

SF925 - 0 - Nonpublic Students Aid Calculation Modification

Chief Author: **Justin Eichorn**  
 Committee: **Education Finance And Policy**  
 Date Completed: **3/23/2021 10:43:14 AM**  
 Lead Agency: **Education Department**  
 Other Agencies:  
     Administrative Hearings

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

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Education Department</b>						
General Fund	-	1,599	1,853	1,958	2,074	
<b>State Total</b>						
General Fund	-	1,599	1,853	1,958	2,074	
	<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>
	<b>Biennial Total</b>		<b>3,452</b>		<b>4,032</b>	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Education Department</b>					
General Fund	-	-	-	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Lead LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Alyssa Holterman Rosas    **Date:** 3/23/2021 10:43:14 AM  
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**State Cost (Savings) Calculation Details**

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>		<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Education Department</b>						
General Fund	-	1,599	1,853	1,958	2,074	
<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>	
	<b>Biennial Total</b>		<b>3,452</b>		<b>4,032</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
Education Department						
General Fund	-	1,599	1,853	1,958	2,074	
<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>	
	<b>Biennial Total</b>		<b>3,452</b>		<b>4,032</b>	
<b>2 - Revenues, Transfers In*</b>						
Education Department						
General Fund	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Biennial Total</b>		<b>-</b>		<b>-</b>	<b>-</b>

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

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
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General Fund	-	1,599	1,853	1,958	2,074	
<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>	
<b>Biennial Total</b>			<b>3,452</b>			<b>4,032</b>

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Alyssa Holterman Rosas      **Date:** 3/23/2021 10:41:41 AM  
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**State Cost (Savings) Calculation Details**

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\*Transfers In/Out and Absorbed Costs are only displayed when reported.

<b>State Cost (Savings) = 1-2</b>		<b>Biennium</b>			<b>Biennium</b>	
<b>Dollars in Thousands</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	
General Fund	-	1,599	1,853	1,958	2,074	
<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>	
			<b>3,452</b>		<b>4,032</b>	
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
General Fund	-	1,599	1,853	1,958	2,074	
<b>Total</b>	<b>-</b>	<b>1,599</b>	<b>1,853</b>	<b>1,958</b>	<b>2,074</b>	
			<b>3,452</b>		<b>4,032</b>	
<b>2 - Revenues, Transfers In*</b>						
General Fund	-	-	-	-	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
			<b>-</b>		<b>-</b>	

**Bill Description**

Section 1 of the bill extends guidance and counseling services to elementary nonpublic pupils as well as elementary and secondary pupils enrolled in American Indian-controlled tribal contract or grant schools.

Section 2 of the bill adds elementary pupils to be included in the computing of maximum allotments for each school year related to guidance and counseling.

This bill is effective for FY22 and later.

**Assumptions**

The calculation used to determine the reimbursement rate for guidance and counseling does not change.

The base rate is calculated using actual two year prior public school expenditures. Forecast aid is based on the reimbursement rate times the number of participating nonpublic and American Indian-controlled tribal contract or grant school pupils.

It is assumed that 50% of eligible nonpublic and American Indian-controlled tribal contract or grant school elementary pupils will participate in guidance and counseling.

It is assumed that 89% of eligible American Indian-controlled tribal contract or grant school secondary pupils will participate in guidance and counseling.

Participating pupils will receive the same specific guidance and counseling services as are provided for the public students in the district where the nonpublic or American Indian-controlled school is located.

Nonpublic elementary enrollments will increase slightly each year one, based on forecast data.

American Indian-controlled tribal contract or grant school enrollment will increase approximately six percent annually.

The five percent administrative portion of the aid is outlined in 123B.46.

There would be MNIT costs associated with this bill language. Modifications would be needed to add K-6 nonpublic student's participation. This would require a modification for how the data is presented in the tables since participation in these services would need to be regrouped. Modification would also be needed on the screens to be able to enter

reimbursement rates for elementary guidance and counseling. This would also require modification to the reports and calculations. Since modification would be need starting in FY20, this would also require some work to be completed on the mainframe modernization project as well. It is assumed that all work can be done in FY22. This work would require one mainframe developer at \$110 per hour. Original modification would require 110 hours.

**Expenditure and/or Revenue Formula**

	FY22	FY23	FY24	FY25
Average Public School Cost (Elementary)	\$55.54	\$58.32	\$61.23	\$64.29
Estimated Nonpublic Elementary Pupils	57,269	57,460	57,654	57,990
Participating Nonpublic Elementary Pupils	28,634	28,730	28,827	28,995
Estimated Tribal Contract Elementary Pupils	399	423	448	475
Participating Tribal Contract Elementary Pupils	200	212	224	238
Average Public School Cost (Secondary)	\$278.19	\$292.10	\$306.71	\$322.05
Estimated Tribal Contract Secondary Pupils	313	332	352	373
Participating Tribal Contract Secondary Pupils	279	295	313	332
Total Participating Elementary Pupils	28,834	28,942	29,051	29,233
Elementary Entitlement	\$1,601,440	\$1,687,897	\$1,778,793	\$1,879,390
Total Participating Secondary Pupils	279	295	313	332
Secondary Entitlement	\$77,615	\$86,170	\$96,000	\$106,921
Subtotal	\$1,679,055	\$1,774,067	\$1,874,793	\$1,986,310
Administrative 5 Percent	<u>\$83,953</u>	<u>\$88,703</u>	<u>\$93,740</u>	<u>\$99,316</u>
Total Entitlement Increase	1,763,008	1,862,770	1,968,533	2,085,626
90% Current	1,586,707	1,676,493	1,771,679	1,877,063
10% Prior Year Adjustment	0	176,301	186,277	196,853
Total Appropriation Increase	1,586,707	1,852,794	1,957,956	2,073,916

**MNIT Costs**

Implementation (110 hours @ \$110/hr)	FY22
<b>TOTAL</b>	<b>12,100</b>

Total Appropriation Costs:

	FY22	FY23	FY24	FY25
Nonpublic pupil aid costs	1,586,707	1,852,794	1,957,956	2,073,916
MNIT costs	12,100			
<b>Total Appropriations:</b>	<b>1,598,807</b>	<b>1,852,794</b>	<b>1,957,956</b>	<b>2,073,916</b>

**Long-Term Fiscal Considerations**

The aid will be available to school districts starting in FY2022 and on-going.

**Local Fiscal Impact**

**References/Sources**

UFARS

Nonpublic enrollment data and projections.

MARSS enrollment data and projections.

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Chief Author: **Justin Eichorn**  
 Committee: **Education Finance And Policy**  
 Date Completed: **3/23/2021 10:43:14 AM**  
 Agency: **Administrative Hearings**

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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
<b>Total</b>	-	-	-	-	-

**LBO Analyst's Comment**

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

**LBO Signature:** Joe Harney      **Date:** 3/2/2021 6:04:48 PM  
**Phone:** 651-284-6438      **Email:** joe.harney@lbo.leg.mn

**State Cost (Savings) Calculation Details**

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Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025	
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>1 - Expenditures, Absorbed Costs*, Transfers Out*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-
<b>2 - Revenues, Transfers In*</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Biennial Total</b>			-			-

**Bill Description**

SF925 amends MS 123B.44, subd. 1 to include non-public school elementary and elementary and secondary students enrolled in American Indian-controlled tribal or grant school counseling and guidance services.

**Assumptions**

The Office of Administrative Hearings (OAH) ensures that when government agencies undertake regulatory or rulemaking functions they do so within their legal authority and provide to affected individuals and businesses all of the procedural and substantive legal guarantees to which they are entitled.

This additional language would have a negligible fiscal impact on OAH as it does not increase the length of a rule hearing or complexity of the report.

**Expenditure and/or Revenue Formula**

**Long-Term Fiscal Considerations**

**Local Fiscal Impact**

**References/Sources**

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**Agency Fiscal Note Coordinator Signature:** Denise Collins

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