

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 142

DATE: January 23, 2003

Version: As Introduced

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Subject: FY 2003 Appropriations Reductions; Education

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Overview

This bill makes \$7,500,000 in reductions to K-12 and early education appropriations for the remaining portion of FY 2003.

Section

1 Education appropriations and reductions. Describes the format for the appropriations reductions contained in this bill.

2 Appropriations reductions; department of children families and learning (DCFL).

Subd. 1. DCFL; general budget. Reduces the general appropriation for the department of children, families and learning by \$1,044,000 for the remainder of FY 03.

Subd. 2. DCFL; teaching and learning. Reduces the appropriation to the teaching and curriculum and teacher exchange portions of the DCFL budget by \$223,000 for the remainder of FY 03.

Subd. 3. School readiness. Reduces the appropriation for school readiness by \$791,000 for the remainder of FY 03.

Subd. 4. ECFE aid. Reduces the appropriation for early childhood family education (ECFE) programs by \$769,000 for the remainder of FY 03.

Subd. 5. Community education aid. Reduces the appropriation for community education aid by \$1,807,000 for the remainder of FY 03.

Section

Subd. 6. Adult basic education aid. Reduces the appropriation for adult basic education aid by \$1,622,000 for the remainder of FY 03.

Subd. 7. American Indian tribal contract aid. Reduces the appropriation for tribal contract aid by \$500,000 for the remainder of FY 03. Requires the aid to be proportionately reduced if the remaining appropriation is insufficient to fully fund the tribal contract aid formula amount.

Subd. 8. Best practice grants. Reduces the appropriation for best practice grants by \$363,000 for the remainder of FY 03.

Subd. 9. Integration magnet school start-up grants. Reduces the appropriation for magnet school start-up grants by \$50,000 for the remainder of FY 03. Requires the aid to be proportionately reduced if the remaining appropriation is insufficient to fully fund the magnet school start-up aid formula amount.

- 3 **Appropriations; Perpich center for arts education.** Reduces the appropriation to the Perpich center for arts education by \$331,000 for the remainder of FY 03.
- 4 **Reserve account limit; early childhood family education.** Clarifies the variables used to determine fund balances in excess of 25 percent of districts' ECFE revenue. Eliminates the reallocation of revenue from high fund balance districts to other districts resulting in aid savings canceling to the state general fund and levy savings that will be made as an adjustment to a subsequent year's school property taxes.
- 5 **Reserve account limit; school readiness aid.** Clarifies the variables used to determine fund balances in excess of 25 percent of districts' school readiness aid. Eliminates the reallocation of revenue from high fund balance districts to other districts resulting in aid savings canceling to the state general fund.
- 6 **Reserve account limit; community education revenue.** Imposes a fund balance limit on school district community education revenue. Proportionately reduces community education aid and levy for any district with a fund balance in excess of 25 percent of the district's community education revenue.
- 7 **Waiver; community education revenue.** Allows a school district with a community education fund balance in excess of 25 percent of its previous year revenue to apply to the commissioner of children, families and learning for a waiver. The waiver must be filed within 30 days of the date of final enactment of this section and must list the extenuating circumstances facing the district.
- 8 **Adult basic education fees.** Authorizes a school district or adult basic education consortium to change a sliding scale fee to program participants who are over the age of 21.
- 9 **State total adult basic education aid.** Reduces the 8 percent inflation factor in adult basic education to 2 percent for fiscal year 2003 and subsequent years.
- 10 **Aid guarantee.** Sets the adult basic education aid amounts for fiscal years 2004 and 2005 for each qualifying program at least the amount of aid that the program receives for fiscal year 2003.
- 11 **Community education revenue reduction; districts in statutory operating debt.** Allows a district that is in statutory operating debt (has a negative fund balance of more than 21/2 percent of its revenue) that is subject to the community education fund balance limit to keep its levy share of the reduction for FY 03 and FY 04 only.
- 12 **Effective date.** Makes sections 1 to 11 effective the date following enactment, unless otherwise specified.

