

HF3434 - 0 - Ethnic Studies Graduation Requirement

Chief Author: **Cedrick Frazier**
 Committee: **Education Finance**
 Date Completed: **3/7/2022 8:36:48 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) Dollars in Thousands	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Education Department					
General Fund	-	-	576	474	451
State Total					
Administrative Hearings	-	-	-	-	-
General Fund	-	-	576	474	451
Total	-	-	576	474	451
Biennial Total			576		925

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Education Department					
General Fund	-	-	3	3	3
Total	-	-	3	3	3

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:** 3/7/2022 8:36:48 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.

State Cost (Savings) = 1-2	Biennium			Biennium	
Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	-	-	-
Education Department					
General Fund	-	-	576	474	451
Total	-	-	576	474	451
Biennial Total			576		925
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	11	-	-
Education Department					
General Fund	-	-	576	474	451
Total	-	-	587	474	451
Biennial Total			587		925
2 - Revenues, Transfers In*					
Administrative Hearings	-	-	-	-	-
Administrative Hearings	-	-	11	-	-
Education Department					
General Fund	-	-	-	-	-
Total	-	-	11	-	-
Biennial Total			11		-

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Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact	X	

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General Fund	-	-	576	474	451	
Total	-	-	576	474	451	
Biennial Total			576		925	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	3	3	3
Total	-	-	3	3	3

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:** 3/7/2022 8:07:16 AM
Phone: 651-284-6439 **Email:** alyssa.holterman.rosas@lbo.mn.gov

State Cost (Savings) Calculation Details

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

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
General Fund	-	-	-	576	474	451
Total		-	-	576	474	451
Biennial Total					576	925
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	576	474	451
Total		-	-	576	474	451
Biennial Total					576	925
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total					-	-

Bill Description

A bill to create requirements for ethnic studies including required graduation requirements, standards, curriculum, and local plans, creating a task force, giving the department rulemaking authority for curriculum, and requiring a report.

Assumptions

While the addition of ethnic studies in social studies does not require a course, but rather that the standards within social studies standards be met, the requirement added on line 2.20 would require .5 credit of the 3.5 credits of social studies to be a course in ethnic studies. This would increase the content for social studies to 4 credits to satisfy all the standards.

A new rulemaking requirement is set forth on lines 3.1 to 3.3 but does not allow for expedited rulemaking. This will create an 18-24 month process that would be rushed to meet the other deadlines in the bill. While a dual notice would be published, likely a hearing would be required.

The rulemaking would be outside the work of the task force due to the timelines identified. If recommendations are identified, a second rulemaking effort would be required. That rulemaking process does allow for an expedited rulemaking process which would be a 12 month process and would not require a hearing.

The duties on lines 3.16 to 4.30 would be in excess of the current 1.0 FTE. With the timelines identified this would require an additional 3 FTE (Education Specialist II). Current staffing can meet requirements in 3.18 and 3.19 and coordinate rulemaking.

Support identified in line 3.27 would be technical assistance support not financial support.

Taskforce is 25 members. They are meeting from October 2022 to October 2023 a total of 13 months and are provided a stipend of \$250 per month. It is assumed that taskforce meetings will be held at MDE offices.

Expenditure and/or Revenue Formula

Rulemaking :	FY 2023	FY2024	FY2025
Initial - Request for Comment (RFC), public notices and documentation in State Register, Office of Administrative Hearings (OAH) hearing(s) and report	43,250		

Expedited - Similar to non-expedited but without OAH costs		23,250	
Ethnic Studies Taskforce:			
25 members stipend \$250/mo, 13 months	81,250		
MDE Staffing:			
3 FTE (Education Specialist II)	450,961	450,151	450,151
TOTAL	575,461	473,401	450,151

Long-Term Fiscal Considerations

Similar costs for the Taskforce and regular rulemaking would be required every 10 years afterwards. Staffing requirements would be ongoing.

Local Fiscal Impact

Significant costs are required for local school districts. With no current standards in rule to meet the deadlines of the requirements the courses would need to be locally developed and then revised once state standards and state curriculum are finalized and again when the task force makes recommendations on changes.

Districts will need to develop new courses and ensure students are satisfying one of the courses for graduation requirements. This will require staffing for the development of courses and for counselors to support tracking and advising.

Districts are also encouraged to have a dedicated coordinator. This would be new staffing in addition to potential classroom hires to teach the content.

Districts are also required to evaluate seeking feedback from stakeholders. This would require additional staffing.

References/Sources

Agency Contact: Jennifer Dugan, 651-582-8654

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 Committee: **Education Finance**
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 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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	Dollars in Thousands	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings	-	-	-	-	-
Total	-	-	-	-	-

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: Joel Enders **Date:** 2/26/2022 10:35:42 AM
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State Cost (Savings) Calculation Details

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State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2021	FY2022	FY2023	FY2024	FY2025
Administrative Hearings		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Administrative Hearings		-	-	11	-	-
Total		-	-	11	-	-
Biennial Total				11		-
2 - Revenues, Transfers In*						
Administrative Hearings		-	-	11	-	-
Total		-	-	11	-	-
Biennial Total				11		-

Bill Description

HF704 provides for the addition of ethnic studies to the social studies graduation requirements for public school students in grades K-12. The Department of Education (MDE) must also establish an Ethnic Studies Task Force to advise the commissioner of the standards, curriculum, and resources needed to implement the ethnic studies requirements.

The legislation also authorizes MDE to conduct rulemaking to implement the provisions of Sec. 3, Ethnic Studies Task Force, Subd. 6 Statewide academic standards.

Assumptions

Based on past practices, OAH assumes that rulemaking to add ethnic studies to social studies curriculum and the establishment of an Ethnic Studies Task Force would require a medium rulemaking under chapter 14 which requires an estimated 50 hours of ALJ time for activity related to rulemaking procedures. Of the estimated rulemaking amount of \$133,376, \$10,750 is for the estimated 50 hours of ALJ time for a medium rulemaking.

OAH currently bills ALJ time for rulemaking at the MMB-approved billable rate of \$215 per hour (see Minn. Stat. § 16A.126, subd. 1 (2020)).

Expenditure and/or Revenue Formula

Estimated 50 hours of ALJ time for rulemaking activities related to implementing the requirements of Sec. 3, Subd. 6 Statewide academic standards = 50 hours x \$215/hr = \$10,750 charged to MDE in FY2023 pursuant to the requirements of Minn. Stat. § 14.53.

Long-Term Fiscal Considerations

The costs associated with the rulemaking activities are a one-time occurrence.

Local Fiscal Impact

References/Sources

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