**2,000**	**2,000**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	1,300	1,300	2,078	1,992	2,000	2,000	2,000	2,000
District Revenue	1,300	1,300	2,078	1,992	2,000	2,000	2,000	2,000
Direct Appropriation	1,300	1,300	3,000	2,000	2,000	2,000	2,000	2,000
Current Year	1,170	1,170	1,870	1,792	1,800	1,800	1,800	1,800
Prior Year	130	130	130	208	200	200	200	200
Balance Forward In				700				
Cancellations	0							
Balance Forward Out			700					
Expenditures	**1,300**	**1,300**	**2,300**	**2,700**	**2,000**	**2,000**	**2,000**	**2,000**
Biennial Change in Expenditures				2,400		(1,000)		(1,000)
Biennial % Change in Expenditures				92		(20)		(20)
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries
Activity: Electronic Library for Minnesota

https://www.elm4you.org/

AT A GLANCE

- Electronic Library for Minnesota (ELM) provides access to millions of articles, books, images, test preparation, and other information at no cost to users.
- ELM resources are accessible to Minnesotans through computers, smart phones, and tablets from homes, schools, school library media centers, academic libraries, public libraries, and government agencies.

PURPOSE AND CONTEXT

The Electronic Library for Minnesota (ELM) provides all Minnesotans with access to online high-quality and vetted information resources from all Minnesota Internet Protocol (IP) addresses, including home computers, libraries, and government agencies. ELM supports the objective that every student receives a world class education with caring, qualified teachers.

School libraries, librarians, and educators across the state need online, trustworthy resources to support emerging needs in pre-K literacy and early education, to support new K12 curriculum goal areas, and to ensure representation of Minnesota's diverse residents in our libraries and school library resources.

SERVICES PROVIDED

This program:

- Offers free and equitable online access to millions of magazine, journal, newspaper, and encyclopedia articles; e-books; and other information resources to Minnesota residents.
- Provides tools for career exploration, resume and cover letter writing, test preparation, adult learning, and college readiness through Learning Express Library.
- Reduces costs by negotiating statewide database licenses.

ELM's resources:

- Support K-12 and postsecondary students and teachers.
- Provide information and research on a wide range of topics.
- Are available from all Minnesota IP addresses 24 hours a day, seven days a week.
- Support digital literacy and workforce development efforts.

The Minnesota Department of Education (MDE), through its State Library Services division, recommends and/or approves school and public library representatives on ELM's selection task force and makes final approval of the resources recommended. MDE sets up and processes payments and compiles report information annually.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of ELM searches conducted by Minnesotans	Quantity	Data collected by MDE	FY2020: 49.6 million FY2021: 57 million FY2022: 47.361 million	FY2023: 46.2 million
Number of LearningExpress Library user sessions	Quantity	Data collected by MDE	FY2020: 35,215 FY2021: 31,098 FY2022: 10,421	FY2023: 13,852

MN Laws 2021, 1st Special Session, Chapter 13, Article 8, Section 3, Subdivision 8

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	900	900	900	900	900	900	900	900
Total	**900**	**900**	**900**	**900**	**900**	**900**	**900**	**900**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	900	900	900	900	900	900	900	900
Total	**900**	**900**	**900**	**900**	**900**	**900**	**900**	**900**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	900	900	900	900	900	900	900	900
Expenditures	**900**	**900**	**900**	**900**	**900**	**900**	**900**	**900**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Libraries
Activity: Regional Library Telecom Aid

AT A GLANCE

- Statutory changes in 2020 expanded the allowable use of funds to include digital content and technology items that are not covered by the federal e-rate broadband subsidy program for public libraries. As of 2024, the Federal Communications Commission (FCC) expanded allowable use to include wireless services for hotspots available through the library.
- 342 public library sites benefit from the aid program.
- The number of library locations offering download speeds of at least 100 megabits per second rose from 83 in 2017 to 188 in 2023, including 113 library locations in outstate Minnesota.
- 99.6 percent of public libraries provide wireless access.

PURPOSE AND CONTEXT

The Regional Library Telecommunications Aid program (RLTA) helps regional public library systems and their branch or member public libraries provide community-based broadband accessible to residents statewide. Increasingly, public libraries provide portable internet access through mobile hotspots that circulate for home use.

RLTA funds the telecommunications infrastructure necessary for library-based programs and services that support the objective that every student receives a world-class education. Through public libraries, students have greater access to online learning resources such as the state-provided Electronic Library for Minnesota and locally provided e-books and online homework help services.

SERVICES PROVIDED

This program:

- Allows libraries to leverage federal funds and state and local investments that improve technology infrastructure.
- Facilitates optimal and equitable access to online resources and information, such as the Electronic Library for Minnesota, and to the statewide web-based infrastructure for interlibrary loan.

Activities that rely on internet access and benefit from this program include:

- Equitable community access to high-speed internet, including weekends and evenings.
- Access to online resources, including the Electronic Library for Minnesota and Ebooks Minnesota.
- Connections to school districts, postsecondary education, and other governmental agencies.
- Government-related activities and information, such as unemployment insurance filing.
- Automation systems that improve efficiency and cost-effectiveness in resource sharing.

The Minnesota Department of Education (MDE) administers all aspects of the aid program. Services include:

- Developing application and report forms for aid recipients.
- Providing technical assistance to applicants/recipients.
- Calculating and processing payments.
- Providing technical assistance on the federal e-rate program as it relates to regional library telecommunications aid.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Internet and wireless sessions in public libraries	Quantity	Data collected by MDE	FY2020: 3,935,588 FY2021: 7,085,636 FY2022: 10,606,620	FY2023: 15,321,881
Percentage of public libraries with internet speeds above 20 megabits per second (Mbps)	Quantity	Data collected by MDE	FY2020: 90.5% download, 83.9% upload FY2021: 93.65 download, 85.8% upload FY2022: 92.6% download, 84.3% upload	FY2023: 93.9% download, 87.4% upload
Number of internet devices in public libraries; about 46% of public libraries are in non-urban areas	Quantity	Data collected by MDE	FY2020: 6,564 FY2021: 4,968 FY2022: 5,073	FY2023: 4,971

M.S. 134.355

Regional Library Telecom Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	2,300	2,269	2,300	2,300	2,300	2,300	2,300	2,300
2000 - Restrict Misc Special Revenue	12							
Total	**2,312**	**2,269**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**
Biennial Change				19		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	12							
Grants, Aids and Subsidies	2,300	2,269	2,300	2,300	2,300	2,300	2,300	2,300
Total	**2,312**	**2,269**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**
Total Agency Expenditures	2,312	2,269	2,300	2,300	2,300	2,300	2,300	2,300
Internal Billing Expenditures	2							
Expenditures Less Internal Billing	**2,310**	**2,269**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**

Regional Library Telecom Aid

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
District Revenue	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Direct Appropriation	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300
Current Year	2,070	2,070	2,070	2,070	2,070	2,070	2,070	2,070
Prior Year	230	199	230	230	230	230	230	230
Cancellations		31						
Expenditures	**2,300**	**2,269**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**	**2,300**
Biennial Change in Expenditures				31		0		0
Biennial % Change in Expenditures				1		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
2000 - Restrict Misc Special Revenue								
Balance Forward In	15							
Receipts	(3)							
Expenditures	**12**							
Biennial Change in Expenditures				(12)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Libraries
Activity: School Library Aid

https://education.mn.gov/MDE/dse/Lib/sls/sch/

AT A GLANCE

- The 2023 legislature created school library aid beginning in fiscal year (FY) 2024 and later.
- The legislature appropriated $21,435,000 in student school library aid in 2024.

PURPOSE AND CONTEXT

School library aid provides aid to school districts and charter schools to help pay for specific costs within a school library. This aid program supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

For FY 2024 and later, a school district receives the greater of $16.11 per adjusted pupil unit (APU) or $40,000; and a charter school receives the greater of $16.11 per APU or $20,000. Schools must reserve and use school library aid to directly fund the following costs within a library:

- Salaries and benefits of a school library media specialist;
- Electronic, computer, and audiovisual equipment;
- Information technology infrastructure and digital tools;
- Electronic and material resources; or
- Furniture, equipment, or supplies.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data (in $1,000's)
School Library Aid	Quantity	MDE collected data	NA	FY2024: $23,984 FY2025: $23,893 FY2026: $23,878 FY2027: $23,807

M.S. 124D.992

School Library Aid

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			21,460	23,789	23,680	23,603	23,680	23,603
Total			**21,460**	**23,789**	**23,680**	**23,603**	**23,680**	**23,603**
Biennial Change				45,249		2,034		2,034
Biennial % Change						5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation					121	121	121	121
Operating Expenses					9	9	9	9
Grants, Aids and Subsidies			21,460	23,789	23,550	23,473	23,550	23,473
Total			**21,460**	**23,789**	**23,680**	**23,603**	**23,680**	**23,603**
Full-Time Equivalents					**1.00**	**1.00**	**1.00**	**1.00**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement			23,844	23,780	23,668	23,596	23,668	23,596
District Revenue			23,844	23,780	23,668	23,596	23,668	23,596
Direct Appropriation			21,586	23,789	23,680	23,603	23,680	23,603
Current Year			21,460	21,402	21,172	21,107	21,172	21,107
Cancellations			126					
Expenditures			**21,460**	**23,789**	**23,680**	**23,603**	**23,680**	**23,603**
Biennial Change in Expenditures				45,249		2,034		2,034
Biennial % Change in Expenditures						5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents					1.00	1.00	1.00	1.00

Program: Early Childhood and Family Support
Activity: Early Childhood Family Education

https://education.state.mn.us/MDE/fam/elsprog/ECFE/

AT A GLANCE

- 12,949 children participated in ongoing Early Childhood Family Education (ECFE) classes in fiscal year (FY) 2023.

PURPOSE AND CONTEXT

The purpose of the program is to provide parenting education to support children's learning and development. All families with children prenatal to kindergarten are eligible for services. School districts with prekindergarten through third grade initiatives may continue to serve families up to third grade.

This program helps meet the objective of all children attend a safe, nurturing school.

SERVICES PROVIDED

Early Childhood Family Education (ECFE) provides programming and services to educate parents and other relatives about the physical, cognitive, social, and emotional development of children, and to enhance the skills of parents and other relatives in providing for their children's learning and development. In addition, there is funding available to provide home visiting to families. Each year, programs must: 1) conduct a community needs assessment that identifies new and underserved populations; 2) identify child and family risk factors, particularly those that impact children's learning and development; and 3) assess family and parenting education needs in the community. Programs are required to provide programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment.

Additional ECFE Program Requirements

- Provide programming to educate parents and other relatives about the development of children and to enhance the skills of parents and other relatives in providing for their children's learning and development.
- Provide structured learning activities requiring interaction between children and their parents or relatives.
- Provide learning experiences for children, parents, and other relatives that promote children's early literacy and, where practicable, their native language skills and activities for children that require substantial involvement of the children's parents or other relatives.
- Provide structured learning activities for children that promote children's development and positive interaction with peers, which are held while parents or relatives attend parent education classes.
- Provide information on related community resources.
- Provide information, materials, and activities that support the safety of children, including prevention of child abuse and neglect.
- Provide information about, and if needed, assist in making arrangements for an early childhood health and developmental screening when the child nears the third birthday.

ECFE programs should also:

- Encourage parents and other relatives to involve four- and five-year-old children in School Readiness programs, and other public and nonpublic early learning programs.
- Provide parents of English learners with translated oral and written information to monitor the program's impact on their children's English language development, to know whether their children are progressing in developing their English and native language proficiency, and to actively engage with and support their children in developing their English and native language proficiency.

This Budget Activity also displays fiscal activity associated with two other programs. The first is the Educate Parents Partnership program, funding that supports a part-time FTE to provide technical assistance to ECFE to build partnerships with health care providers that provides parents of newborns with informational materials on a wide range of subjects before they are discharged from the hospital. The second is the ParentChild+ program, a national model focused on early literacy, parenting, and school readiness. It is a home visiting program that promotes creative ways to learn through play, increases parenting skills, and helps children prepare for school. Participants select either in-person home visits following safety protocols or virtual visits. Participants receive deliveries including free books, toys, and guide sheets.

Revenue

ECFE revenue is a combination of state aid and local property tax levy. Total revenue is 2.3 percent of the general education formula allowance times 150, or the number of children under age 5 who lived in the district as of October 1 of the previous school year, whichever is greater. Starting in FY 2018, local Home Visiting levies were supplemented with state aid.

Collaboration

- It is common for other state-funded programs to work collaboratively with ECFE:
- Adult Basic Education (ABE), which provides family literacy programs.
- School Readiness and Voluntary Prekindergarten utilize ECFE to provide family engagement and parenting education service.
- Help Me Grow facilitates the referral and assessment process for Part C and Part B early intervention services.

The Minnesota Department of Education (MDE) calculates and processes payments and provides technical support for these programs.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Children participating in regular parent/child weekly sessions.	Quantity	Data collected by MDE	FY2021: 8,299** FY2022: 12,113	FY2023: 12,949
Class offerings for children/parents.	Quantity	Data collected by MDE	FY2021: 1,227** FY2022: 1,416	FY2023: 1,307

*Note: Some districts did not report ECFE courses in these years.

**Note: Figures impacted by the COVID pandemic and ECFE being a voluntary program.

M.S. 124D.129; M.S. 124D.13; M.S. 124D.135

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

Early Childhood Family Education

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	35,509	36,472	39,673	41,035	40,005	41,636	40,005	41,636
3000 - Federal		44	78					
Total	**35,509**	**36,516**	**39,751**	**41,035**	**40,005**	**41,636**	**40,005**	**41,636**
Biennial Change				8,762		855		855
Biennial % Change				12		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	46	75	137	361				
Operating Expenses	3	17	20	423				
Grants, Aids and Subsidies	35,460	36,424	39,594	40,251	40,005	41,636	40,005	41,636
Total	**35,509**	**36,516**	**39,751**	**41,035**	**40,005**	**41,636**	**40,005**	**41,636**
Total Agency Expenditures	35,509	36,516	39,751	41,035	40,005	41,636	40,005	41,636
Internal Billing Expenditures		6	10					
Expenditures Less Internal Billing	**35,509**	**36,509**	**39,742**	**41,035**	**40,005**	**41,636**	**40,005**	**41,636**
Full-Time Equivalents	**0.34**	**0.85**	**1.36**	**2.38**				

Early Childhood Family Education

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	34,640	35,588	37,810	38,212	40,203	41,796	40,203	41,796
Levies	22,566	22,810	23,842	22,929	25,285	22,992	25,285	22,992
District Revenue	57,206	58,398	61,652	61,141	65,488	64,788	65,488	64,788
Direct Appropriation	36,414	36,544	40,065	40,645	0	0	0	0
Current Year	31,176	32,031	34,031	34,391	36,184	37,617	36,184	37,617
Prior Year	3,383	3,493	3,558	3,780	3,821	4,019	3,821	4,019
Balance Forward In		0		390				
Transfers In					40,005	41,636	40,005	41,636
Cancellations	905	72	3					
Balance Forward Out	0		389					
Expenditures	**35,509**	**36,472**	**39,673**	**41,035**	**40,005**	**41,636**	**40,005**	**41,636**
Biennial Change in Expenditures				8,727		933		933
Biennial % Change in Expenditures				12		1		1
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	0.34	0.34	0.50	2.38				

3000 - Federal								
Receipts		44	78					
Balance Forward Out			0					
Expenditures		**44**	**78**					
Biennial Change in Expenditures				35		(78)		(78)
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents		0.51	0.86					

Program: Early Childhood and Family Support
Activity: School Readiness

https://education.mn.gov/MDE/dse/early/elprog/read/

AT A GLANCE

In fiscal year (FY) 2023:

- The estimate population of 3- and 4-year old's in Minnesota was 135,910[i].
- 20,258 children participated in the School Readiness program. *

PURPOSE AND CONTEXT

The purpose of the School Readiness program is to prepare children to enter kindergarten by creating greater access to educational opportunities for children with high needs and to make progress on closing the opportunity gap upon school entrance. This supports the objective that every student receives a world class education.

The state-funded program is established through the school district and serves children age three to kindergarten entrance with identified risk factors.

SERVICES PROVIDED

School Readiness programs are designed by communities in order to meet their unique needs. Most school-based programs have classes that are a half-day and meet one to five days per week.

Other program models include:

- Kindergarten transition classes for children and parents.
- One or two days of child-only activities added to Early Childhood Family Education (ECFE).
- Fully inclusive, integrated classrooms with early childhood special education.
- Coordination of referrals and follow-up to early childhood screening, which is required.
- Staff development and consultation for family child care providers.
- Head Start and family literacy/English learner programs.
- Partnering with other programs to provide full-day programming and wrap-around services.

Programs include the following requirements:

- Assess each child's cognitive skills at entrance to and exit from the program.
- Provide a program based on early childhood research and professional practice that prepares children to move into kindergarten.

School Readiness aid is calculated in two parts:

- Fifty percent of aid is based on the number of 4-year-old children living in the district as of October 1 of the previous school year.
- Fifty percent of aid is based on the number of students enrolled in the school district and eligible for free or reduced-price meals for the second previous school year.

The Minnesota Department of Education calculates and processes aid payments and provides technical support to districts for this program.

RESULTS

Measure Name Percentage of all preschoolers served:	**Type of Measure**	**Measure Data Source**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**Most Recent Data: FY2023**
3-year-olds	Quantity	Collected by MDE	11%	9.7%	6.9%	0.8%	21.5%
4-year-olds	Quantity	Collected by MDE	21.9%	18.3%		27.3%	48.8%

Measure Name Percentage of 3- and 4-year-old preschoolers served by race:	**Type of Measure**	**Measure Data Source**	**FY 2019**	**FY 2020**	**FY 2021**	**FY 2022**	**Most Recent Data: FY2023**
American Indian	Quantity	Collected by MDE	2.0%	2.3%	1.8%	0.4%	0.8%
Asian	Quantity	Collected by MDE	5.6%	6.6%	6.7%	4.5%	5.2%
Black or African American	Quantity	Collected by MDE	8.3%	8.0%	9.0%	10.7%	9.0%
Hispanic	Quantity	Collected by MDE	7.9%	8.8%	3.0%	10.4%	9.8%
Native Hawaiian or other Pacific Islander	Quantity	Collected by MDE	0.5%	0.2%	0.3%	0.1%	0.1%
Two or More Identified	Quantity	Collected by MDE	NA	NA	NA	5.9%	5.5%
Not Identified	Quantity	Collected by MDE	11.9%	11.5%	14.4%	0.6%	0.5%
White	Quantity	Collected by MDE	63.9%	62.6%	64.8%	67.6%	69.1%

* Numbers lower than previous years likely due to pandemic and School Readiness being a voluntary program.

+ MDE data collection systems for School Readiness starting with FY 2022, and these figures were pulled from the Early Childhood Longitudinal Data System (ECLDS) and prior years were pulled from a retired MDE specific data system. FY2022 counts are lower than expected because many districts did not report due to the pandemic.

M.S. 124D.15; M.S. 124D.16

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

[i] US Census 2023 Population Estimates from Annual Estimates of the Resident Population by Single Year of Age and Sex for Minnesota: April 1, 2020 to July 1, 2023 (SC-EST2023-SYASEX-27)

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Total	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Total	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
District Revenue	33,683	33,683	33,683	33,683	33,683	33,683	33,683	33,683
Direct Appropriation	33,683	33,683	33,683	33,683	0	0	0	0
Current Year	30,315	30,315	30,315	30,315	30,315	30,315	30,315	30,315
Prior Year	3,368	3,368	3,368	3,368	3,368	3,368	3,368	3,368
Transfers In					33,683	33,683	33,683	33,683
Expenditures	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**	**33,683**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support
Activity: Kindergarten Entry Profile

AT A GLANCE

- In 2023, changes were made to the program, formally called the Kindergarten Entry Profile (KEP), now called the Kindergarten Entry Assessment, requiring school districts and charter schools to complete and report to MDE an MDE-approved developmentally-appropriate assessment of all enrolled kindergarten students in the fall of each school year.
- In the first year of the new program, the department engaged with teachers, schools, communities, and developmental experts to gather input into how this new requirement should be implemented by Fall of the 2025/2026 school year. No performance measures are available related to this new program for this year.
- MDE continued to provide support to programs serving children from birth to kindergarten, especially voluntary prekindergarten (VPK) and school readiness plus (SRP) programs to use the approved developmentally appropriate assessment tools for preschool-aged children, still called the Kindergarten Entry Profile (KEP).

PURPOSE AND CONTEXT

The 2013 Race to the Top - Early Learning Challenge grant (RTT-ELC) provided the state with an opportunity to improve on the state's pre-existing kindergarten entry assessment model (the School Readiness Study), resulting in a new model: the Kindergarten Entry Profile (KEP). The KEP reflected advances in our understanding of child development, neuroscience, and the importance of early childhood assessment in systems reform.

The KEP was a standards-based assessment system that has been used for preschool-aged children; each of the approved assessment tools are aligned to Minnesota's early learning standards (the Early Childhood Indicators of Progress, or ECIPs). The ECIPs are a shared set of developmentally appropriate expectations for children ages birth to kindergarten and define the foundational skills necessary to build toward the Minnesota K-12 Academic Standards and college and career readiness.

The Minnesota Department of Education (MDE) has supported public school Pre-K programs in adopting KEP-approved tools to assess four-year-old children at the beginning and end of their preschool year prior to entering Kindergarten. Recent legislative changes will require districts to use and share data on an MDE-approved kindergarten fall assessment tool beginning in school year 2025/2026 that will help us understand the landscape of early childhood, and the needs of early learners and their teachers. Engagement is underway to identify the tool or tools that will be approved for this purpose.

SERVICES PROVIDED

Tools that support assessment of preschool students undergo a rigorous review to ensure that each assessment is valid and reliable to use with pre-kindergartners, aligned to the ECIPs and Minnesota Academic Standards, represent a whole-child view of development and education, cover all eight domains of learning, provide real-time formative data that can be used to individualize instruction, and rely on authentic assessment. MDE provides training in KEP assessments to the state's mixed delivery early learning workforce and also provides reports that include the KEP assessment data to all VPK programs, which ensures they meet their statutory obligation to measure the impact of their program. Though SRP programs are not required to measure the impact of their program, if they submit KEP assessment data to MDE, MDE provides them with a measuring impact report as well.

1. With the recent change to a required kindergarten fall assessment passed by the 2023 Minnesota Legislature, MDE began an engagement process with key partners, including school district and charter school leaders, teachers, and families to better understand their needs and goals prior to selecting an approved assessment tool or tools.

RESULTS

Teachers and administrators are building their capacity to implement standards-based assessment in preschool, which includes discussions centered on which students need more support based on their assessment data. KEP assessment trainings have brought educators together, enabling them to engage in conversations centered on shared expectations of student outcomes, aligning instruction and curriculum across grades/ages, and strengthening transitions to kindergarten.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Count of providers, teachers, or administrators who participated in a KEP assessment or best practice in early learning assessment training. *	Quantity	Data collected by MDE	FY2019: 123 FY2020: 178 FY2021: 665 FY2022: 372	FY2023: 242
Percent of training participants who “Strongly Agreed” or “Agreed” that they were better positioned to use their early learning assessment after completing the training.	Quality	Data collected by MDE	FY2019: NA FY2020: NA FY2021: 93% FY2022: 93%	FY2023: 98%

* This measure includes trainings that were funded via sources other than KEP funds but were offered by KEP trainers, whose certification is supported with KEP funding and resources.

M.S. 124D.162

Kindergarten Entry Profile

Activity Expenditure Overview

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
Expenditures by Fund								
1000 - General	266	277	509	2,577	2,357	1,743	2,357	1,743
Total	**266**	**277**	**509**	**2,577**	**2,357**	**1,743**	**2,357**	**1,743**
Biennial Change				2,544		1,014		1,014
Biennial % Change				469		33		33
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation	201	196	225	350	401	414	401	414
Operating Expenses	65	80	285	2,077	1,755	1,255	1,755	1,255
Grants, Aids and Subsidies				150	201	74	201	74
Total	**266**	**277**	**509**	**2,577**	**2,357**	**1,743**	**2,357**	**1,743**
Full-Time Equivalents	**1.49**	**1.49**	**1.57**	**2.70**	**2.70**	**2.70**	**2.70**	**2.70**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	281	281	1,049	2,037	2,357	1,743	2,357	1,743
Balance Forward In		17		540				
Cancellations		22						
Balance Forward Out	15		540					
Expenditures	**266**	**277**	**509**	**2,577**	**2,357**	**1,743**	**2,357**	**1,743**
Biennial Change in Expenditures				2,544		1,014		1,014
Biennial % Change in Expenditures				469		33		33
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	1.49	1.49	1.57	2.70	2.70	2.70	2.70	2.70

Program: Early Childhood and Family Support
Activity: Access to Quality Early Learning

https://education.mn.gov/MDE/dse/early/highqualel/

AT A GLANCE

- Approximately 20 percent of the eligible 3 and 4-year-olds in the state are served by the Early Learning Scholarship program. Effective July 1, 2024, scholarship amounts are aligned to Minnesota's Child Care Assistance Program, with scholarship award amounts varying based on program type, quality and region of the state.
- Additionally, beginning in January 2024, scholarships were expanded to serve all children, ages 0 – to kindergarten entry.
- Children in the following groups are prioritized for receiving a scholarship: the child of a teen parent, a child in foster care, in child protective services, or those who have experienced homelessness in the last 24 months. Early learning scholarships can be layered with other funding streams. Fifteen percent of scholarships in FY 2021 were used with Child Care Assistance.

PURPOSE AND CONTEXT

The Early Learning Scholarship program supports access to the state's early care and education system for young children. Early Learning Scholarships, as a funding source, are intended to increase access to high quality early care education for those families with barriers to accessing care.

These two activities assist in the improvement of high-quality early care and education programs, and in providing financial assistance to families to attend high quality programs. Early learning program quality is based on Parent Aware, Minnesota's tiered quality rating and improvement system, which was recently changed to make all licensed early care and education programs part of Parent Aware at a minimum of a one-star rating.

Voluntary prekindergarten and school readiness plus are high-quality publicly funded prekindergarten programs designed to prepare eligible 4-year old children for success as they enter kindergarten the following year. Programs use play-based learning, coordinated transitions to kindergarten and family-centered program planning to create high-quality early learning opportunities that meet the needs of each child.

SERVICES PROVIDED

- Passed in a 2011 special session, $4 million was authorized for Early Learning Scholarships beginning in FY 2013. For FY 2014, the state expanded the program with a $23 million appropriation. The program had a base of $70.7 million in each FY 2022 and FY 2023, $196.7 million in each FY 2024 and FY 2025, and has a base of $100.1 million in FY26 and forward. As of FY 2021, the annual general fund appropriation is transferred to a special revenue account.
- Under this program children receive scholarships for a 12-month period and may renew their scholarship until they are eligible for kindergarten.

The Early Learning Scholarship program has two pathways:

- Pathway I scholarships are awarded directly to eligible families.
  - Scholarship funds are paid directly to the early learning program.
- Pathway II scholarships are awarded to families through an eligible Four-Star Parent Aware-rated program.
  - Participating programs receive funding to provide scholarships to a specified number of eligible children to cover the cost of the program.

Parent Aware is governed under Minnesota Statutes, section 124D.142, and it is administered by the Minnesota Department of Human Services (DHS), in coordination with the Minnesota Departments of Education (MDE) and Health (MDH). Parent Aware began as a pilot in 2007 in four areas of Minnesota and gradually expanded to become available statewide on January 1, 2015. Federal law does not require states to have a QRIS, but states are allowed to use federal Child Care Development Fund (CCDF) dollars to establish and maintain a QRIS. This Budget Activity also displays fiscal activity associated with a federal Preschool Development Birth to Five Grant received by the State of Minnesota from the U.S. Department of Health and Human Services.

The Minnesota Department of Education (MDE) administers all or portions of these programs. Services include:

- Developing application process and reporting forms for applicants/recipients.
- Providing technical assistance to applicants/recipients.
- Creating grant contracts, including work plans and budget information.
- Calculating, auditing, and processing payments.
- Providing guidance as it relates to Minnesota Statutes and state policies.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of early care and education programs participating in Parent Aware.	Quantity	Data collected by MDE	FY2018: 2,610 FY2019: 2,869 FY2020: 2,921 FY2021: 2,941 FY2022: 2,886	FY2023: 2,876
Percent of rated early care and education programs with a 3- or 4-Star Parent Aware rating.	Quality		FY2018: 79% FY2019: 71% FY2020: 79%	FY2021: 78%
Number of high-needs children attending a 3- or 4-Star Parent Aware rated public education program.	Quantity		FY2018: 28,851 FY2019: 28,687 FY2020: 31,251	FY2021: 31,470
Number of high-needs children attending a 3- or 4-Star Parent Aware rated public education program.	Quantity		FY2018: 17,091 FY2019: 15,022 FY2020: 14,185 FY2021: 12,268 FY2022: 11,597	FY2023: 12,282

Number of Children Receiving a Scholarship by Race

Race	2018	2019	2020	2021	2022	2023
American Indian or Alaskan Native	670	584	544	569	525	568
Asian	733	609	553	437	437	437
Black or African	3,630	3,544	3,624	3,148	3,139	3,488
Native Hawaiian or Pacific Islander	38	31	21	24	16	20
Hispanic/Latino	2,086	1,835	1,669	1,679	1,742	1,863
White	5,647	4,893	4,505	4,370	4,007	4,086
Two or More 9.3%	1,428	1,292	1,389	1,455	1,407	1,451
Not Answered	2,305	2,138	1,938	581	343	298
Total	**16,537**	**15,022**	**14,185**	**12,268**	**11,597**	**12,282**

Parent Aware data on quantity and quality for FY 2018 through FY 2021 was provided by the Fast Facts page of Develop, the Minnesota Quality Improvement and Registry tool. Quantity data for children with high needs attending a 3- or 4-star rated program comes from the Early Learning Scholarship Pathway II applications from school and Head Start programs. Numbers at-a-glance / DevelopToolMN (https://www.developtoolmn.org/numbers-at-a-glance/index.jsp)

Scholarship data comes from final data from each fiscal year.

M.S. 124.142; M.S. 124D.165

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	190	357	256	2,430				
2001 - Other Misc Special Revenue	77,567	80,842	199,798	102,641				
3000 - Federal	7,837	9,736	8,230	8,000				
Total	**85,594**	**90,934**	**208,284**	**113,071**				
Biennial Change				144,827		(321,355)		(321,355)
Biennial % Change				82		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Expenditures by Category								
Compensation	1,467	1,440	1,735	2,501				
Operating Expenses	7,437	9,442	11,432	19,821				
Grants, Aids and Subsidies	76,691	80,053	195,117	90,749				
Total	**85,594**	**90,934**	**208,284**	**113,071**				
Total Agency Expenditures	85,594	90,934	208,284	113,071				
Internal Billing Expenditures	290	385	309	230				
Expenditures Less Internal Billing	**85,303**	**90,550**	**207,976**	**112,841**				
Full-Time Equivalents	**12.51**	**12.49**	**13.59**	**14.72**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	72,799	72,799	201,583	199,179	0	0	0	0
Balance Forward In		161	0	1,739				
Transfers Out	72,459	72,559	199,587	198,488				
Cancellations		44						
Balance Forward Out	150		1,740					
Expenditures	**190**	**357**	**256**	**2,430**				
Biennial Change in Expenditures				2,139		(2,686)		(2,686)
Biennial % Change in Expenditures				391		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.10	0.10	0.46	3.12				
2001 - Other Misc Special Revenue								
Balance Forward In	7,164	10,575	8,964	5,903				
Transfers In	70,709	70,709	196,737	203,738				
Transfers Out				107,000				
Balance Forward Out	307	442	5,903					
Expenditures	**77,567**	**80,842**	**199,798**	**102,641**				
Biennial Change in Expenditures				144,030		(302,439)		(302,439)
Biennial % Change in Expenditures				91		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	4.71	4.72	6.33	9.12				
3000 - Federal								
Receipts	7,837	9,736	8,230	8,000				
Expenditures	**7,837**	**9,736**	**8,230**	**8,000**				
Biennial Change in Expenditures				(1,342)		(16,230)		(16,230)
Biennial % Change in Expenditures				(8)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	7.70	7.67	6.80	2.48				

Program: Early Childhood and Family Support
Activity: Health and Developmental Screening

https://education.mn.gov/MDE/dse/early/elprog/scr/

AT A GLANCE

- In fiscal year (FY) 2023, a total of 58,259 children were screened by school districts. Outcomes included:
  - 7,808 children referred to the school readiness program.
  - 5,210 families referred to early childhood family education.
  - 1,079 children referred to Head Start.
  - 163 parents referred to adult education/literacy.
  - 6,198 children referred to special education for speech/language.
  - 4,906 children referred to special education for cognitive.
  - 2,377 children referred to special education for fine/gross motor.
  - 3,591 children referred to special education for social/emotional concerns.
  - 3,990 children received interpreter services during screening.

PURPOSE AND CONTEXT

The purpose of this program is to detect factors that may impede children's learning, growth, and development. Every school board must provide for a mandatory program of early childhood health and developmental screening for children at least once before they start school, targeting children between 3 and 4 years of age. Districts receive state aid for every child screened prior to starting kindergarten, or within 30 days after first entering kindergarten. Charter schools may elect to apply to provide a screening program.

This program supports the objective of ensuring every student receives a world class education and attends a safe, nurturing school.

SERVICES PROVIDED

A screening program must include the following components:

- Outreach to inform each resident family about the availability of the program.
- Developmental screening, including cognitive, speech/language, fine/gross motor, and social emotional.
- Hearing and vision screening.
- Immunization review.
- The child's height and weight.
- Identification of risk factors that may influence learning.
- Identification of health care coverage and referral to an appropriate provider.
- An interview with the parent about the child.
- Referral and follow up for assessment, diagnosis, and treatment when potential needs are identified.

A district may also offer additional health screening components such as nutritional, physical, and dental assessments; review of family circumstances that might affect development; blood pressure; laboratory tests; and health history.

Families may opt out by submitting a signed statement of conscientiously held beliefs.

Children may receive a comparable screening through: Head Start; Child and Teen Checkups/Early and Periodic Screening, Diagnosis, and Treatment (EPSDT), or their health care provider.

A district must provide the parent or guardian of the child screened with a record indicating the month and year the child received screening and the results of the screening.

The Minnesota Department of Education (MDE) calculates and processes screening aid payments and provides technical support to districts for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of all Minnesota 3-year-old children receiving health and developmental screening.	Quality	Data collected by MDE	FY2020: 28% FY2021: 21% FY2022: 29%	FY2023: 32%
Number of children receiving interpreter services	Quantity	Data collected by MDE	FY2020: 2,982 FY2021: 2,199 FY2022: 3,535	FY2023: 3,990
Referrals for further assistance made for children identified as having possible health and/or development problems or needs.	Quantity	Data collected by MDE	FY2020: 16,428 FY2021: 16,123 FY2022: 28,024	FY2023: 30,531

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

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	3,373	3,503	4,197	4,277	4,099	4,051	4,099	4,051
Total	**3,373**	**3,503**	**4,197**	**4,277**	**4,099**	**4,051**	**4,099**	**4,051**
Biennial Change				1,598		(324)		(324)
Biennial % Change				23		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			32	73				
Operating Expenses			17	82				
Grants, Aids and Subsidies	3,373	3,503	4,148	4,122	4,099	4,051	4,099	4,051
Total	**3,373**	**3,503**	**4,197**	**4,277**	**4,099**	**4,051**	**4,099**	**4,051**
Full-Time Equivalents			**0.23**	**0.50**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	3,347	3,495	4,221	4,116	4,097	4,046	4,097	4,046
District Revenue	3,347	3,495	4,221	4,116	4,097	4,046	4,097	4,046
Direct Appropriation	3,582	3,503	4,275	4,199	0	0	0	0
Current Year	3,013	3,146	3,799	3,705	3,688	3,642	3,688	3,642
Prior Year	360	357	349	417	411	409	411	409
Balance Forward In				78				
Transfers In					4,099	4,051	4,099	4,051
Cancellations	209							
Balance Forward Out			78					
Expenditures	**3,373**	**3,503**	**4,197**	**4,277**	**4,099**	**4,051**	**4,099**	**4,051**
Biennial Change in Expenditures				1,598		(324)		(324)
Biennial % Change in Expenditures				23		(4)		(4)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			0.23	0.50				

Program: Early Childhood and Family Support
Activity: Head Start

https://eclkc.ohs.acf.hhs.gov/
https://education.mn.gov/MDE/fam/elsprog/start/

AT A GLANCE

- 34 Head Start and Early Head Start programs served 13,593 children and families in fiscal year (FY) 2023[1].
- 18 percent of Head Start Children had Individualized Education Program (IEPs) and 12 percent of Early Head Start Children had Individualized Family Service Plan (IFSPs) in FY 2023[2]
- 1,102 children experiencing homelessness received services in FY 2023.[2]

PURPOSE AND CONTEXT

Head Start and Early Head Start are federal programs that support comprehensive development and promote school readiness of children from birth to age 5 from low-income families. Head Start and Early Head Start services include early learning, health, and family well-being.

Minnesota supplements federal Head Start funds with state funds. The FY 2022 and FY 2023 state general fund appropriations were $25.1 million per year and were increased to $35.1 million per year ongoing beginning in FY 2023. With the additional state funding, Head Start and Early Head Start programs are able to expand services and access to educational opportunities for additional children, thus preparing children and families experiencing multiple risk factors for kindergarten. Head Start and Early Head Start supports families and children with high needs to make progress on closing the opportunity gap upon school entrance, which supports the objective of ensuring every student receives a world-class education.

SERVICES PROVIDED

Head Start and Early Head Start programs promote children's development through comprehensive services that support early learning, health, and family well-being which include:

- Health, dental, and nutrition support and resources
- Education
- Parent engagement
- Social services and family supports including assistance with housing, medical insurance, heating, and food

Programs operate a center-based, home-based, or combination delivery model.

- Head Start center-based programs must operate at least 3.5 hours per day, four days a week, for 128 days a year, and have at least two home visits.
- Early Head Start home-based programs must offer at least 46 home visits of 1.5 hours each, and at least 22 group socializations distributed over the course of the program year.
- Many programs offer full-day, full-year services, through partnerships with child care and school-based programs.

Minnesota Department of Education (MDE):

- Houses the state's Head Start Collaboration Office. The Head Start Collaboration Director facilitates partnerships among Head Start agencies and entities to carry out activities designed to benefit low-income children from birth to school entry, providing a structure and a process for the Office of Head

Start (OHS) to work and partner with state agencies and local entities. The Head Start Collaboration Office works with state and community partners to leverage common interests around young children and their families to formulate, implement, and improve state and local policy and practices.

- Provides support to Head Start agencies across the state in the implementation of Parent Aware, Minnesota's Quality Rating and Improvement System, as well as other state agencies' early learning services initiatives.
- Calculates and processes aid payments and provides technical support to grantees for the implementation of this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percentage of children who met developmental targets upon exiting Head Start	Results	Data collected by MDE	3-year-olds: FY 2020-2021[3] – 81% FY 2021-2022[3] – 80% 4-year-olds: FY 2020-2021[3] – 70% FY 2021-2022[3] – 63%	3-year-olds: FY2022-2023 – 78% 4-year-olds: FY2022-2023 – 68%
Number of children assessed upon exiting Head Start	Quantity	Data collected by MDE	3-year-olds: FY 2020-2021[3]– 1,483 FY 2021-2022[3]– 1,819 4-year-olds FY 2020-2021[3]– 2,153 FY 2021-2022[3]– 2,078	3-year-olds: FY2022-2023 – 1,720 4-year-olds: FY2022-2023 – 2,022

[1] FY 2023 enrollment retrieved from internal MDE records.

[2] FY 2023 data retrieved from the federal Office of Head Start Program Information Report (PIR). This may not include all state funded Head Start/Early Head Start enrollment, as there are not requirements to report non-federally funded children on the PIR.

[3] FY 2019-2020 - Data is not available for this year as spring assessments fell during the period when sites were initially closed due to the first weeks of the COVID-19 pandemic and the planning that took place then to continue services. FY 2020-2021 - Data was impacted by multiple site closures that occurred multiple times throughout the year due to the COVID-19 pandemic and CDC/MDH requirements. FY 2021-2022 - Data was impacted by multiple site closures that occurred multiple times throughout the year due to the COVID-19 pandemic and CDC/MDH requirements. The Office of Head Start allowed programs to make determinations on their own as to whether virtual or in person services would be offered through December 2021. On January 1, 2022 in person service was required unless sites were closed because of COVID-19 health guidance from the CDC/MDH.

M.S. 119A.50-545; 42 U.S.C. 9840 et seq.

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	24,873	25,616	35,058	35,142				
Total	**24,873**	**25,616**	**35,058**	**35,142**				
Biennial Change				19,710		(70,200)		(70,200)
Biennial % Change				39		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Expenditures by Category								
Grants, Aids and Subsidies	24,873	25,616	35,058	35,142				
Total	**24,873**	**25,616**	**35,058**	**35,142**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	25,100	25,100	35,100	35,100	0	0	0	0
Balance Forward In		640		42				
Cancellations		125						
Balance Forward Out	227		42					
Expenditures	**24,873**	**25,616**	**35,058**	**35,142**				
Biennial Change in Expenditures				19,710		(70,200)		(70,200)
Biennial % Change in Expenditures				39		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								

Program: Early Childhood and Family Support
Activity: Infant and Toddler Intervention

AT A GLANCE

- 9,053 Minnesota infants and toddlers with disabilities were counted as being served through Individual Family Service Plans (IFSP) on December 1, 2023.
- Individuals with Disabilities Act (IDEA) Part C services are funded with federal grant dollars, state special education aid, and general education revenue. Only federal funds are reflected in the fiscal pages of this Budget Activity.

PURPOSE AND CONTEXT

The federally regulated Infants and Toddlers program (Part C of IDEA) through the provision of individualized family-centered services to eligible children and their families seeks to:

- Enhance the development of infants and toddlers with disabilities, to minimize their potential for developmental delay, and to recognize the significant brain development that occurs during a child's first 3 years of life;
- Reduce the educational costs to our society, including our Nation's schools, by minimizing the need for special education and related services after infants and toddlers with disabilities reach school age;
- Maximize the potential for individuals with disabilities to live independently in society;
- to enhance the capacity of families to meet the special needs of their infants and toddlers with disabilities; and
- Enhance the capacity of State and local agencies and service providers to identify, evaluate, and meet the needs of all children, particularly minority, low-income, inner city, and rural children, and infants and toddlers in foster care.

This program supports the objective that every student deserves a world class education. This program also supports the Minnesota Department of Education's (MDE) Ten Minnesota Commitments to Equity including Start Early, Value People, and Prioritize Equity by setting and communicating a vision and targets for high outcomes for all infants and toddlers with, or suspected of having, developmental delays in Minnesota, regardless of factors such as income level or immigration status.

SERVICES PROVIDED

- Specific services are determined for each eligible child and family based on the child's needs and family priorities.
- Services most often include special instruction, speech therapy, and occupational or physical therapy and services with other qualified personnel.
- Services are provided at no cost to Minnesota families due to our birth mandate status that ensures general education revenue to support early intervention programs.
- Ninety-four percent of eligible infants and toddlers receive early intervention services in their homes and other natural environments that children birth to age three spend their time.

RESULTS

Federal funds support 12 Interagency Early Intervention Committees (IEICs) that conduct public awareness and outreach activities to seek out and identify potentially eligible infants and toddlers in coordination with state, local and community partners.

Federal funds support the implementation of programs and services at the local level by supplementing state special education and general education aid.

The Minnesota Department of Education (MDE) is responsible for:

- Technical assistance and program monitoring to ensure the requirements as directed in IDEA are fulfilled by local education districts and cooperatives.
- Personnel development to ensure that personnel are appropriately and adequately prepared and trained to implement high quality instructional practices that support the development of young children and their families.
- Carrying out general administration and supervision.
- Policy, systems, and budget allocation for contracting or otherwise arranging for services, and procedures for securing timely reimbursement of funds and ensuring a coordinated system of support and services

Performance Measure 1:

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Children will demonstrate positive relationships a. Greater than expected progress b. Exited Part C within age expectations	Result	Data collected by MDE	FFY2020: 50.12% FFY2021: 49.90% FFY2020: 48.38% FFY2021: 48.82%	FFY2022: 51.79% FFY2022: 46.98%
Children will acquire and use knowledge and skills a. Greater than expected progress b. Exited Part C within age expectations	Result	Data collected by MDE	FFY2020: 57.61% FFY2021: 55.57 FFY2020: 43.43% FFY2021: 41.79%	FFY2022: 57.15% FFY2022: 39.87%
Children will take action to meet needs a. Greater than expected progress b. Exited Part C within age expectations	Result	Data collected by MDE	FFY2020: 57.83% FFY2021: 59.12% FFY2020: 50.69% FFY2021: 50.11%	FFY2022: 55.52% FFY2022: 47.53%

Performance Measure 2:

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Percent of participating families who report that the Infants and Toddlers program has helped their child develop and learn	Quality	Data collected by MDE	FFY2020: 87.05% FFY2021: 90.48%	FFY2022: 90.69%

M.S. 125A.26–48
Part C of the Individuals with Disabilities Education Act

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
3000 - Federal	6,172	6,019	6,090	7,121	7,065	7,065	7,065	7,065
Total	**6,172**	**6,019**	**6,090**	**7,121**	**7,065**	**7,065**	**7,065**	**7,065**
Biennial Change				1,020		919		919
Biennial % Change				8		7		7
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	6,172	6,019	6,090	7,121	7,065	7,065	7,065	7,065
Total	**6,172**	**6,019**	**6,090**	**7,121**	**7,065**	**7,065**	**7,065**	**7,065**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3000 - Federal								
Receipts	6,172	6,019	6,090	7,121	7,065	7,065	7,065	7,065
Expenditures	**6,172**	**6,019**	**6,090**	**7,121**	**7,065**	**7,065**	**7,065**	**7,065**
Biennial Change in Expenditures				1,020		919		919
Biennial % Change in Expenditures				8		7		7
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support
Activity: Preschool Special Education

AT A GLANCE

- 12,992 Programs as of December 1, 2023.
- More than 55% of these children participate in regular early childhood programs and receive special education services in those settings.
- 44.37% of 3-year olds, 58.74% of 4-year olds and 62.37% of 5-year olds are provided services in their regular education program. This is indicative of the investment made in prekindergarten state funded programs (designated for students in the year prior to kindergarten enrollment).

PURPOSE AND CONTEXT

The Preschool Special Education program provides individualized education services to preschool-aged children with disabilities.

Funding for services is a combination of federal funds, state special education aid, and general education revenue. Only federal funds are reflected in the fiscal pages of this Budget Activity.

This program supports the objective that every student deserves a world class education. This program also supports the Minnesota Department of Education's (MDE) Ten Minnesota Commitments to Equity including Start Early, Value People, and Prioritize Equity by setting and communicating a vision and targets for high outcomes for young children with disabilities and their families. For Minnesota's youngest students with disabilities this commitment is realized through early intervention and preschool special education services where equity and inclusion are cornerstones of the rights provided through the Individuals with Disabilities Education Act (IDEA). IDEA is a federal law first signed in 1975 supporting all children with disabilities and their families

SERVICES PROVIDED

The program is federally mandated. Federal funds support statewide efforts to:

- Seek out and identify potentially eligible children.
- Provide professional development opportunities promoting evidence-based practices and technical assistance to ensure the provision of a free appropriate public education (FAPE).
- Provide services, supports, and accommodations that meet the needs of the individual child to make progress on their goals and objects as defined in their Individualize Education Program Plans.

Services are provided to each eligible child through an Individualized Education Program (IEP). The goal is to increase each child's ability to actively and independently participate in current and future environments including in the home, preschool, and kindergarten.

Services most often include special instruction, speech therapy, occupational or physical therapy, and transportation.

The Minnesota Department of Education:

- Processes payments/reimbursements.
- Provides professional development and technical assistance.
- Monitors program implementation and collects and reports data.
- Interprets regulations, statutes, and rules.

- Connects children and families to appropriate local programs and monitors local implementation.

RESULTS

The table below shows Minnesota's performance on the federally required child outcomes for federal fiscal years (FFY) 2020-22.

Measure name	Measure type	Measure data source	Historical trend		Most recent data
Children will demonstrate positive relationships a. Greater than expected progress b. Exited Part C within age expectations	Result	Data collected by MDE	FFY2020 60.93% 47.95%	FFY2021 63.70% 50.69%	FFY2022 60.44% 51.34%
Children will acquire and use knowledge and skills a. Greater than expected progress b. Exited Part c. within age expectations	Result	Data collected by MDE	FFY2020 63.44% 45.67%	FFY2021 65.17% 46.98%	FFY2022 61.18% 46.80%
Children will take action to meet needs a. Greater than expected progress b. Exited Part c. C within age expectations	Result	Data collected by MDE	FFY2020 62.53 58.23%	FFY2021 64.92% 60.18%	FFY2022 63.31% 60.88%

M.S. 125A.01–03

Part B/Section 619 of the Individuals with Disabilities Education Act

Financial operations related to this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
3000 - Federal	5,451	5,278	5,761	6,086	6,085	6,085	6,085	6,085
Total	**5,451**	**5,278**	**5,761**	**6,086**	**6,085**	**6,085**	**6,085**	**6,085**
Biennial Change				1,119		323		323
Biennial % Change				10		3		3
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	5,451	5,278	5,761	6,086	6,085	6,085	6,085	6,085
Total	**5,451**	**5,278**	**5,761**	**6,086**	**6,085**	**6,085**	**6,085**	**6,085**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
3000 - Federal								
Balance Forward In				1				
Receipts	5,451	5,278	5,762	6,085	6,085	6,085	6,085	6,085
Balance Forward Out			1					
Expenditures	**5,451**	**5,278**	**5,761**	**6,086**	**6,085**	**6,085**	**6,085**	**6,085**
Biennial Change in Expenditures				1,119		323		323
Biennial % Change in Expenditures				10		3		3
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Early Childhood and Family Support
Activity: Family Opportunities

AT A GLANCE

- The Family Opportunities activity includes programs that support early childhood education and families through workforce development, healthcare, curriculum support, and other education resources.

PURPOSE AND CONTEXT

The Family Opportunities Activity hosts several programs to support early childhood education. Grow Your Own Early Childhood and Family Educator programs and teacher and curriculum grants develop an early childhood education workforce that more closely reflects the state's increasingly diverse student population and ensures all students have equitable access to high-quality early educators. Grants to Reach Out and Read Minnesota encourages early childhood development through a network of health care clinics. Other grants support students through special education programs and savings programs.

SERVICES PROVIDED

Grow Your Own Early Childhood and Family Educator programs provide funds to eligible Minnesota-licensed family childcare or licensed center-based child care programs, school district or charter school early learning programs, Head Start programs, institutions of higher education, and other community partnership nongovernmental organizations to host, build, or expand an early childhood educator preparation program that leads to an individual earning the credential or degree needed to enter or advance in the early childhood education workforce.

Reach Out and Read Minnesota supports education by:

- Integrating children's books and parent education into well-child visits.
- Creating literacy-rich environments at health care clinics by providing books to clinics.
- Working with public health clinics, federally qualified health centers, Tribal sites, community health centers, and clinics that belong to health care systems, as well as independent clinics in underserved areas.
- Training medical professionals on discussing the importance of early literacy with parents of infants, toddlers, and preschoolers.

Family Opportunities supports students and educators through grant programs for:

- Children’s Savings Accounts
- Early Childhood Curriculum and Teachers
- Executive Function Across Generations Curriculum
- Metro Deaf School
- Way to Grow

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of prekindergarten children receiving individualized instruction.	Quantity	Data collected by MDE	FY2020: 4,165 FY2021: 3,583 FY2022: 3,386	FY2023: 2,724
Percentage of prekindergarten children who meet their growth goals.	Quality	Data collected by MDE	FY2020: 76%[1] FY2021: 89% FY2022: 675%	FY2023: 65%
Number of K-3 children receiving individualized instruction.	Quantity	Data collected by MDE	FY2020: 13,289[2] FY2021: 123,174 FY2022: 15,163	FY2023: 16,573
Percentage of K-3 children who meet their growth goals.	Quality	Data collected by MDE	FY2020: 81% FY2021: 76% FY2022: 69%	FY2023: 77%

[1] Prekindergarten data in 2020 is fall to winter growth instead of the usual fall to spring, since programming was suspended in March 2020 due to the COVID-19 pandemic.

[2] The COVID-19 pandemic caused a disruption to the regular tutoring services provided by Minnesota Reading Corps, and ultimately impacted the number of students served in the final months of the school year.

M.S. 119A

Financial operations related to Reach Out and Read and Grow Your Own Early Childhood Educators within this activity will transfer to the Department of Children, Youth, and Families starting on July 1, 2025.

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General			1,485	803				
2001 - Other Misc Special Revenue			2,349	2,651				
Total			**3,834**	**3,454**				
Biennial Change				7,288		(7,288)		(7,288)
Biennial % Change						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Expenditures by Category								
Compensation			40	171				
Operating Expenses			5	134				
Grants, Aids and Subsidies			3,789	3,149				
Total			**3,834**	**3,454**				
Full-Time Equivalents			**0.26**	**0.55**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation			4,550	3,750	500	500	500	500
Balance Forward In				53				
Transfers Out			3,000	3,000	500	500	500	500
Cancellations			13					
Balance Forward Out			53					
Expenditures			**1,485**	**803**				
Biennial Change in Expenditures				2,288		(2,288)		(2,288)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
2001 - Other Misc Special Revenue								
Balance Forward In				151				
Transfers In			2,500	2,500				
Balance Forward Out			151					
Expenditures			**2,349**	**2,651**				
Biennial Change in Expenditures				5,000		(5,000)		(5,000)
Biennial % Change in Expenditures						(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents			0.26	0.55				

Program: Community Education
Activity: Community Education

AT A GLANCE

- Every Minnesota school district operates a community education program. For fiscal year (FY) 2023, school districts received $30.9 million in general community education revenue, $5.4 million in youth service program revenue, and $5.1 million in after-school enrichment revenue. For FY 2023, the state share (aid entitlement) of community education revenue was $146,972 and the local property tax share was $41.5 million.
- The Education Partnerships Coalition Fund Grant Program seeks to improve educational and developmental outcomes of children and youth within communities experiencing poverty. This grant program funds two neighborhood partnership grants and seven regional neighborhood partnership grants.
- In fiscal year (FY) 2024, the two neighborhood partnership grants received $2.6 million total or $1.3 million each. The Northside Achievement Zone and St. Paul Promise Neighborhood are Promise Neighborhoods, a federal designation for eligible neighborhoods that seek to improve educational and developmental outcomes of children and youth in those communities.
- In FY 2024, the seven regional neighborhood partnership grants received $1.4 million total or $200,000 each.

PURPOSE AND CONTEXT

The community education program is a state aid and local property tax levy program, designed to maximize the community's use of public schools and to promote the use of school facilities beyond the regular school day. Programs serve participants of all ages from preschool through senior citizens. The 2023 legislature increased the amount of state aid through the level of equalization a community education program can receive beginning in FY 2024.

The Education Partnerships Coalition Fund Grant Program supports neighborhood partnership grants and regional neighborhood partnership grants. The grants fund efforts designed to reduce multigenerational poverty, prepare children for kindergarten, support third grade reading proficiency, and reduce the educational achievement gap.

The provision provides grant funding, technical assistance, capacity building, and professional development for after-school community learning. The funding provides culturally affirming and enriching after-school and summer learning programs for youth

SERVICES PROVIDED

Community education provides services beyond the regular K-12 program. Programs may include:

- Programs for adults with disabilities.
- Adult basic education (ABE).
- Youth development and youth service.
- Early childhood family education (ECFE) and school readiness programs.
- School-age care.
- Summer programs for elementary and secondary pupils and youth after-school enrichment programs.
- Non-vocational, recreational, and leisure activities.

School boards must establish a community education advisory council and, with some exceptions, and must employ a licensed community education director. Each district that provides a community education program must submit an annual report to the Minnesota Department of Education (MDE).

Total community education revenue includes a district's general community education revenue, youth service program revenue, and youth after-school enrichment revenue. These revenues are calculated based on a school district's population and its property tax capacity.

The Minnesota Department of Education calculates aid and property tax levies and processes aid payments for this program.

Neighborhood partnership grants support Minneapolis residents living within the geographic boundaries of the Northside Achievement Zone, and residents of the St. Paul Promise Neighborhood, a 250-square block area in the central neighborhoods of St. Paul. Regional neighborhood partnership grants support organizations serving an entire community or a broad geographic area. The seven organizations receiving regional neighborhood partnership grants in 2024 are:

- Austin Aspires
- Children First
- Generation Next
- Northfield Healthy Communities Initiative
- RiseUp Red Wing
- Rochester Area Foundation – Cradle 2 Career
- United Way of Central Minnesota

Each of the nine funded organizations are expected to:

- Build a continuum of educational family and community supports with schools at the center.
- Develop local infrastructure needed to sustain and scale up proven and effective solutions.
- Use a comprehensive and data-driven approach to increase student success.
- Measure outcomes, such as kindergarten readiness, reading proficiency at third grade, high school graduation, and college and career readiness.

The Minnesota Department of Education (MDE) provides the following services for the grant program:

- Develop application and reporting forms for applicants/recipients.
- Create grant contracts including work plans and budget information.
- Provide guidance as it relates to Minnesota statutes and state policies.
- By December 15 of each odd-numbered year, submit a report on the education partnership program to the Minnesota Legislature describing:
    - Activities funded by the grant;
    - Grant recipients and award;
    - Program performance measures and outcomes; and
    - Recommendations for legislative changes.

RESULTS

MDE does not collect data to show the impact of community education programming other than the number of individuals that received services.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of districts submitting general annual report	Quantity	Data collected by MDE	FY2022: 247	FY2023: 238

Individual Education Partnership grantees work towards quantitative measures focused on core activities. Information in the table below is taken from the Education Partnerships Coalition Fund Legislative Report December 2023 (https://www.lrl.mn.gov/edocs/edocs?oclcnumber=1147875885).

Grantee	Performance Highlights
Generation Next	Generation Next convened community-based organizations along with Minneapolis and Saint Paul school districts and teacher preparation partners to support and increase pathways into teaching. At an October convening, the partnership welcomed over 40 attendees, representing over 20 organizations.
RiseUp Red Wing	In Goodhue County, partners from 15 agencies and organizations came together to impact 8,167 youth.
Austin Aspires	Austin Aspires' staff worked closely with over 800 families to provide access to food support, legal support, transportation services, childcare, medical services, and more.
United Way of Central Minnesota	The initiative invests and aligns over $2 million in community and grant raised funds to impact more than 12,000 youth through a data-informed process to achieve the greatest collective impact across the community.
Rochester Area Foundation/Cradle 2 Career	Cradle 2 Career launched a Kindergarten Readiness Cards pilot to address kindergarten transition. Partners distributed 400 cards in English, Arabic, Somali and Spanish to parents through network partners and back-to-school events.
Northfield Healthy Community Initiative	Northfield Promise supported the Greenvale Park Community School throughout the 2021-22 school year. A total of 563 youth and 181 family members participated in programming, and 85 volunteers contributed time and resources.
Children First	Children First launched a week-long equity-focused Summer Reading Festival, taking learning and reading outdoors to public spaces to kindle the joy of lifelong learning in families and children. Open to all, this free celebration targeted groups who could benefit from additional learning opportunities, building assets, and resiliency for youth and adults.
St. Paul Promise Neighborhood	Saint Paul Promise Neighborhood works to close the opportunity gap permanently by ensuring scholars have a safe, supportive, and culturally relevant learning environment during the summer.
Northside Achievement Zone (NAZ)	Over half of NAZ early childhood scholars are meeting or exceeding developmental expectations. NAZ third-eighth grade scholars have more consistent attendance than non-NAZ third-eighth grade scholars.

M.S.124D.18–20; M.S. 124D.99

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	3,030	4,315	31,271	14,685	14,081	14,442	14,081	14,442
Total	**3,030**	**4,315**	**31,271**	**14,685**	**14,081**	**14,442**	**14,081**	**14,442**
Biennial Change				38,611		(17,433)		(17,433)
Biennial % Change				526		(38)		(38)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Compensation			208	350				
Operating Expenses			76	1,609				
Grants, Aids and Subsidies	3,030	4,315	30,988	12,726	14,081	14,442	14,081	14,442
Total	**3,030**	**4,315**	**31,271**	**14,685**	**14,081**	**14,442**	**14,081**	**14,442**
Full-Time Equivalents			**1.75**	**2.08**				

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	175	147	92	8,722	10,232	10,465	10,232	10,465
Levies	40,634	41,544	41,580	38,697	37,763	38,280	37,763	38,280
District Revenue	40,809	41,691	41,672	47,419	47,995	48,745	47,995	48,745
Direct Appropriation	3,260	3,230	34,098	11,859	14,081	14,442	14,081	14,442
Current Year	158	133	83	7,850	9,209	9,419	9,209	9,419
Prior Year	22	17	14	9	872	1,023	872	1,023
Balance Forward In		1,085		2,826				
Cancellations			1					
Balance Forward Out	230		2,826					
Expenditures	**3,030**	**4,315**	**31,271**	**14,685**	**14,081**	**14,442**	**14,081**	**14,442**
Biennial Change in Expenditures				38,611		(17,433)		(17,433)
Biennial % Change in Expenditures				526		(38)		(38)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents			1.75	2.08				

Program: Community Education
Activity: Adults with Disabilities

AT A GLANCE

- In fiscal year (FY) 2023, 63 school districts had an Adults with Disabilities program.
- The program is a comprised of both state aid and local levy.

PURPOSE AND CONTEXT

The Adults with Disabilities program funds local community education programs for adults with disabilities. The 2023 legislature increased the amount of revenue a district with an Adults with Disabilities program can receive beginning in FY 2024. Beginning in FY 2024, approved programs may receive revenue equal to the lesser of (1) the actual expenditures for approved programs and budgets; or (2) the greater of (i) $0.34 times the population of the school district, or (ii) the district's adults with disabilities revenue for FY 2023. The 2024 legislature modified the program approval requirements for a school district with an Adults with Disabilities program to include a five-year approval from a district's community education council as well as submitting a statement of assurances to the MDE Commissioners Office regarding the program.

SERVICES PROVIDED

Revenue for most districts is 50 percent state aid and 50 percent local property tax levy.

Programs use the following service strategies:

- Assistance for adults participating in community activities (including one-on-one assistance, braille, and interpreter services);
- Classes specifically for adults with disabilities;
- Outreach to identify adults needing services; and
- Activities to increase public awareness of the roles of people with disabilities.

The Minnesota Department of Education (MDE) calculates and processes aid payments to districts and determines their property tax levy amounts for this program.

RESULTS

Program performance data is not collected by MDE, and school districts are not required to report on the details of their programs. District reporting of funding use is limited to the reporting of expenditures in the Uniform Financial Accounting and Reporting System.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Districts participating in program	Quantity	Data collected by MDE	FY2022: 63	FY2023: 63
Metropolitan Districts participating in program	Quantity	Data collected by MDE	FY2022: 28	FY2023: 28

M.S. 124D.56

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	702	704	710	1,416	1,517	1,534	1,517	1,534
Total	**702**	**704**	**710**	**1,416**	**1,517**	**1,534**	**1,517**	**1,534**
Biennial Change				720		925		925
Biennial % Change				51		44		44
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	702	704	710	1,416	1,517	1,534	1,517	1,534
Total	**702**	**704**	**710**	**1,416**	**1,517**	**1,534**	**1,517**	**1,534**

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY22	FY23	FY24	FY25	FY26	FY27	FY26	FY27
1000 - General								
Entitlement	710	710	710	1,494	1,519	1,536	1,519	1,536
Levies			669	507	481	451	481	451
District Revenue	710	710	1,379	2,001	2,000	1,987	2,000	1,987
Direct Appropriation	710	710	710	1,416	1,517	1,534	1,517	1,534
Current Year	639	639	639	1,345	1,368	1,383	1,368	1,383
Prior Year	63	65	71	71	149	151	149	151
Cancellations	8	6						
Expenditures	**702**	**704**	**710**	**1,416**	**1,517**	**1,534**	**1,517**	**1,534**
Biennial Change in Expenditures				720		925		925
Biennial % Change in Expenditures				51		44		44
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education
Activity: Deaf, Deafblind, and Hard-of-Hearing Adults

AT A GLANCE

- In 2023, two sites submitted qualified requests for funds under this program.

PURPOSE AND CONTEXT

The Deaf, Deafblind, and Hard-of-Hearing Adults program provides educational opportunities for adults who are deaf and hard-of-hearing. This program provides assistance with the one-time costs of interpreter and note-taker services for adults participating in school district adult education classes, adult technical college programs, or private community agencies.

SERVICES PROVIDED

- This program provides assistance with the one-time costs of interpreter and note-taker services.
- The program is not meant to support all interpreter services for adult learners who are deaf and hard-of-hearing, but to help in unforeseen situations.

The Minnesota Department of Education (MDE) calculates and processes aid payments for this program.

RESULTS

The rate at which sites request funds in consecutive years provides a gauge as to whether providers are anticipating, and budgeting for, support for individuals with hearing impairments. It is difficult to draw assumptions regarding the true statewide demand for services, since most districts and non-profit providers seek other resources to meet their needs.

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of educational programs for which interpreter and note-taker services costs were reimbursed	Quantity	Data collected by MDE	FY2021: 60	FY2023: 2

M.S. 124D.57

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	70	70	70	70	70	70	70	70
Total	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**
Biennial Change				0		0		0
Biennial % Change				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	70	70	70	70	70	70	70	70
Total	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	70	70	70	70	70	70	70	70
Expenditures	**70**	**70**	**70**	**70**	**70**	**70**	**70**	**70**
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures				0		0		0
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Community Education
Activity: School Age Care

AT A GLANCE

- In fiscal year (FY) 2023, school age care revenue was 100% funded by local property tax levies ($0 state aid) due to low equalization rates.
- The total levy in FY 2023 was $25.7 million.

PURPOSE AND CONTEXT

School Age Care is a program that helps ensure all students within a district have equal access to after-school care and summer educational programming.

School districts with school age care programs are served by this levy program.

This program supports the objective that every student deserves a world class education and attends a safe and nurturing school.

SERVICES PROVIDED

School age care revenue reimburses districts for approved additional costs incurred to provide school age care to children with disabilities, or children experiencing family or related problems of a temporary nature.

The school age care property tax levy equals:

- School age care revenue, times
- The lesser of:
  - One; or,
  - The ratio of (the adjusted net tax capacity of the district the year prior to levy certification, divided by the number of students living in the district for the levy year) to $2,318.

School Age Care aid equals:

- School age care revenue minus school age care property tax levy.

Because of the low equalizing factor that offsets property taxes with state aid, all revenue has been in the form of local property tax.

The Minnesota Department of Education calculates aid and property tax levies for this program.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Number of districts with school age care expenditures	Quantity	Data collected by MDE	FY2021: 165 FY2022: 161	FY2023: 158

M.S. 124D.19; M.S. 124D.22

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General					1	1	1	1
Total					**1**	**1**	**1**	**1**
Biennial Change				0		2		2
Biennial % Change								
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies					1	1	1	1
Total					**1**	**1**	**1**	**1**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement					1	1	1	1
Levies	20,403	21,880	22,595	24,339	26,763	32,982	26,763	32,982
District Revenue	20,403	21,880	22,595	24,339	26,764	32,983	26,764	32,983
Direct Appropriation	1	1		0	1	1	1	1
Cancellations	1	1						
Expenditures					**1**	**1**	**1**	**1**
Biennial Change in Expenditures				0		2		2
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning
Activity: Adult Basic Education

https://education.state.mn.us/MDE/fam/abe/

AT A GLANCE

- 1,296 paid staff (including 865 teachers) and 1,406 volunteers served 47,615 adult learners at an estimated 300 locations in fiscal year (FY) 2023.
- Of all enrollees, more than 51 percent were English learners, 6 percent had never attended school, 25 percent were unemployed, and 17 percent were in correctional facilities.

PURPOSE AND CONTEXT

Adult Basic Education (ABE) is a state and federally funded program that provides adults educational opportunities to acquire and improve the literacy skills they need to become self-sufficient.

This program supports the objective that all students receive a world-class education.

SERVICES PROVIDED

ABE program options:

- English as a Second Language
- High School Equivalency Diploma (previously called the GED or General Education Development diploma)
- Standard Adult High School Diploma and Traditional High School Diploma
- Basic Skills Education
- Workforce Preparation
- Transition to Postsecondary Education
- U.S. Citizenship and Civics Education
- Family Literacy

ABE is provided at roughly 300 sites in every Minnesota county, plus via online and distance learning options. Sites include public schools, community/technical colleges, prisons/jails, community nonprofit organizations, Career Force centers, libraries, learning centers, and Tribal Nation centers. Programs have voluntarily formed ABE consortia (39 grantees or administrative units) to maximize efficiency and share resources.

The Minnesota Department of Education provides technical support, calculates aid entitlements, and pays aid to districts and consortia.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
Adults who obtained a high school diploma or high school equivalency diploma	Quantity	Data collected by MDE	FY2022: 1,907	FY2023: 2,224
Adults who entered an integrated education and training program	Quantity	Data collected by MDE	FY2022: 968	FY2023: 1,066
Participants who made a measurable skill gain	Quality	Data collected by MDE	FY2022: 30.6%	FY2023: 36.6%
Participants who were employed six months after exiting ABE	Result	Data collected by MDE	FY2022: 36.2%	FY2023: 36.7%

M.S. 124D.51; M.S. 124D.518; M.S. 124D.52; M.S. 124D.521; M.S. 124D.522; M.S. 124D.531

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	51,594	51,683	52,409	53,880	55,281	56,919	55,281	56,919
3000 - Federal	5,131	6,973	6,013	6,042	6,297	6,297	6,297	6,297
Total	**56,725**	**58,656**	**58,422**	**59,922**	**61,578**	**63,216**	**61,578**	**63,216**
Biennial Change				2,963		6,450		6,450
Biennial % Change				3		5		5
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Grants, Aids and Subsidies	56,725	58,656	58,422	59,922	61,578	63,216	61,578	63,216
Total	**56,725**	**58,656**	**58,422**	**59,922**	**61,578**	**63,216**	**61,578**	**63,216**

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Entitlement	51,763	51,793	52,652	55,647	57,053	58,716	57,053	58,716
District Revenue	51,763	51,793	52,652	55,647	57,053	58,716	57,053	58,716
Direct Appropriation	53,191	51,948	52,566	53,880	55,281	56,919	55,281	56,919
Current Year	46,587	46,613	47,387	48,615	49,880	51,377	49,880	51,377
Prior Year	5,008	5,070	5,022	5,265	5,401	5,542	5,401	5,542
Transfers In				1,468	1,468	1,468	1,468	1,468
Transfers Out				1,468	1,468	1,468	1,468	1,468
Cancellations	1,597	265	157					
Expenditures	**51,594**	**51,683**	**52,409**	**53,880**	**55,281**	**56,919**	**55,281**	**56,919**
Biennial Change in Expenditures				3,012		5,911		5,911
Biennial % Change in Expenditures				3		6		6
Governor's Change from Base								0
Governor's % Change from Base								0

3000 - Federal								
Receipts	5,131	6,973	6,013	6,042	6,297	6,297	6,297	6,297
Expenditures	**5,131**	**6,973**	**6,013**	**6,042**	**6,297**	**6,297**	**6,297**	**6,297**
Biennial Change in Expenditures				(49)		539		539
Biennial % Change in Expenditures				(0)		4		4
Governor's Change from Base								0
Governor's % Change from Base								0

Program: Self Sufficient and Lifelong Learning
Activity: High School Equivalency Tests

https://education.state.mn.us/MDE/dse/abe/ged/

AT A GLANCE

- Two High School Equivalency (HSE) tests have been approved: General Education Development (GED) and the High School Equivalency Test (HiSET). GED is already being offered in Minnesota; (HiSET) launched in Minnesota in March 2023.
- 77 GED testing centers, including 11 at state correctional facilities. 7 HiSET Test Centers as of June 2024.
- In fiscal year (FY) 2023, 3,921 examinees took at least one GED test; 2,388 examinees completed all the test modules.
- More than 45% of GED graduates enroll in college within 3 years, according to the GED Testing Service.
- Individuals earning a High School Equivalency (HSE) Diploma are eligible to receive federal financial aid, including Pell Grants, if they meet income requirements.
- Minnesota GED testers outperformed national testers when comparing passing rates. In FY24, more than 79% of Minnesota GED testers passed and earned their HSE Diploma, compared to 75% nationally

PURPOSE AND CONTEXT

This state aid program provides increased access for eligible individuals to complete the General Education Development (GED) battery of tests. Six percent of Minnesotans aged 25-64 lack a high school diploma or its equivalent.

The GED consists of four tests and HiSET consists of five tests that measure outcomes associated with a high school education:

- Successful completion of the GED or HiSET tests results in the awarding of a state of Minnesota GED diploma.
- A high school diploma or High School Equivalency diploma is required by many employers, is accepted by almost all of Minnesota's postsecondary institutions, and serves as evidence to receive grants or scholarships.

This program supports the objective of all students receiving a world-class education and earning a family sustaining wage.

SERVICES PROVIDED

This program provides supplemental funds that are used to pay a portion of the HSE testing fee for eligible Minnesotans.

- For FY 2023, the High School Equivalency testing allocation was $125,000; for FY 2024, the High School Equivalency testing allocation was $125,000 plus a one-time fund of $490,000.
- The High School Equivalency testing allocation currently pays a maximum of $40 toward a student's GED testing fees (up to $136 per student). Starting July 2023 with the one-time funding, GED and HiSET testing was free for testers taking their first full test battery temporarily for FY2023 through FY2027 subject to the availability of funds.
- The Minnesota Department of Education (MDE) processes reimbursement payments to the GED Testing Service for GED and with PSI for HiSET so that tests are offered at discounted rates.

RESULTS

Measure name	Measure type	Measure data source	Historical trend	Most recent data
GED and HiSET Test subsidies provided	Quantity	Data collected by MDE	FY2023: 4,143	FY2024: 7,803
Percentage of GED candidates completing the full battery who passed	Quality	Data collected by MDE	FY2023: 82.6%	FY2024: 79.8%

M.S. 124D.549; M.S. 124D.55

High School Equivalency Tests

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
Expenditures by Fund								
1000 - General	34	41	281	459	125	125	125	125
Total	**34**	**41**	**281**	**459**	**125**	**125**	**125**	**125**
Biennial Change				664		(490)		(490)
Biennial % Change				875		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0
Expenditures by Category								
Operating Expenses	34	41	281	459	125	125	125	125
Total	**34**	**41**	**281**	**459**	**125**	**125**	**125**	**125**

High School Equivalency Tests

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY22	Actual FY23	Actual FY24	Estimate FY25	Forecast Base FY26	Forecast Base FY27	Governor's Recommendation FY26	Governor's Recommendation FY27
1000 - General								
Direct Appropriation	125	125	615	125	125	125	125	125
Balance Forward In		91		334				
Cancellations		174						
Balance Forward Out	91		334					
Expenditures	**34**	**41**	**281**	**459**	**125**	**125**	**125**	**125**
Biennial Change in Expenditures				664		(490)		(490)
Biennial % Change in Expenditures				875		(66)		(66)
Governor's Change from Base								0
Governor's % Change from Base								0

(Dollars in Thousands)

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Agriculture 10.541	Child Nutrition-Technology Innovation Grant - To allow State agencies that administer the Child Nutrition Programs (CNPs) to apply for grant funding to implement innovative technology solutions that will improve program accountability, data accuracy, program performance measurement, and the capacity to identify and target error-prone areas (locations or program functions) within and across the CNPs at the State and Local Educational Agency (LEA) or Sponsor Organization (SO) levels.	$ 435	$ 428	$ 353	$ 229		1.10
Agriculture 10.553	Food & Nutrition Services-Breakfast - To assist States in implementing a nutritious nonprofit breakfast service for school children, through meal reimbursements and food donations.	$ 77,557	$ 79,118	$ 80,690	$ 82,303	Match	
Agriculture 10.555	Supply Chain Assistance Funds - To provide funding for implementation of the supply chain issues school nutrition programs are currently experiencing. The funds will be used to purchase additional minimally processed food products to enhance students receiving nutritious school breakfast, lunch and snacks.	$ 23,450					
Agriculture 10.555	Food & Nutrition Services-Lunch - To assist States, through cash grants and food donations, in providing a nutritious nonprofit lunch service for school children and to encourage the domestic consumption of nutritious agricultural commodities.	$ 232,995	$ 244,201	$ 249,078	$ 254,060	Match	
Agriculture 10.556	Food & Nutrition Services-Special Milk - To provide subsidies to schools and institutions to encourage the consumption of fluid milk by children.	$ 618	$ 650	$ 662	$ 675	Match	
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Commodities - To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	$ 2,212	$ 2,206	$ 2,250	$ 2,295		

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Audit - To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	$ 1,580	$ 1,842	$ 1,941	$ 1,986		12.70
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Food Service - To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	$ 64,349	$ 63,874	$ 65,151	$ 66,454		
Agriculture 10.558	Food & Nutrition Services-Child & Adult Care Food Program Sponsor Admin - To initiate and maintain nonprofit food service programs for children and elderly or impaired adults enrolled in nonresidential day care facilities, children attending afterschool care programs in low-income areas, and children residing in emergency shelters.	$ 4,252	$ 4,898	$ 4,996	$ 5,096		
Agriculture 10.559	Food Nutrition Services-Summer Food Service Program State Admin Expenses - Nonprofit food service programs for low-income children during the summer months and at other approved times, when schools are out of session or are closed for vacation.	$ 354	$ 654	$ 667	$ 680		3.60
Agriculture 10.559	Food & Nutrition Services-Summer Food Program Sponsor Admin - Initiate and maintain nonprofit food service programs for low-income children during the summer months & at other approved times, when schools are out of session or closed for vacation.	$ 958	$ 1,395	$ 1,409	$ 1,423		
Agriculture 10.559	Food & Nutrition Services-Summer Food Program - Initiate and maintain nonprofit food service programs for low-income children during the summer months & at other approved times, when schools are out of session or closed for vacation.	$ 9,549	$ 13,608	$ 13,879	$ 14,018		

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Agriculture 10.560	Food & Nutrition Services-State Admin Expense - To provide each State agency with funds for its administrative expenses in supervising and giving technical assistance to local schools, school districts and institutions in their conduct of Child Nutrition Programs. State agencies that administer the distribution of USDA Foods to schools and child or adult care institutions are also provided with State Administrative Expense (SAE) funds.	$ 5,564	$ 8,927	$ 9,016	$ 9,106	Match	37.33
Agriculture 10.574	Food & Nutrition Services-Team Nutrition Training Grants - Team Nutrition is an initiative of the U.S. Department of Agriculture (USDA) Food and Nutrition Service (FNS) to support their Child Nutrition Programs through training and technical assistance for foodservice, nutrition education for children and their caregivers, and school and community support for healthy eating and physical activity. Team Nutrition Training Grants for Healthy School Meals have been identified in USDA's national Strategic Plan for Training and Technical Assistance as one of the anchor delivery systems for supporting the implementation of USDA's nutrition requirements and the Dietary Guidelines for Americans in Child Nutrition programs.	$ 356	$ 377	$ 279	$ 267		1.25
Agriculture 10.575	Farm to School Grant Program - Farm to School Grant Program To support food skills development with emphasis placed on Family and Consumer Sciences (FCS) programs and school gardens.	$ 7					

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Agriculture 10.579	Child Nutrition Discretionary Grants Limited Availability - National School Lunch Program (NSLP) Equipment Assistance Grants are awarded via a competitive grant process to school food authorities giving priority to high need schools where 50% or more of the enrolled students are eligible for free or reduced meals. Direct Certification Improvement Grants awarded to assist State agencies in improving their direct certification processes and rates. Admin Review Training grants awarded to State agencies to conduct additional administrative reviews of selected local educational agencies and to provide funding for state agencies to be used for oversight and training of admin personnel on application, certification, verification, meal counting, and meal claiming procedures.	$ 703	$ 799	$ 799	$ 799		0.10
Agriculture 10.582	Food & Nutrition Services-Fresh Fruits & Vegetables m. - To assist States, through cash grants, in providing free fresh fruits and vegetables to elementary schools with high percentages of children who receive free or reduced price meals through the National School Lunch Program.	$ 4,022	$ 4,200	$ 4,242	$ 4,284		0.75
Agriculture 10.589	Direct Certification Performance Award - Direct Certification Performance Awards are designed to encourage States to ensure that all eligible children living in households receiving benefits under the Supplemental Nutrition Assistance program (SNAP) are directly certified for free school meals. Each year for three years, USDA may award a total of up to 15 States for exemplary performance in their direct certification efforts with SNAP.	$ 3	$ 74				
Agriculture 10.645	Farm to School Grant Program - To support food skills development with emphasis placed on Family and Consumer Sciences (FCS) programs and school gardens.	$ 155	$ 467	$ 444	$ 14		3.25
Agriculture 10.646	Summer Electronic Benefit Transfer Program for Children - To provide EBT benefits to children who lose access to free and reduced price meals through the National School Lunch Program (NSLP) and School Breakfast Program (SBP) during the summer when school is not in session.	$ 1,102	$ 2,090	$ 2,090	$ 2,090		1.20

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Agriculture 10.649	Pandemic EBT (P-EBT) Local Level Administrative Cost Grant - To provide Federal financial participation to State agencies and local entities for costs incurred to operate the Pandemic EBT Food Benefit Program (P-EBT).	$ 1,474					
Department of Justice 16.839	DOJ STOP School Violence - To improve K-12 school security by providing students and teachers with the tools they need to recognize, respond quickly to, and prevent acts of violence and ensure a positive school climate.	$ 3	$ 411	$ 788	$ 798		2.00
United States Treasury 21.029	ARP Capital Project Fund Multi-Purpose Community Facility Projects - To invest in Multi-Purpose Community Facility Projects in areas that will benefit the most from support to address challenges exacerbated by the pandemic; support cross-sector education, work, and health strategies that advance family economic stability, educational opportunity, and child and youth wellbeing; and leverage and align existing investments and strategies across the state's funding and program administration for maximum community impact.	$ 12	$ 20,071	$ 20,071	$ 20,071		0.08
Institute of Museum & Library Services 45.310	Library Services and Technology Act – Grants to States - Promote improvement in library services in all types of libraries to better serve the public by facilitating access to resources for the purpose of cultivating an educated and informed citizenry and encouraging resource sharing among libraries for the purpose of achieving economical and efficient delivery of library services to the public.	$ 2,674	$ 2,663	$ 2,788	$ 2,811	Match/ MOE	10.20
Education 84.002	Adult Basic Education - To fund local programs of adult education and literacy services, including workplace literacy services, family literacy services, and English literacy and integrated English literacy-civics education programs. Participation in these programs is limited to adults and out-of-school youths aged 16 and older who do not have a high school diploma or equivalent and who are not enrolled or required to be enrolled in a secondary school under State law. See 20 USC 9202(1).	$ 6,920	$ 7,266	$ 7,578	$ 7,604	Match/ MOE	5.60
Education 84.010	Title 1 - To help local educational agencies (LEAs) improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.	$ 141,111	$ 184,590	$ 184,590	$ 184,590		9.93

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.011	Migrant Education - To assist States in ensuring that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet.	$ 1,873	$ 3,054	$ 2,461	$ 2,063		1.75
Education 84.013	Title I Neglected & Delinquent - To help provide educational continuity for neglected and delinquent children and youth in State-run institutions for juveniles and in adult correctional institutions, so that these youth can make successful transitions to school or employment once they are released.	$ 191	$ 439	$ 438	$ 438		0.01
Education 84.027	Special Education–Children with Disabilities - To provide grants to States to assist them in providing special education and related services to all children with disabilities.	$ 197,758	$ 210,204	$ 210,129	$ 210,129	MOE	77.82
Education 84.027X	American Rescue Plan Act of 2021 - SPED - For grants to states for IDEA Part B, for preschool grants under section 619 of IDEA, and for infants and toddlers under Part C of IDEA as authorized under section 2014 of the American Rescue Plan (ARP) Act, 2021.	$ 17,860					
Education 84.048	Carl Perkins Act – Vocational Education - Develop more fully the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.	$ 11,096	$ 11,199	$ 11,295	$ 11,320	Match/ MOE	7.18
Education 84.144	Migrant Education - Coordination Program - To provide financial incentives to State Educational Agencies (SEAs) to participate in consortia that provide high-quality project designs and services to improve the interstate or intrastate coordination of migrant education programs by addressing key needs of migratory children who have their education interrupted.	$ 22	$ 60	$ 90	$ 100		
Education 84.173	Early Childhood – Special Education Preschool Grants Part B - To provide grants to States to assist them in providing special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year- old children with disabilities who will reach age three during the school year.	$ 7,783	$ 8,549	$ 8,575	$ 8,578	MOE	4.42

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.173X	ARP Early Childhood – Special Education Preschool Grants Part B - To provide grants to States to assist them in providing special education and related services to children with disabilities ages 3 through 5 years, and at a State's discretion, to 2- year- old children with disabilities who will reach age three during the school year.	$ 1,881					
Education 84.181	Early Childhood – Special Education-Grants for Infants and Families Part C - To provide grants to States to assist them to implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	$ 7,571	$ 9,376	$ 8,909	$ 8,909	MOE	6.16
Education 84.181X	ARP Early Childhood – Special Education-Grants for Infants and Families Part C - To provide grants to States to assist them to implement and maintain a Statewide, comprehensive, coordinated, multidisciplinary, interagency system to make available early intervention services to infants and toddlers with disabilities and their families.	$ 1,450					0.06
Education 84.184	School Climate Transformation (SCT) Grant Program--State Educational Agency Grants - To improve students' safety and well-being during and after the school day.	$ 163	$ 163				
Education 84.196	Education for Homeless Children and Youth - To ensure that all homeless children and youth have equal access to the same free, appropriate public education available to other children, the Education for Homeless Children and Youth program provides assistance to States to: (1) establish or designate an Office of Coordinator for Education of Homeless Children and Youths; (2) develop and carry out a State plan for the education of homeless children; and (3) make subgrants to local educational agencies (LEAs) to support the education of those children.	$ 658	$ 1,365	$ 1,359	$ 1,359		1.97

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.206	Javits Gifted and Talented Students Education - To promote and initiate a coordinated program of evidence-based research, demonstration projects, innovative strategies, and similar activities designed to build and enhance the ability of elementary and secondary schools nationwide to identify gifted and talented students and meet their special education needs.	$ 671	$ 184				
Education 84.282	Charter Schools - The program supports startup of new charter schools and the replication and expansion of high-quality charter schools. Charter schools increase educational options for parents and students and, in exchange for stricter academic accountability, are exempt from many statutory and regulatory requirements. Funds also support State efforts to improve charter schools' access to facilities.	$ 1,251	$ 7,741	$ 8,844	$ 8,798		2.30
Education 84.287	21st Century Community Learning Centers - To provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment for children, particularly students who attend high-poverty and low-performing schools. The program is intended to help students meet state and local student academic achievement standards in core academic subjects, such as reading and math; to offer students a broad array of enrichment activities that reinforce and complement their regular academic programs; and to offer literacy and other educational services to the families of participating children.	$ 16,988	$ 14,693	$ 15,728	$ 16,746		4.60
Education 84.305S	Longitudinal Data To Support State Education Policymaking Grant Programs - To support research activities that improve the quality of education and, thereby, increase student academic achievement, reduce the achievement gap between high-performing and low-performing students, and increase access to and completion of postsecondary education.		$ 390				

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.323	Special Education – State Personnel Development - To assist State educational agencies in reforming and improving their systems for personnel preparation and professional development in early intervention, educational and transition services, to improve results for children with disabilities. As used in this program, personnel means special education teachers, regular education teachers, principals, administrators, related services personnel, paraprofessionals, and early intervention personnel serving infants, toddlers, preschoolers, or children with disabilities, except where a particular category of personnel, such as related services personnel, is identified.	$ 1,601	$ 2,055	$ 2,055	$ 2,055		1.10
Education 84.326	Deaf & Blind - Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities - The purpose of the Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities program is to promote academic achievement and to improve results for children with disabilities by providing technical assistance (TA), supporting model demonstration projects, disseminating useful information, and implementing activities that are supported by scientifically based research.	$ 234	$ 180	$ 180	$ 180		
Education 84.351	Assistance for Arts Education (AAE) Program - To promote arts education for students, including disadvantaged students and students who are children with disabilities, through various activities.	$ 989	$ 1,952	$ 1,706	$ 1,968		2.00
Education 84.358	Rural & Low Income Schools - Provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools.	$ 99	$ 168	$ 168	$ 158		0.06
Education 84.365	English Language Acquisition State Grants - To help ensure that English learners (ELs), including immigrant children and youth, attain English proficiency and meet the same challenging State academic content and student academic achievement standards that all children are expected meet.	$ 8,782	$ 10,676	$ 11,055	$ 11,055		3.39

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.367	Title II Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants) - To provide grants to State Educational Agencies (SEAs), and, through the SEAs, to Local Educational Agencies (LEAs) in order to increase student academic achievement consistent with challenging State academic standards; improve the quality and effectiveness of teachers, principals, and other school leaders; increase the number of teachers, principals, and other school leaders who are effective in improving student academic achievement in schools; and provide low-income and minority students greater access to effective teachers, principals, and other school leaders.	$ 21,796	$ 27,885	$ 26,560	$ 26,560		8.81
Education 84.368A	Competitive Grants for State Assessments - Minnesota is the lead state in the Advancing ALTELLA: Alternate Assessment Redesign (Advancing ALTELLA) collaborative, including the 40 states and entities of the WIDA Consortium and the Texas Education Agency. The goal is to redesign, update, and extend the current Alternate ACCESS, which includes: 1) developing an English language proficiency screener for English learners with significant cognitive disabilities; 2) revamping the current Alternate ACCESS that includes developing a Kindergarten version and updating the current forms; 3) creating professional learning materials to support the implementation and administration of the new and updated assessments; 4) conducting research and evaluation to enhance the new and updated assessments; and 5) disseminating project findings, results, and updates on a project website, in publications, and at national conferences and state meetings.	$ 569	$ 61				

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.368A	Competitive Grants for State Assessments - To support efforts to improve the quality, validity, and reliability of State academic assessments; measure student academic achievement through the use of multiple measures from multiple sources; develop or improve models to measure and assess student progress or growth; develop or improve assessments for English learners, including assessments of English language proficiency or assessments of academic content in languages other than English; develop or improve assessments for children with disabilities,; and develop and use comprehensive assessment instruments that improve assessment ability to measure critical thinking, writing and problem solving skills.		$ 733	$ 1,302	$ 1,380		
Education 84.369	State Assessments - The purpose of this program is: to pay the costs of developing the standards and high-quality assessments required by Title I of the ESEA. Once a State has put in place those standards and assessments, it may use program funds to pay for the administration of the assessments and for other activities related to ensuring that the State's schools and LEAs are held accountable for results and helping students attain challenging academic standards linked to college- and career-readiness. Such activities may include, among other things, developing standards and assessments in subjects other than those required by Title I, refining State assessments to ensure continued alignment with standards, expanding the range of testing accommodations for students with disabilities and for English Learner students, developing multiple measures to ensure the validity and reliability of State assessments, and using academic assessment instruments such as performance and technology-based assessments or computer adaptive assessments to better reflect the kind of complex work students do in an effective classroom and the real world.	$ 7,717	$ 9,847	$ 9,847	$ 9,847		15.76

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.371	Comprehensive Literacy State Development Program - The objective of the Comprehensive Literacy Development program is to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through grade 12, including English learner and students with disabilities.	$ 15,705	$ 6,486				
Education 84.372	Statewide Longitudinal Data Systems - To enable State educational agencies to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate, and use individual student data, to facilitate analyses and research to improve student academic achievement and close achievement gaps.	$ 127	$ 789	$ 1,111	$ 1,111		6.85
Education 84.424	Student Support and Academic Enrichment (SSAE) Grants - To improve student's academic achievement by increasing the capacity of States, local educational agencies (LEAs), schools and local communities to: (1) provide all students with access to a well-rounded education; (2) improve school conditions for student learning; and (3) improve the use of technology in order to improve the academic achievement and digital literacy for all students.	$ 10,147	$ 13,383	$ 13,671	$ 13,671		2.93
Education 84.424F	Stronger Connections Grant Program - The Bipartisan Safer Communities Act (BSCA), Congress authorized $1 billion in formula funding under Title IV, Part A of the Elementary and Secondary Education Act of 1965 (ESEA) to State educational agencies (SEAs) to provide students with safer and healthier learning environments. Under the BSCA, SEAs must award these funds competitively to high-need local educational agencies (LEAs) to fund activities allowable under section 4108 of the ESEA.	$ 4,114	$ 3,574	$ 3,631	$ 803		1.10
Education 84.424H	Stronger Connections Technical Assistance and Capacity Building (SCTAC) Grant - To advance the mental health and well-being of early learners, school-age children and youth, and educators and other school staff, by making grants to State educational agencies (SEAs) to provide technical assistance and capacity building to high-need local educational agencies (LEAs).		$ 87	$ 36	$ 14		0.20

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.425C	Governor's Emergency Education Relief Fund (GEER Fund) - Grants for the purpose of providing local educational agencies (LEAs), institutions of higher education (IHEs), and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to IHE, LEA, or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students for authorized activities described in section 18003(d)(1) of the CARES Act or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	$ (17)				MOE	
Education 84.425C	Governor's Emergency Education Relief Fund (GEER II) Public School Portion - Grants for the purpose of providing local educational agencies (LEAs) and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to LEA, or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021 or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	$ 754					

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.425R	Governor's Emergency Education Relief Fund (GEER II) - Non Public Schools Portion - Grants for the purpose of providing local educational agencies (LEAs) and other education related entities with emergency assistance as a result of the Novel Coronavirus Disease 2019 (COVID-19). Funds may be used to provide support to LEAs or education-related entities within the State that the Governor deems essential for carrying out emergency educational services to students as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021 or the Higher Education Act of 1965, as amended (HEA), the provision of childcare and early childhood education, social and emotional support, and the protection of education-related jobs.	$ 6,918					
Education 84.425D	Elementary and Secondary School Emergency Relief Fund II (ESSER II) - Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 312 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021.	$ 77,858				MOE	
Education 84.425U	American Rescue Plan Act (ARP) of 2021 - ESSER 90% - Grants to State educational agencies (SEAs) for the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 2001 of the American Rescue Plan (ARP) Act, 2021. 20% of these funds must be reserved by the LEA to address learning loss.	$ 325,545	$ 391,333			MOE	
Education 8.425U	American Rescue Plan Act of 2021 - ESSER 10% Grants to State educational agencies (SEAs) - For the purpose of providing local educational agencies (LEAs), including charter schools that are LEAs, with emergency relief funds to address the impact that COVID-19 as authorized in section 2001 of the American Rescue Plan (ARP) Act, 2021. These funds are identified to be spent in the following ways: learning loss (5%), and Summer Enrichment and Afterschool programs (1% each).	$ 57,109	$ 32,757			MOE	

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Education 84.425V	American Rescue Plan Act of 2021 - EANS - To provide services or assistance to non-public schools that enroll a significant percentage of low-income students and are most impacted by the qualifying emergency as authorized in section 2002 of the American Rescue Plan (ARP) Act, 2021.	$ 17,088	$ 10,971				
Education 84.425W	American Rescue Plan Act of 2021 - Homeless Children and Youth - To provide support for the specific and urgent needs of homeless children and youth as authorized in section 2002 of the American Rescue Plan (ARP) Act, 2021.	$ 2,804	$ 3,064				
Health & Human Services 93.243	Project AWARE (Advancing Wellness & Resilience in Education) Grant - This program is to build or expand the capacity of State Educational Agencies, in partnership with State Mental Health Agencies (SMHAs; this is DHS in Minnesota) overseeing school-aged youth, and with three local education agencies (LEAS), to: (1) increase awareness of mental health issues among school-aged youth; (2) provide training for school personnel and other adults who interact with school-aged youth to detect and respond to mental health issues; and (3) connect school-aged youth, who may have behavioral health issues (including serious emotional disturbance [SED] or serious mental illness [SMI]), and their families to needed services.	$ 3,565	$ 3,491	$ 3,157	$ 582		3.03
Health & Human Services 93.323	MDH-MDE Agreement for Expanded Lab Capacity - Grant from Minnesota Department of Health to support open, in person K-12 school environments during the COVID-19 pandemic.	$ 9,313					
Health & Human Services 93.434	Preschool Development Grant Birth Through Five - In summary, the PDG B-5 grants will support States in their efforts to analyze the current landscape of their ECE mixed delivery system and implement changes to the system that maximize the availability of high-quality early childhood care and education options for low-income and disadvantaged families across providers and partners, improve the quality of care, streamline administrative infrastructure, and improve State-level early childhood care and education funding efficiencies.	$ 8,230	$ 8,000			Match	

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
Health & Human Services 93.566	Refugee and Entrant Assistance State - Grant from Minnesota Department of Human Services to promote academic performance and successful integration of Office of Refugee Resettlement (ORR) eligible children and youth ages five (5) (or the age at which they enter school) until the age of eighteen (18) through facilitating education access, and increasing school districts' capacity to support children, youth and families	$ 128	$ 832	$ 825	$ 187		1.90
Health & Human Services 93.575	Great Start Task Force - Grant from Minnesota Department of Human Services to provide support to Parent Aware, provide outreach and technical assistance to Head Start and similar programs, and participate in quality standards review of Parent Aware.	$ 78					
Health & Human Services 93.600	Head Start - Promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals.	$ 126	$ 125			Match	
Health & Human Services 93.958	Block Grants for Community Mental Health Services - Grant from Minnesota Department of Human Services to provide support for the Minnesota School Behavioral Health Conference.	$ 12					
Health & Human Services 93.981	CDC Improving Student Health & Academic Achievement thru Nutrition, Physical Activity & Mgmt of Chronic Conditions in Schools - This program supports evidence-based strategies and activities to reduce the risk of children and adolescents developing chronic disease in the future, manage chronic conditions prevalent in student populations (asthma, diabetes, epilepsy, food allergies, oral health) and improve academic success. Long-term outcomes include: (1) increasing the number of students who consume nutritious food and beverages, (2) increasing the number of students who participate in daily physical activity, and (3) reducing chronic health issues among students and improving health outcomes in schools.	$ 220	$ 390	$ 390	$ 390		0.25
	Federal Fund [3000 Fund] Total	**$ 1,431,244**	**$ 1,441,065**	**$ 997,283**	**$ 1,000,054**		**242.74**

Federal Agency and ALN	Federal Grant Name Brief Purpose	FY 2024 Actual	FY 2025 Budget	FY 2026 Base	FY 2027 Base	Required State Match or MOE?	FTEs
United States Treasury 21.027	ARP State Fiscal Recovery - To provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.	$ 402					-
	ARP - State Fiscal Recovery Fund [3015 Fund] Total	**$ 402**	**$ -**	**$ -**	**$ -**		**-**
	Federal Fund – Agency Total	**$ 1,431,646**	**$ 1,441,065**	**$ 997,283**	**$ 1,000,054**		242.74

Narrative

Federal Funds make up 8% of Minnesota Department of Education's (MDE) budget and are projected to be $997 million and $991 million for State fiscal years 2026 and 2027. This is down slightly from State fiscal years 2024 and 2025. The primary driver of this decrease is the ending of the American Rescue Plan (ARP) funding. 95% of Federal Funds flow thru to LEAs

Major programs with Match or Maintenance of Effort (MOE) requirements include Special Education and Food and Nutrition Services. For Special Education, states are subject to MOE and are required to spend the same amount of funding as the previous year in order to receive IDEA Parts B and C funds.

USDA programs are granted legal authority to spend under 42 USC 1760(b), M.S. 4.07 and M.S. 3.3005

There are no new grants and all grants have received approval in the current biennium. No MDE federal funds have flexibility in how the funds are spent.