

# **Governor's Recommendation FY16-17 Education (MDE) Budget**

**Dr. Brenda Cassellius, Commissioner  
January 28, 2015**

# MDE Mission

***“Leading for educational excellence and equity. Every day for every one.”***

# Minnesota Department of Education

- **Set policy and direct the distribution of over \$20 billion biennially in flow-through funding to schools.**
- **Provide guidance and assistance to:**
  - 846,114 pre-K through 12 students.
  - Over 155,500 young children participating in a variety of early learning programs including Head Start and ECFE.
  - 53,422 FTE licensed teachers.
  - 332 school districts and 148 charter schools.
  - Over 65,000 adult learners.
- **5+ million MN residents who expect a world class public education system.**

# **World's Best Workforce (WBWF) Goals**

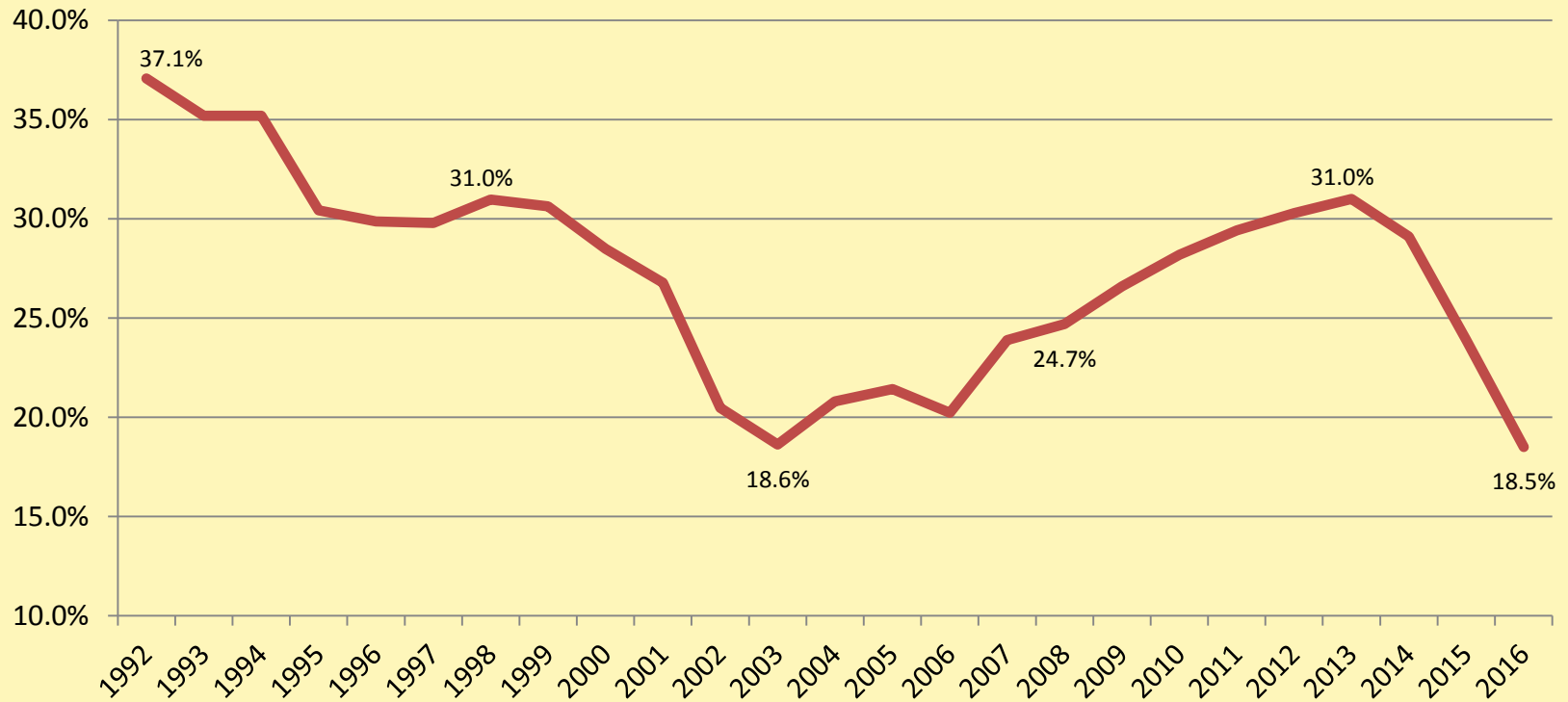
- **All children are ready for school.**
- **All third-graders can read at grade level.**
- **All racial and economic achievement gaps between students are closed.**
- **All students are ready for career and college.**
- **All students graduate from high school.**

# Funding: Where We've Been

- From 2003 to present, funding for schools has lagged behind inflation.
- From 2003 to 2013 funding disparity between the 5% richest districts and 5% poorest districts grew to 31%. Due to the work of the Legislature and governor, disparity will drop to 18.5% by 2016.
- As a percentage of district revenue, between 2003-2011 property taxes grew 7 percentage points to 19%, but between 2011-2014 the portion only grew 1 percentage point.
- \$2.8 billion borrowed from schools; fully paid back in 2013.

# Trend of Funding Disparities

DISPARITY IN UNRESTRICTED GENERAL EDUCATION REVENUE PER STUDENT, 95TH TO 5TH PERCENTILE, FY 1992 - FY 2016  
November 2014 Forecast



# School Funding Trends, FY 11 – FY 16

## Total General Ed, State SPED, Integration, Literacy and CTE Revenue per ADM

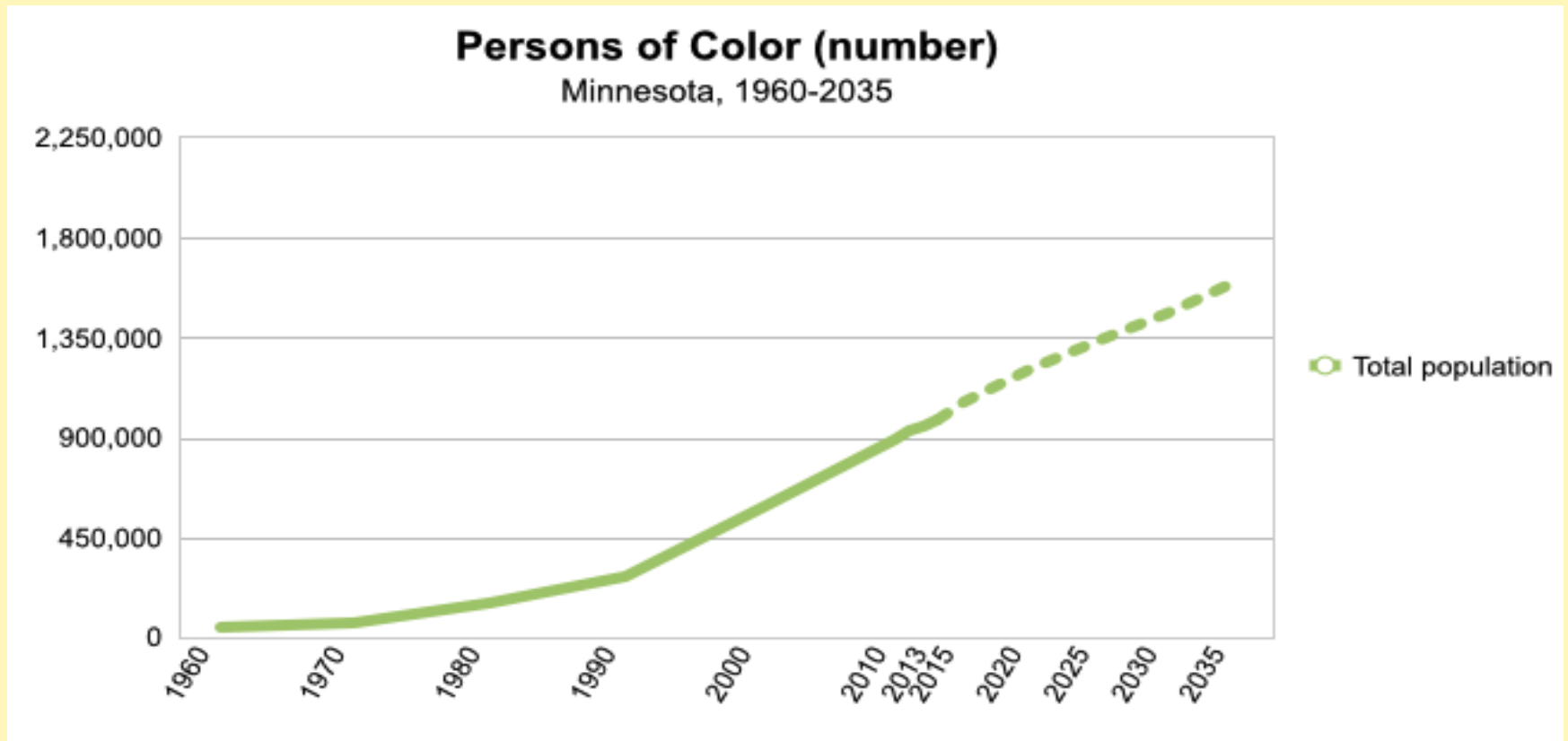
	FY 2011	FY 2016	Increase	% Incr
STATE TOTAL	10,232	10,735	503	4.9%
MPLS & ST PAUL	13,049	13,023	(26)	-0.2%
INNER SUBURBS	10,380	10,821	442	4.3%
OUTER SUBURBS	10,054	10,466	412	4.1%
NONMET >=2K	9,391	9,980	588	6.3%
NONMET 1K-2	9,243	9,645	402	4.3%
NONMET < 1K	9,839	10,443	604	6.1%
CHARTER TOT	9,947	10,332	384	3.9%

# FY16-17 Budget Priorities

- **Reduce achievement gaps by 50 percent by 2017.**
  - **Multiple measures are used to evaluate school performance, including proficiency, growth, achievement gap reduction and graduation rate.**
  - **Every school receives an achievement gap measure (Focus Rating).**
- **Increase statewide graduation rate to 90% with no student group with less than 85% by 2020.**



# Minnesota is Rapidly Changing



# Funding for the Future

- **Includes 1% on the formula in both FY 16 and FY 17.**
- **\$174.4 million.**
  - **\$55.561 million in FY 16, or \$58 per pupil.**
  - **\$118.825 million in FY 17, or \$59 per pupil.**
  - **Over the biennium, an increase of \$117 per pupil from \$5,831 to \$5,948.**

# Better Early Childhood Education

**In his 2014 State of the State address,  
Governor Dayton stated:**

***“All three and four year olds in Minnesota will have access to high-quality, affordable early childhood education by 2018.”***

# Better Early Childhood Education

- **Statewide Public Pre-Kindergarten for 4 yr olds.**
  - **\$109.1 million.**
  - **31,000 kids.**
  - **0.5 pupil weight, with school match.**
  - **Voluntary for schools, optional for families.**
  - **Flexibility for schools to partner.**
  - **Repurposing school readiness (\$10/yr).**
- **Early Learning Scholarships.**
  - **Expand to ages 0-5.**
  - **4,500 more flexible scholarships, for approximately 9,000 total.**

# Better Early Childhood Education

- **Eliminate Current Head Start Wait List.**
  - \$19.4 million.
  - 2,485 children on the wait list.
- **Help Me Grow.**
  - \$2 million.
  - **Connect all families with children 0-8 with essential services.**

# Better Early Childhood Education

## Other Investments:

- \$17.5 million – Child Care Assistance Program (DHS).
- \$2.6 million – Home Visiting (MDH).
- \$99.9 million – Child and Dependent Care Tax Credit (DOR).

# Reading Well by Third Grade

- **Reading Corps.**
  - **\$10 million.**
  - **Increases the number of children served by 14,000.**
  - **Increases AmeriCorps members serving in Reading Corps by 480 members.**

# Support Teaching for Better Schools

- **Regional Centers of Excellence.**
  - **\$6 million to better serve schools and build capacity.**
  - **Allows Centers to assist 200 more schools.**
  - **Expands specialist support in areas of math, reading, special education, American Indian students, and English learners.**



# Raise the Bar – Close the Gap

- **Success for the Future: \$4.5 million.**
  - 5,300 more American Indian students served.
  - Fully funds 66 eligible school districts and schools.
  - Funds used to support American Indian students and enable participation in Advanced Placement and college readiness programs.

# Raise the Bar – Close the Gap

- **School Breakfast Program.**
  - \$28.1 million for all students pre-K to grade three to have free breakfast.
  - Will provide an additional 83,000 students with free breakfast.
- **English Learner (EL) Program.**
  - \$ 7.9 million to extend EL services from 6 to 7 years.
  - Over 68,000 students for whom English is not their first language.

# Raise the Bar – Close the Gap

- **Positive Behavioral Interventions and Supports (PBIS).**
  - \$4.6 million to support schools and improve school climate, reducing disciplinary actions and suspensions.
- **Community Empowerment.**
  - \$2 million for Northside Achievement Zone.
  - \$2 million for St. Paul Promise Neighborhoods.

# Governor's Proposal - Summary

- **\$371 million total over the biennium.**
- **Funding for the Future.**
  - **1%/1% General Education investment.**
- **Better Early Childhood Education.**
  - **Statewide Pre-Kindergarten Program.**
    - **Early Learning Scholarships.**
  - **Eliminate the Head Start wait list.**
  - **Help Me Grow.**
- **Reading Well By Third Grade.**
  - **Minnesota Reading Corps.**

# **Governor's Proposal – Summary (cont.)**

- **Support Teaching for Better Schools.**
  - **Regional Centers of Excellence.**
  - **MDE – Maintenance of Service.**
- **Raise the Bar – Close the Gap.**
  - **Success for the Future.**
  - **School Free Breakfast Program.**
    - **Pre-K and Grades 1-3.**
  - **English Learner (EL) Program.**
  - **Positive Behavioral Interventions and Supports.**
  - **NAZ/St. Paul Promise Neighborhoods.**

# FACT SHEET | A State of Educational Excellence

*2015 Budget for a Better Minnesota*

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During his first term, Governor Dayton and the Minnesota Legislature made historic investments in education; enacting free all-day Kindergarten, expanding access to early learning opportunities, and increasing funding for K-12 schools. But there is more work to do to help narrow our state's achievement gap, strengthen our schools, and ensure all children receive excellent educations.

## Investing in Students

- **Free Statewide PreK** – Since 2011, Governor Dayton has worked to expand access to high-quality early learning across Minnesota. From full-day kindergarten to early learning scholarships, the state's youngest learners have more access to high quality early learning than ever before. The Governor's budget proposal would invest \$109 million to expand voluntary public Pre-Kindergarten education statewide, ensuring that all Minnesota four-year-olds can attend a PreK program in their area.
- **A \$373 Million Investment in PreK-12 Schools** – The Governor's budget follows through on his promise to increase funding for schools every year he serves in office. The Governor's \$373 million investment would benefit schools across Minnesota.
- **More Funding for Every School** – The Governor's budget would increase the basic per pupil funding formula by \$174 million over the next two years, bringing the formula to \$5,948 per pupil by 2017. This new funding would help ensure every Minnesota child has access to excellent educations, and the support they need to succeed in school.
- **Giving School Districts Flexibility, Control** – Governor Dayton believes that local school districts know what is best for their kids. By increasing the per pupil formula, districts have flexibility to meet their unique needs – from lowering class sizes, hiring new counselors, investing in technology, or other providing other needed programs and services.
- **Expanding School Breakfasts** – Research shows that breakfast is considered the most important meal of the day. But right now, only 39 percent of all elementary age students participate in the school breakfast program. The Governor's budget would invest \$28.1 million over the next biennium to ensure that every child, from PreK to grade 3, has access to a nutritious meal to start their day.
- **Eliminating the Current Head Start Waiting List** – Head Start promotes school readiness for low-income children by enhancing their cognitive, social, and emotional developments, and by providing their families health, educational, nutritional, and other services. While 12,070 children benefit from Head Start services, 2,485 children are stuck on the waiting list. A \$19.4 million investment would work toward eliminating the waiting list, and ensuring no child is denied service.

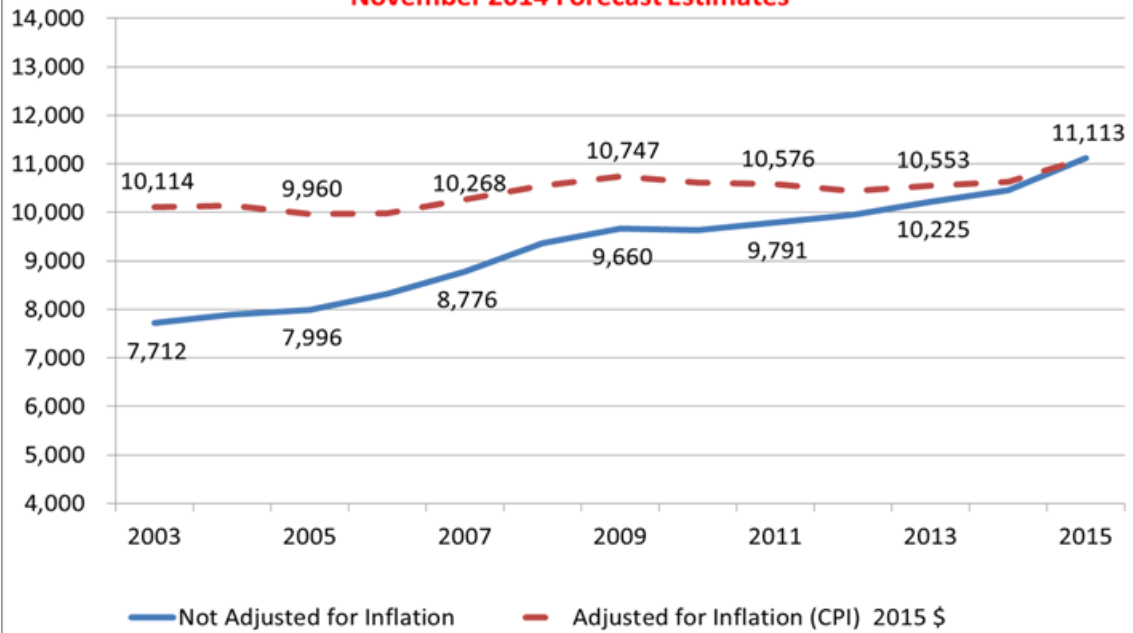
## Regional Centers of Excellence

- **A Proven Solution for Struggling Schools** – During his first term, Governor Dayton created the state's Regional Centers of Excellence, which provide intensive, on-the-ground support to struggling schools. The six Regional Centers are staffed by education specialists who work with teachers and school leaders to identify challenges and develop and implement plans for improvement.
- **Building on a Record of Success** – This nationally-recognized model has resulted in significant improvements in student achievement. In fact, 54 percent of focus schools have made progress towards closing the achievement gap since 2011. The Governor's budget would invest \$6 million more in this initiative over the next biennium, giving the state's six Regional Centers resources to serve 200 more schools.

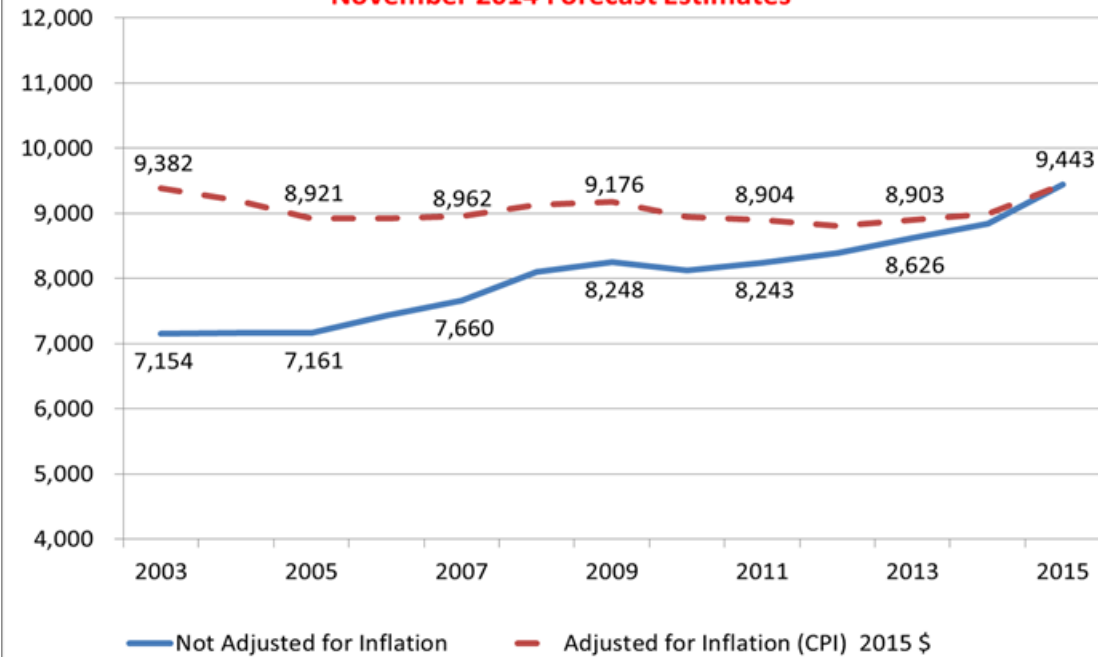
## Education – By the Numbers

<b>\$5,948</b>	The Governor's budget would increase the basic formula allowance to \$5,948 by 2017 for every student in Minnesota
<b>\$373 million</b>	Governor Dayton's budget would invest \$373 million in PreK-12 education
<b>31,000</b>	Number of students who would be eligible to attend statewide PreK
<b>83,000</b>	Number of students who would receive free breakfasts
<b>2,485</b>	Number of children who would no longer be on the Head Start waiting list
<b>200</b>	Another 200 schools would receive support from Regional Centers of Excellence

**GENERAL FUND REVENUE PER STUDENT**  
**All State Aids and Property Tax Levies**  
**November 2014 Forecast Estimates**



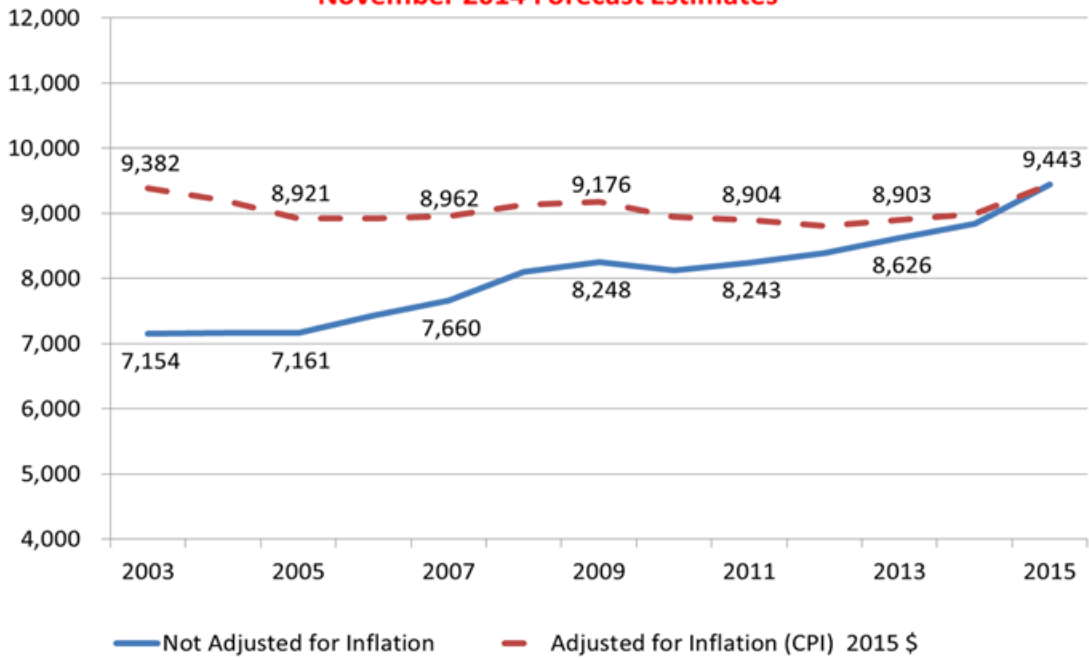
**GENERAL FUND STATE AID PER STUDENT**  
**November 2014 Forecast Estimates**





# GENERAL FUND STATE AID PER STUDENT

November 2014 Forecast Estimates



# BETTER SCHOOLS FOR A BETTER MINNESOTA

## Taking What's Good and Making it Better

### A 7-Point Plan for Achieving Excellence

#### 1. Funding Education for the Future

- Invest in Early Childhood and All-Day Kindergarten
- Invest in strategies that close the achievement gap and target resources to the classroom
- Establish a Governor's Commission on Better School Funding

#### 2. Better Early Childhood Education

- Target All-Day Kindergarten
- Expand existing K-12 system into a comprehensive pre-K-12 system
- Implement clearly defined school readiness standards

#### 3. Raise the Bar – Close the Gap

- Set accountability targets to close achievement gaps
- Establish Governor's Award for Excellence in Education
- Establish Governor's Achievement Gap Innovation Fund

#### 4. Reading Well by 3rd Grade

- Launch Statewide Literacy Campaign
- Set school accountability targets to ensure all students are reading well by Grade 3
- Adopt Pre-K-3 Literacy Standards

#### 5. Support Teaching for Better Schools

- Create alternative pathways to teacher licensure that maintain quality
- Establish a statewide teacher performance evaluation and development system and create support networks
- Support early childhood teacher observation and development

#### 6. Better Testing for Better Results

- Develop assessments for learning that measure growth
- Establish a Test Reduction Task Force
- Examine new accountability measures based on growth that fairly assess and report student and school progress

#### 7. A Department of Education that Provides Educational Leadership and Support

- Reposition Minnesota Department of Education to support teachers, schools and districts
- Reauthorize Statewide Early Childhood Advisory Council and reestablish Children's Cabinet
- Charge Commissioner of Education with leadership of early childhood initiatives

# Minnesota Schools Showing Progress to Reduce Gaps by 50% by 2017

When looking at the seven traditionally lower-performing student groups, including Asian, American Indian, Hispanic, Black, Special Education, Free/Reduced Price Lunch and English Learners:

## 75% of schools are “on track” in all student groups or all but one group in math

- 59% are “on track” in all groups in math
- 16% are only missing one group in math

## 79% of schools are “on track” in all student groups or all but one group in reading

- 65% are “on track” in all groups in reading
- 14% are only missing one group in reading

## GRADUATION DATA

### Minnesota’s Graduation Rates on the Rise

#### High School Graduation Rates from 2010 through 2013

Students	2010	2011	2012	2013	Increase 2012 to 2013
All	75.5	77.2	77.9	79.8	+ 1.9
Am. Indian	44.2	42.5	45.6	49.0	+ 3.4
Asian	70.1	72.9	74.4	78.2	+ 3.8
Hispanic	47.9	51.1	53.9	59.0	+ 5.1
Black	46.4	49.9	51.7	57.8	+ 6.1
White	82.5	83.8	84.1	85.3	+ 1.2
ELL	48.8	52.5	52.1	59.3	+ 7.2
Special Ed	53.3	56.2	56.7	58.2	+ 1.5
FRP	55.9	58.8	59.9	63.8	+ 3.9

\*\*40 percent of districts are meeting 90% graduation rate

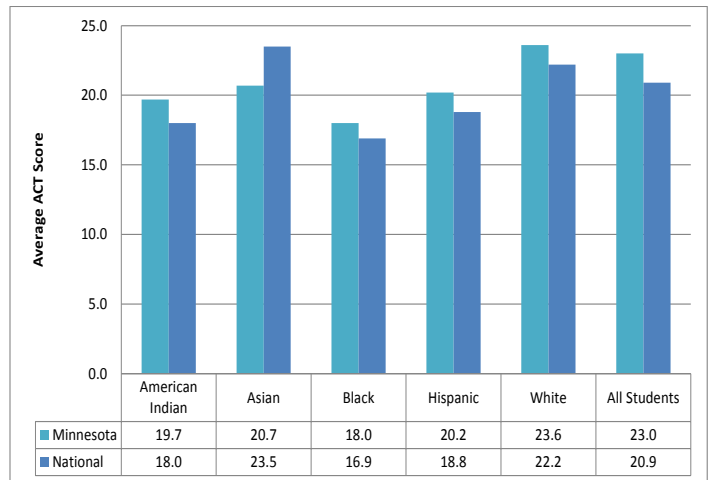
## NAEP DATA

Grade 4	Overall Score			% at/above			High score	High prof	2011 Rank	2013 Rank
	2011	2013	Diff	2011	2013	Diff	year	year		
MATH	255	259	4	60	67	7	2013	2013	3	1
White	255	259	4	60	67	7	2013	2013	5	4
Black	225	232	7	23	32	9	2013	2013	24	4
Hisp	230	234	4	28	34	6	2013	2013	24	22
Asian	253	250	-3	57	52	-5	2011	2011	21	29
Poor (FRL)	235	237	2	33	37	4	2013	2013	6	5

Grade 8	Overall Score			% at/above			High score	High prof	2011 Rank	2013 Rank
	2011	2013	Diff	2011	2013	Diff	year	year		
MATH	302	301	-1	55	54	-1	2011	2011	7	4
White	302	301	-1	55	54	-1	2011	2011	7	4
Black	266	260	-6	18	15	-3	2011	2011	14	31
Hisp	270	273	3	18	20	2	2013	2009	24	24
Asian	282	291	9	35	43	8	2013	2013	30	29
Poor (FRL)	276	275	-1	26	25	-1	2011	2011	10	14

## ACT DATA

### Average 2013 ACT Composite Score by Race/Ethnicity



Grade 4	Overall Score			% at/above			High score	High prof	2011 Rank	2013 Rank
	2011	2013	Diff	2011	2013	Diff	year	year		
READING	229	233	4	42	47	5	2013	2013	22	10
White	229	233	4	42	47	5	2013	2013	22	15
Black	199	208	9	16	21	5	2013	2013	33	17
Hisp	201	207	6	12	23	11	2013	2013	46	31
Asian	217	223	6	32	44	12	2013	2013	36	34
Poor (FRL)	205	209	4	17	23	6	2002	2002	35	27

Grade 8	Overall Score			% at/above			High score	High prof	2011 Rank	2013 Rank
	2011	2013	Diff	2011	2013	Diff	year	year		
READING	274	277	3	44	46	2	2013	2013	10	11
White	274	277	3	44	46	2	2013	2013	10	11
Black	246	248	2	15	16	1	2013	2013	34	25
Hisp	257	251	-6	23	20	-3	2011	2011	13	42
Asian	267	266	-1	37	33	-4	2011	2011	24	29
Poor (FRL)	255	255	-	22	22	-	2013	2013	14	26

# FACT SHEET | Tackling the Achievement Gap

*2015 Budget for a Better Minnesota*

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Every child deserves an excellent education, and the support they need to succeed in school. But right now, Minnesota has one of the nation's most glaring achievement gaps. That is why Governor Dayton is proposing bold new investments in proven strategies to prepare every child for kindergarten, and give them the tools to succeed in school and life.

## A Multi-Layered Approach

- **All-Day Kindergarten is Underway** – This school year, more than 55,000 of Minnesota's youngest learners will benefit from free all-day kindergarten, while others will benefit from high-impact initiatives designed to improve student literacy and close the achievement gap.
- **Free Statewide PreK** – Since 2011, Governor Dayton has worked to expand access to high-quality early learning across Minnesota. From full-day kindergarten to early learning scholarships, the state's youngest learners have more access to high quality early learning than ever before. The Governor's budget proposal would invest \$109 million to expand voluntary public Pre-Kindergarten education statewide, ensuring that all Minnesota four-year-olds can attend a PreK program in their area.
- **Eliminating the Current Head Start Waiting List** – Head Start promotes school readiness for low-income children by enhancing their cognitive, social, and emotional developments, and by providing their families health, educational, nutritional, and other services. While 12,070 children benefit from Head Start services, 2,484 children are stuck on the waiting list. A \$19.4 million investment would work toward eliminating the waiting list and ensure no child is denied service.
- **Intervening Early** – The Governor's budget would invest \$2 million to strengthen the Help Me Grow initiative – a nationwide effort that helps states organize and leverage existing resources in order to best serve families with at-risk children. The funds would create a statewide system focused on detecting problems for at risk children, age 0-8, and connecting those kids with essential services. Early interventions are shown to decrease the need for more costly services in the future.
- **Helping Kids Read** – The Minnesota Reading Corps provides trained tutors for students who are struggling with their literacy skills. The Governor's budget would invest an additional \$10 million in the program, focusing resources on PreK through first grade. Reading Corps would be able to grow from 1,200 to almost 1,700 AmeriCorps members, and increase the number of children served to 44,000 each year.
- **Investing in English Language Learning** – Currently, there are over 68,000 students in Minnesota for whom English is not their first language. In 2014, the Governor and Legislature extended the numbers of years schools can serve these students from 5 to 6 years. This year, the Governor is proposing an additional \$7.9 million investment to continue supporting Minnesota's EL students by extending funding from 6 to 7 years.
- **Helping American Indian Students** – Governor Dayton is seeking to better support Minnesota's American Indian students by investing in the Success for the Future program. This initiative helps eligible schools develop plans to support academic achievement, decrease the dropout rate, and improve the school climate for American Indian students. Last year, out of the 66 schools eligible, only 32 received funding. This proposal would invest \$4.5 million over the next biennium to provide the grants necessary for supporting 34 remaining schools, and an additional 5,300 students.
- **Investing in Community Partnerships** – The Governor's budget proposal would provide wrap-around services for children and families within the Northside Achievement Zone and St. Paul Promise Neighborhood. Both programs partner with families and the community to permanently close the achievement gap.

# FACT SHEET | An Excellent Start for Every Child

*2015 Budget for a Better Minnesota*

An excellent education starts early. That is why Governor Dayton is proposing bold new investments in early learning to get every child off to a great start. These proposed investments would help narrow our state's achievement gap, ensure every kid is ready for Kindergarten, save families tens of thousands of dollars on child care costs, and help prepare every child for excellence in education and life.

## Investing in Early Learners and Families

Governor Dayton's budget proposal would invest \$109 million to provide voluntary, full-day pre-Kindergarten early learning opportunities for every 4-year-old, statewide. This bold new investment would directly address Minnesota's achievement gap, and prepare every student for success in school and life.

- **Providing High-Quality Pre-K for 31,000 Learners** – Right now, too many children are entering kindergarten unprepared to learn. Under the Governor's proposal, an estimated 31,000 students would gain access to free, all-day, high-quality PreK – giving them the excellent start they need to succeed in school. This would build on the progress of the 9,500 early learning scholarships the Governor and Legislature funded over the last four years.
- **Tackling the Achievement Gap** – Minnesota has one of the largest achievement gaps in the nation. A growing body of research shows that giving kids a great early start is the best strategy to close gaps, and help all students achieve their greatest potential.
- **Leveraging a Huge Return on Investment** – Economists at the Federal Reserve Bank of Minneapolis have found that every \$1 invested in high quality early learning can yield up to a \$16 return on the state's investment. Most of those cost savings are in education, human services, and justice system savings, as well as increased tax revenue.
- **Saving Families Money** – Minnesota has some of the highest child care costs in the country. To make child care more affordable for working families, Governor Dayton proposes expanding the Child and Dependent Care Credit. This would help provide families more economic security and give more flexibility for families with small children, aging parents, and family members with disabilities.
- **Investing in Quality, Affordable Child Care** – The Governor's budget would provide \$17.5 million to improve access to quality child care for low-income working families. This investment would provide child care for an additional 1,375 children and enable 8,000 more children to enroll in highly-rated ParentAware programs. The proposal would provide incentives for providers to improve quality while also simplifying paperwork for the Child Care Assistance Program.

## Eliminating the Head Start Waiting List

- **2,485 Kids Are Waiting** – While 12,070 children benefitted from Head Start services last year, 2,485 children were stuck on the waiting list. Governor Dayton's \$19.4 million investment would work toward eliminating the waiting list and ensure no child is denied service.
- **Head Start Works** – Head Start promotes school readiness for low-income children by enhancing their cognitive, social, and emotional development and by providing their families health, educational, nutritional, and other social services. Governor Dayton's proposal would promote school readiness, family support, and education for low-income children.

## By the Numbers

<b>33,485</b>	Number of students who would gain access to high quality early learning
<b>16:1</b>	Every \$1 we invest in early learning can yield up to a \$16 return on investment
<b>\$10,812</b>	The average annual cost of child care for one 4-year-old in Minnesota

# FACT SHEET | Healthy Schools, Healthy Kids

*2015 Budget for a Better Minnesota*

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Healthy kids make healthy students. That is why Governor Dayton is proposing important new investments in school-based nutrition and behavioral health. These critical investments will help ensure that kids have the support they need to focus on their studies, and succeed in the classroom

## Investing in School Nutrition

- **Building on Last Year's Investments** – Last year, the Governor and Legislature invested new resources in school nutrition to ensure every student receives a healthy lunch. That new investment also provided free breakfasts for all kindergarten students in Minnesota.
- **Free Breakfasts for Pre-K through Grade 3** – Research shows that breakfast is considered the most important meal of the day. But right now, only 39 percent of all elementary age students participate in the school breakfast program. That is why the Governor's budget would invest \$28.1 million to ensure every child, from PreK to grade 3, has access to a well-rounded, nutritious meal to start their day.
- **School Nutrition Matters** – When students have a healthy meal in school, discipline referrals have gone down by 50 percent. Healthy meals lead to improved student attention, a reduction in visits to the school nurse, and better test scores.\*

## Positive Behavior in Schools

- **Teaching Positive Behavior** – Since its launch in 2005, the Positive Behavioral Intervention and Supports (PBIS) initiative has spread across Minnesota. It is currently being implemented by 478 Minnesota schools, or 24 percent of the state's nearly 2,000 schools.
- **Improving School Climates** – By working to implement behavioral interventions that curb bad behavior before it happens, PBIS schools have seen a 20 percent decrease in disciplinary incidents from 2010-11 to 2013-14. That is why the Governor's budget would invest \$4.6 million in the PBIS initiative to support this work, and help more schools implement the program.

## Intervening Early

- **Helping Every Student Succeed** – The Governor's proposal would invest \$2 million in the Help Me Grow initiative – a one-stop shop that connects parents of at-risk children to a variety of early interventions, supports, and community resources for children.

## Improving Care for Children

- **Helping at Home** – The Governor's budget proposal would invest \$2.6 million to expand access to home visiting services for high-risk mothers and infants, benefitting an additional 300 pregnant or parenting teens, at-risk pregnant women, and at risk families with children under age five. Home visiting programs have been shown to prevent child abuse and neglect, encourage positive parenting, promote child development and school readiness, and improve economic stability.
- **Investing in Quality, Affordable Child Care** – The Governor's budget proposal would invest \$17.5 million to improve access to quality child care for low-income working families. This investment would provide child care for an additional 1,375 children and enable 8,000 more children to enroll in highly-rated ParentAware programs. The proposal would provide incentives for providers to improve their quality of care, while simplifying paperwork for the Child Care Assistance Program.

\*Minnesota Dept. of Children, Families & Learning report "School Breakfast Programs: Energizing the Classroom"