

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains the Governor's education finance proposals for the 2014-2015 Biennium. The bill contains \$344 million more in spending than the current law base budget. Major funding components include a one percent increase in the basic formula allowance in the first year, partial funding for voluntary all-day kindergarten, an increase in special education funding accompanied by a change in the way special education revenue is calculated, and increased money for early learning scholarships.

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Article 1: General Education

Overview

This article modifies general education revenue calculations. The bill increases the formula allowance by \$52 per pupil in fiscal year 2014 and keeps the funding at that level during the second year. Many changes are necessitated to account for the lowered pupil weights by grade level. This adjustment lowers the pupil count used for most funding formulas by about ten percent, so most formulas are increased by about 10 percent to keep statewide revenue constant. Revenue changes listed below are effective for fiscal year 2015 unless separately specified.

- 1 Age limitations; pupils.** Requires a prospective kindergarten student who is under the age of five when enrolling in kindergarten to meet admission standards specified in section 124D.02.

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Effective date: July 1, 2013.

- 2 **Voluntary dissolution; referendum revenue.** Changes the pupil count used to adjust districts' referendum revenue in cases of a voluntary dissolution from resident marginal cost pupil units to adjusted pupil units.
- 3 **Consolidation; maximum authorized referendum revenue.** Changes the pupil count used to adjust referendum revenue when a school district consolidates from resident marginal cost pupil units to adjusted pupil units.
- 4 **Alternative method.** Changes the pupil count used to adjust referendum revenue when a school district consolidates under the alternative method from resident marginal cost pupil units to adjusted pupil units.
- 5 **Cost limitation; nonpublic pupil aids.** Keeps the statewide nonpublic pupil aid at a constant level by modifying the formula allowance used to compute nonpublic pupil aid to adjust for the change in pupil weightings and "roll-ins" to general education revenue.
- 6 **Nonpublic pupil transportation aid.** Keeps the statewide nonpublic pupil transportation aid at a constant level by modifying the formula allowance used to compute nonpublic pupil transportation aid to adjust for the change in pupil weightings and "roll-ins" to general education revenue.
- 7 **Kindergarten instruction.** Requires a school board that has adopted a policy to allow a child under the age of five to enroll in kindergarten to establish a comprehensive evaluation to be used to determine the kindergarten pupil's cognitive, social, and emotional development. Requires parents and the commissioner to have access to the board's early kindergarten admission policy.

Effective date: July 1, 2013.

- 8 **Pupil unit.** Modifies the grade level pupil weights beginning in FY 2015. Sets the weights as follows:
 - 1.0 for prekindergarten and kindergarten students with disabilities (currently 1.25);
 - .7 for kindergarten students in a full-day kindergarten program and .55 for kindergarten pupils in a half-day program (currently .612 for all kindergarten pupils);
 - 1.0 for elementary pupils (currently 1.15 for students in grades 1 to 3 and 1.06 for students in grades 4 to 6); and
 - 1.2 for secondary pupils (currently 1.3).
- 9 **Adjusted pupil units.** Eliminates the concept of "marginal cost" pupil units from the pupil count used to fund most school programs—this is the current mechanism for funding declining enrollment. Section 14 establishes a separate revenue component for declining enrollment.

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- 10 Resident pupil units.** Eliminates the concept of “marginal cost” pupil units (the current mechanism for funding declining enrollment) from the resident pupil count. Section 14 establishes a separate revenue component for declining enrollment.
- 11 General education revenue.** Redefines general education revenue by removing extended time revenue, gifted and talented revenue, and training and experience revenue, and by adding declining enrollment revenue, teacher development revenue, pension adjustment revenue, and safe schools revenue.
- 12 Basic revenue.** Increases the formula allowance by \$52 to \$5,276 per pupil unit in fiscal year 2014 and sets the formula allowance at \$5,700 per pupil unit for fiscal years 2015 and later. The fiscal year 2015 formula allowance is at the same revenue level as the fiscal year 2014 basic allowance but reflects the “roll-ins” and the decreases in the pupil weights.
- 13 Small schools revenue.** Modifies the calculation of small schools revenue to match the lower pupil weights and continue to raise the same total dollars statewide.
- 14 Declining enrollment revenue.** Creates a new category of general education revenue called declining enrollment revenue. Sets the revenue amount equal to the product of the loss of pupils between the current year and the previous year and 28 percent of the basic formula allowance.
- 15 Compensatory education revenue.** Increases the funding for compensatory revenue by reducing the formula subtraction from \$415 per pupil unit to \$132 per pupil unit (higher compensatory revenue is designed to replace extended time revenue).
- 16 Secondary sparsity revenue.** Modifies the formula allowance for secondary sparsity revenue to adjust for the roll-ins and lower pupil weights, keeping statewide secondary sparsity revenue unchanged.
- 17 Elementary sparsity revenue.** Modifies the formula allowance for elementary sparsity revenue to adjust for the roll-ins and lower pupil weights, keeping statewide elementary sparsity revenue unchanged.
- 18 Total operating capital revenue.** Modifies the formula allowances for operating capital revenue to adjust for the lower pupil weights, keeping statewide operating capital revenue unchanged.
- 19 Total operating capital levy.** Adjusts the operating capital equalizing factor for the lower pupil weights so that the operating capital levy raises the same total dollars.
- 20 Transportation sparsity definitions.** Changes the pupil count used to determine sparsity and density for purposes of the transportation sparsity revenue formula from resident pupil units to adjusted pupil units.
- 21 Transportation sparsity revenue allowance.** Modifies the transportation sparsity revenue formula coefficients to match the new formula allowance, lower pupil weights, and the switch from resident to adjusted pupil units.

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- 22 Equity revenue.** Simplifies the equity revenue formula by eliminating the geographic regions and reduces the formula from four parts to two parts. Establishes a basic equity revenue amount of \$56 per pupil. Creates a new sliding scale of \$100 per pupil times the district's equity index equal to the ratio of \$2,000 less the district's referendum per pupil to \$2,000. Eliminates the equity revenue advantage to districts that pass a very small per pupil referendum.
- 23 District equity index.** Changes the district equity index to the ratio of \$2,000 less the district's per pupil referendum revenue to \$2,000.
- 24 Equity levy.** Adjusts the equity levy equalizing factor for the lower pupil weights so that the levy raises the same total amount of dollars.
- 25 Transition revenue.** Creates a new transition amount to ensure that no district has an absolute loss in revenue after the changes in pupil weights and "roll-ins" of other revenue components.
- 26 Transition levy.** Adjusts the transition levy equalizing factor for the lower pupil weights so that the levy raises the same total amount of dollars.
- 27 Alternative teacher compensation levy.** Adjusts the alternative teacher compensation levy equalizing factor for the lower pupil weights so that the levy raises the same total amount of dollars.
- 28 Teacher development and evaluation revenue.** Creates a new component of general education revenue called teacher development and evaluation revenue. Sets the revenue equal to \$22 per pupil unit for any district or charter school that is not participating in the alternative teacher compensation program (Qcomp). Requires the revenue to be reserved and used only to implement the district's teacher evaluation system.
- 29 Pension adjustment revenue.** Creates a new category of general education revenue called pension adjustment revenue. Sets the revenue amount equal to the greater of zero or the product of the district's pupil units for that year and the difference between the district's pension adjustment for fiscal year 2014 and the state average pension adjustment for that year.
- 30 Safe schools revenue.** Adds safe schools revenue equal to \$32 per pupil unit as a component of general education revenue (adjusted for the pupil unit weight change this is the same amount as the current safe schools levy). Extends the revenue to charter schools.
- 31 Revenue; learning and development set-aside.** Converts the set-aside for learning and development revenue (sometimes called class-size reduction revenue) from a pupil weighting to a flat dollar amount per pupil per grade.
- 32 General education aid.** Includes safe schools revenue in the definition of general education aid.
- 33 Uses of revenue.** Requires safe schools revenue to be reserved for the purposes listed in the

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statute.

- 34 Building allocation.** Increases the amount of compensatory revenue that may be spent district-wide at the discretion of the school board from 5 to 15 percent of the total compensatory revenue (the remaining portion of compensatory revenue must be spent at the site where the revenue was generated).
- 35 Referendum revenue.** Converts each district's referendum revenue allowance to reflect the new pupil count (switching from resident marginal pupil units to adjusted pupil units) in a manner that keeps total referendum revenue unchanged for each district. Adjusts the maximum referendum allowance cap and freezes it at a fixed dollar amount of \$1,845 per pupil. Creates a referendum equalization aid guarantee for those districts that have less state aid because of changes in the equalizing factor, pupil weights, and pupil count (switching from resident marginal cost pupils to pupils served).
- 36 Annual general education aid appropriation.** Deletes the open and standing appropriation for the early graduation achievement scholarship program and the military service award program (these programs are repealed in section 44).
- 37 To lease building or land.** Changes the general lease levy allowance from \$150 to \$162 per pupil to adjust for the lower pupil weights. Adjusts the lease levy allowance for districts that are members of intermediate school districts from \$43 to \$46 per pupil to adjust for the lower pupil weights.
- 38 Lease purchase; installment buys.** Clarifies that the four school districts that are associated with first class cities (Minneapolis, St. Paul, Duluth, and Rochester) may continue to use the lease purchase levy if their desegregation plans have been approved by the commissioner. Allows other districts to use the lease purchase levy for projects that are primarily used for interdistrict desegregation efforts.
- 39 Safe schools levy.** Transfers the safe school levy for school districts from a categorical levy to a part of the general education revenue program. Leaves intact the authority for school districts that are members of intermediate school districts to levy up to \$11 per pupil (the allowance was \$10 per pupil prior to the pupil weight adjustment) for safe schools needs at the intermediate school district.
- 40 Alternative attendance programs.** Eliminates the referendum open enrollment adjustment. Removes obsolete language. Defines "unreimbursed cost of providing special education and services." Allows a serving school district to recover 90 percent of its unreimbursed special education costs from the resident school district (current law allows the serving district or charter school to recover 100 percent of its unreimbursed special education costs). Keeps the 100 percent reimbursement in place for cooperatives, intermediates, and charter schools where at least 70 percent of the enrollment qualifies for special education services. Creates a mechanism to transfer general education revenue to districts or cooperatives serving students in an extended time program. Sets the transfer equal to \$4,430 times the learning year pupils at that site.

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- 41 Charter schools; school district aid adjustment.** Modifies the charter school transportation sparsity revenue adjustment by adjusting the coefficients to match the lower pupil weights.
- 42 Statewide average revenue.** Adjusts the calculation used to measure the disparity in referendum and equity revenue among school districts to match the new proposed equity revenue formula.
- 43 Appropriations.** Appropriates money for the following general education programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
- ▶ general education aid
 - ▶ enrollment options transportation
 - ▶ abatement revenue
 - ▶ consolidation revenue
 - ▶ nonpublic pupil education aid
 - ▶ nonpublic pupil transportation
 - ▶ one-room schoolhouse
 - ▶ compensatory revenue pilot project
- 44 Repealer.** Repeals the following effective for revenue for fiscal years 2014 and later:
- ▶ 120B.08 – early graduation achievement scholarship program
 - ▶ 120B.09 – early graduation military service award program
- Repeals the following effective for fiscal years 2015 and later:
- ▶ 126C.10 subd. 2a. – extended time revenue
 - ▶ 126C.10, subd. 2b. – gifted and talented revenue
 - ▶ 126C.10, subd. 25. – regional equity gap
 - ▶ 126C.10, subd. 26. – district equity gap
 - ▶ 126C.10, subd. 28. – equity region
 - ▶ 126C.10, subd. 31a. – transition for prekindergarten revenue
 - ▶ 126C.10, subd. 31b. – uses of transition revenue for prekindergarten programs
 - ▶ 126C.10, subd. 31c. – transition for tuition reciprocity revenue
 - ▶ 126C.17, subd. 13. – referendum revenue conversion allowance from FY 2002
 - ▶ 127A.50, subd. 1. – pension offset—aid adjustment
 - ▶ 127A.50, subd. 5. – pension offset fiscal year 2020—termination of offset.

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Article 2: Education Excellence

Overview

This article creates regional centers of excellence, modifies the charter school lease levy, creates a new integration revenue program, expands the number of years of funding for English learner programs from five to seven years, and appropriates money for education excellence programs

- 1 Regional centers of excellence.**
 - Subd. 1. Establishment and purpose.** Establishes regional centers of excellence designed to support districts and charters in implementing research-based interventions to increase student performance.
 - Subd. 2. Service development and delivery.** Requires the regional centers of excellent to assist schools in implementing common principles of effective practice.
 - Subd. 3. Department of Education support.** Requires the Minnesota Department of Education to establish, develop, and support the regional centers of excellence.
- 2 Review and comment; charter schools.** Eliminates obsolete language in the charter school authorizer fee schedule.
- 3 Leased space; charter schools.** Requires a charter school annually to submit its lease to the department before July 1, but allows the lease to be submitted later if there are circumstances beyond the charter school's control. Requires each lease to have a sum certain annual cost and an escape clause allowing the charter school to break the lease if the charter school's authorizer does not renew or terminates the charter school contract.
- 4 General education revenue; charter schools.** Conforms the general education revenue components used to calculate charter school revenue with those used to calculate school district revenue.
- 5 Transportation revenue; charter schools.** Conforms charter school transportation revenue to match the new pupil weights and formula allowance.
- 6 Building lease aid; charter schools.** Modifies the lease aid calculations for charter schools. Sets the lease aid amount at the lesser of 90 percent of the approved costs or \$1,314 per pupil unit for a charter school leasing from: (1) a private, nonprofit, nonsectarian organization; (2) private property owner; (3) sectarian organization; or (4) affiliated building corporation, school district, or governmental entity on which debt or capital lease obligations remain based on original issuance for a building purchase, construction, or renovation. Sets the annual lease amount for all other organizations and situations at the lesser of \$3 per square foot or \$200 per pupil unit. Makes this section effective July 1, 2013, for all but the increase in the allowance from \$1,200 to \$1,314 per pupil (due to the adjusted pupil weights) which is effective for revenue for fiscal years 2015 and later.

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- 7 Commissioner designation.** Eliminates the ability of a school district to use learning year program revenue for accelerated grade level advancement.
- 8 Career and technical levy.** Clarifies the expenditure calculations for career and technical programs offered jointly by school districts (beginning with taxes payable in 2015, the career and technical levy formula is based solely on approved program expenditures).
- 9 English learner.** Extends the length of time that a pupil may generate funded English language learner services (formerly called Limited English Proficiency or LEP services) from five to seven years.
- 10 School district English learning (EL) revenue.** Adjusts the EL (formerly LEP) revenue allowances from \$700 to \$705 per qualifying student to adjust for the elimination of marginal cost pupils.
- 11 Integration revenue.** Creates a new integration revenue program. Requires each district's integration and achievement plan to contain: (1) measurable goals related to increasing and sustaining interracial contacts and outcomes designed to close the academic achievement gap; (2) a detailed budget showing how the revenue will be used for each of the measurable goals; (3) specific criteria about how the district will measure whether it has met its goals; and (4) a process to evaluate the success of its plan. Requires results to be reported to the Department of Education and on the district's Web site.
- Lists eligible purposes for integration aid. Requires a district's school board to adopt its integration plan and submit it to the Department of Education by May 15. Once approved, the plan remains in place for three years.
- Establishes a new integration aid formula. For fiscal year 2014, defines the revenue as greater of 90 percent of its revenue for fiscal year 2013 or the sum of: (1) \$315 times the district's adjusted pupil units times the district's percent of students of color; and (2) \$100 times the district's adjusted pupil units times the district's percent of student of color times the district's focus rating (the focus rating is a single number developed by the Department of Education that represents the district's score on multiple measures).
- For fiscal year 2015, the formulas are each reduced by 30 percent (as the levy revenue disappears after fiscal year 2014 under current law) so that the formula is the greater of 63 percent of the district's revenue for fiscal year 2014 or the sum of: (1) \$221.50 times the district's adjusted pupil units times the district's percent of students of color; and (2) \$70 times the district's adjusted pupil units times the district's percent of student of color times the district's focus rating.
- Sets the levy share of the integration program at 30 percent of the district's integration revenue for fiscal year 2014 and eliminates the levy share beginning in fiscal year 2015.
- 12 Literacy incentive aid.** Replaces the proficiency aid component of literacy incentive aid with high school graduation aid for fiscal years 2015 and later. Keeps the total level of funding for the program unchanged. Under current law, a district receives literacy proficiency aid of \$530 for each 3rd grade pupil that reaches the "proficient" level on the 3rd

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grade reading assessment, and \$530 per pupil in literacy growth aid for each child that shows medium to high growth in reading proficiency between 3rd and 4th grade.

For fiscal year 2015 and later, increases the funding for literacy incentive growth aid from \$530 per pupil to \$710 per pupil and replaces the literacy proficiency aid with high school graduation aid equal to the district's enrollment in grades 9 to 12 times \$70 times the ratio of the district's actual four-year high school graduation rate to the statewide average graduation rate for students of their race and ethnicity, English learner status, and special education status.

- 13 Repealer.** Amends the 2011 repeal of the integration revenue program (which is currently repealed effective for revenue for fiscal years 2014 and later) so that the soon-to-be repealed program language can be modified in section 11.
- 14 Appropriations.** Appropriates money for the following education excellence programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
- ▶ Charter school building lease aid
 - ▶ Integration aid
 - ▶ Literacy incentive aid
 - ▶ Interdistrict desegregation or integration transportation grants
 - ▶ Success for the future
 - ▶ American Indian teacher preparation grants
 - ▶ Tribal contract school aid
 - ▶ Early childhood programs at tribal schools
 - ▶ Statewide testing and reporting system
 - ▶ AP/IB examination fees; teaching training and support programs
 - ▶ Concurrent enrollment programs
 - ▶ Collaborative Urban Educator (CUE) program
 - ▶ ServeMinnesota program
 - ▶ Student organizations
 - ▶ Early childhood literacy program
 - ▶ Educational planning and assessment system (EPAS)
- 15 Repealer.** (a) for fiscal years 2014 and later
- ▶ 124D.86, subd. 6. – integration aid for alternative attendance programs
- (b) for fiscal years 2015 and later:
- ▶ 124D.98, subd. 2. – Literacy incentive proficiency aid

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Article 3: Special Programs

Overview

This article modifies special education programs. Major funding changes begin in fiscal year 2015 and include increasing special education funding, basing a portion of the special education funding on census counts of disabled students, and limiting a serving district's tuition bill-back to the resident school district to 90 percent of the serving district's unreimbursed special education costs.

- 1** **Definitions.** Conforms a cross reference for special education revenue.
- 2** **Special education aid.** Eliminates obsolete language.
- 3** **Nonresident tuition rate; other costs.** Conforms cross references to the new special education funding formula and eliminates obsolete language.
- 4** **Definitions; regular special education aid.** Replaces the regular special education program annual growth factor of 4.6 percent with a growth factor based on the annual percentage change in the CPI. Defines "nonfederal special education expenditures" as all necessary and essential direct expenditures on special education programming excluding: (1) expenditures reimbursed with federal funds; (2) expenditures reimbursed with other state aid; (3) general education costs of serving the student; (4) facilities costs; (5) pupil transportation costs; and (6) postemployment benefit costs.

Defines the eligible expenditures of the Minnesota State Academies for the Deaf and Blind as salary and fringe benefits of one-to-one instructional and behavior management aides (most of the Minnesota State Academies' budget is funded through a line item appropriation).

- 5** **Special education initial aid; regular.** Defines special education initial aid as the sum of the cost of pupil transportation for special education services and the lesser of:

(1) 70 percent of the district nonfederal special expenditures for the prior fiscal year; or

(2) 50 percent of the sum of:

(i) the product of the district's average daily membership served and the sum of:

(A) \$438;

(B) \$305 times the ratio of the sum of the number of enrolled pupils who are eligible for free lunch plus 50 percent of the number of pupils eligible for reduced-price meals; and

(C) .00436 times the district's average daily membership served;

(ii) \$17,736 times the district's number of students who are deaf, hard of hearing, or

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have emotional or behavioral disorders; and

(iii) \$26,180 times the number of students in the disability area of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.

- 6 **Special education aid; regular.** Beginning in fiscal year 2015, sets a school district's special education aid equal to its initial aid plus its excess cost aid.
- 7 **Statewide average expenditure.** Requires the commissioner to annually report to the education finance committees of the legislature on the average special education expenditures by type of disability.
- 8 **Adjustments for tuition reciprocity with adjoining states.** Eliminates the need to make adjustments under the statewide special education cap for interstate tuition reciprocity payments.
- 9 **Special education forecast; maintenance of effort.** Requires that if an aid adjustment is necessary for the state to meet federal special education maintenance of efforts, the aid adjustment should be made through the excess cost aid formula.
- 10 **Initial aid adjustment.** Conforms a cross reference.
- 11 **Definitions; excess cost aid.** Modifies the definition of excess cost aid to match the new definition of nonfederal special education expenditures.
- 12 **Initial excess cost aid.** Increases the portion of general education revenue that is offset from a district's unreimbursed special education cost from 4.36 to 4.88 percent.
- 13 **Out-of-state tuition.** Excludes teacher development and evaluation revenue (a proposed new component of general education revenue) from the offset of general education revenue used to calculate out-of-state tuition payments.
- 14 **Appropriations.** Appropriates money for the following special revenue programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ Regular special education aid
 - ▶ Aid for children with disabilities
 - ▶ Travel for home-based services aid
 - ▶ Special education; excess costs
 - ▶ Court-placed special education revenue
 - ▶ Special education out-of-state tuition
- 15 **Repealer.** Repeals the following effective for revenue for fiscal years 2015 and later:
 - ▶ 124D.454, subd. 3. – access to Minnesota's transition system for children with a disability, initial aid

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- ▶ 124D.454, subd. 10. – access to Minnesota’s transition system for children with a disability, exclusion
- ▶ 124D.454, subd. 11. – access to Minnesota’s transition system for children with a disability, revenue allocation from cooperative centers and intermediate districts.

Article 4: Facilities and Technology

Overview

This article modifies facilities and technology programs and appropriates money for those purposes.

- 1 Debt service appropriation.** Adjusts the fixed, standing appropriation for the debt service equalization aid program to match the current forecast of the appropriations for that program.
- 2 Health and safety levy.** Adjusts the equalizing factor to match the new proposed pupil weights.
- 3 Alternative facilities aid.** Reduces alternative facilities aid for districts that have a decrease in their general education levies because of other provisions of this act.
- 4 Deferred maintenance revenue.** Increases the allowance for deferred maintenance revenue from \$60 to \$66 per pupil to reflect the lower pupil weights, keeping the statewide revenue for this program unchanged.
- 5 Deferred maintenance levy.** Adjusts the equalizing factor for the deferred maintenance levy to reflect the lower pupil weights, keeping the statewide levy for this program unchanged.
- 6 District aid.** Increases the allowance for the telecommunications access revenue program from \$15 to \$16 per pupil to reflect the lower pupil weights, keeping the statewide revenue for this program unchanged.
- 7 Appropriations.** Appropriates money for the following facilities and technology programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ Health and safety aid
 - ▶ Debt service equalization aid
 - ▶ Alternative facilities bonding aid
 - ▶ Equity in telecommunications access aid
 - ▶ Deferred maintenance aid

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Article 5: Nutrition

Overview

Makes changes to the summer food service replacement aid program and appropriates money for school nutrition programs.

- 1 **Summer food service replacement aid.** Requires that summer food service replacement aid be made on a pro-rata basis on December 15 to each sponsor based on their total meals served over the summer when school is not in session.
- 2 **Appropriations.** Appropriates money for the following nutrition programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ School lunch aid
 - ▶ School breakfast aid
 - ▶ Kindergarten milk
 - ▶ Summer school service replacement aid

Article 6: Accounting

Overview

Makes changes to school district accounting standards and provides for the repayment of the aid payment shift and the property tax recognition shift.

- 1 **Levy recognition.** Repays the property tax recognition shift beginning in fiscal year 2017. Makes a conforming change by eliminating a cross reference and instead naming the districts that have integration levies that are entirely forward shifted.
- 2 **Aid reduction; levy revenue recognition change.** Makes a conforming change by eliminating a cross reference and instead naming the districts that have integration levies that are entirely forward shifted.
- 3 **Definitions; aid payment schedule.** Increases the current year portion of each school district's aid entitlement to 88.5 percent for fiscal year 2016 and 90 percent for fiscal years 2017 and later.
- 4 **Aid payment percentage.** Modifies the aid payment percentage for special education excess cost aid from the aid payment percentage applied to 74 percent of the excess cost aid to 97.4 percent of the aid payment percentage applied to 74 percent of the excess cost aid.

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Article 7: Libraries

Overview

Appropriates state aid for public library programs.

- 1 **Appropriations.** Appropriates money for the following library programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ Basic system support
 - ▶ Multicounty, multitype library systems
 - ▶ Electronic library for Minnesota
 - ▶ Regional library telecommunications aid

Article 8: Early Child Education

Overview

Creates an early childhood education scholarship program and appropriates funds for early education programs.

- 1 **Early childhood education scholarships.**
 - Subd. 1. Establishment; purpose.** Establishes the early childhood education scholarship program for children ages three to five.
 - Subd. 2. Family eligibility.** Makes a family eligible for a scholarship if the family has a child aged three or four on September 1 of the current year who has not started kindergarten; and has income less than 47 percent of the state median income. Allows a family to use the scholarship within 12 months of its receipt by the family. Sets the scholarship amount at not more than \$4,000 for each eligible child. States the scholarship may not be counted as earned income.
 - Subd. 3. Administration.** Places the commissioner of education in charge of the program. Requires the commissioner to consider geographic distribution and community need when awarding scholarships if funds are insufficient for all eligible children to receive a scholarship.
 - Subd. 4. Early childhood preschool and prekindergarten program eligibility.** Requires a preschool or prekindergarten program to participate in the quality rating and improvement system program in order to qualify for scholarships. Beginning July 1, 2014, requires the participating programs to carry a three- or four-star rating.
- 2 **Appropriations.** Appropriates money for the following early education programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf>

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for financial details):

- ▶ School readiness aid
- ▶ Early childhood family education aid
- ▶ Health and developmental screening aid
- ▶ Head Start program state aid
- ▶ Educate parents partnership
- ▶ Kindergarten entrance assessment initiative and intervention
- ▶ Early childhood education scholarships

Article 9: Prevention

Overview

This article provides funding for community education programs.

- 1 Appropriations.** Appropriates money for the following community education programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):

- ▶ Community education aid
- ▶ Adults with disabilities program aid
- ▶ Hearing-impaired adults
- ▶ School-age care revenue

Article 10: Self-sufficiency and Lifelong Learning

Overview

This article appropriates money for adult education programs.

- 1 Appropriations.** Appropriates money for the following adult education programs (see the fiscal analyst tracking spreadsheet: <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):

- ▶ Adult basic education aid
- ▶ GED tests

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Article 11: State Agencies

Overview

Creates a School Climate Center and provides funding for the Minnesota Department of Education, the Minnesota State Academies for the Deaf and Blind, and the Perpich Center for Arts Education.

1 School Climate Council.

Subd. 1. Establishment. Establishes a multiagency leadership council to improve schools' climate and safety. Includes on the council: representatives from the Departments of Education, Health, Human Rights, Human Services, Public Safety, Corrections, and the Office of Higher Education; one representative each from the Board of Teaching, Board of School Administrators, Elementary Schools Principals Association, Secondary Schools Principal's Association, and Education Minnesota; two representatives for student support personnel, parents, and students; two representatives from law enforcement; and two representatives from the judicial branch.

Subd. 2. Duties. Assigns duties to the School Climate Council, including establishing standards for preventing bullying, harassment, and intimidation, advancing best practices for school climate and safety, and developing resources and training for schools.

- 2 **School Climate Center.** Establishes a School Climate Center within the Department of Education. Requires the center to provide policy guidance to schools, disseminate information to schools on restorative practices and teaching strategies, provide culturally appropriate technical assistance to schools, serve as a resource center for those seeking assistance, develop Web-based training, collect school climate data, and sponsor a statewide conference on school climate and school safety issues.
- 3 **School Climate Center; first-year priorities.** Requires that in its first year of operation, the School Climate Center focus on five priorities:
- (1) working in partnership with others to establish and staff the School Climate Council;
 - (2) developing a model bullying and intimidation prevention policy for schools to use;
 - (3) providing regional training and assistance to school districts to implement best practices;
 - (4) collaborating with others to make baseline data on school climate available; and
 - (5) developing a Web-based toolkit to promote positive learning environments.
- 4 **Appropriations; Department of Education.** Appropriates \$23.108 million in fiscal year 2014 and \$22.621 million in fiscal year 2015 for the Minnesota Department of Education.

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- 5 Appropriations; Minnesota State Academies.** Appropriates \$11.717 million in each fiscal year for the Minnesota State Academies for the Deaf and Blind in Faribault.
- 6 Appropriations; Perpich Center for Arts Education.** Appropriates \$7.928 million in fiscal year 2014 and \$6.728 million in fiscal year 2015 for the Perpich Center for Arts Education. Sets aside \$1.2 million of the fiscal year 2014 appropriation for transfer to the Office of Enterprise Technology for technology upgrades.