

HOUSE RESEARCH

Bill Summary

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Overview

This bill contains the governor's supplemental budget recommendations and makes technical corrections to Minnesota's school funding formulas. The governor's new spending includes \$3.5 million for school meals and \$300,000 for a base adjustment for the Minnesota State Academies.

Section

Article 1: General Education

Overview

This article makes changes to general education programs.

- 1 Reserve revenue.** Clarifies that the portion of revenue that each district must reserve for students attending an area learning center or alternative learning program is between 90 and 100 percent of general education revenue received by the districts for pupils attending that program.
- 2 Financial arrangements.** Adjusts the formulas for aid payments to colleges and universities participating in the Postsecondary Enrollment Options (PSEO) program to reflect the higher formula allowance and lower pupil weight of secondary students (the 2013 Legislature lowered the pupil weight for secondary students from 1.3 to 1.2 beginning in fiscal year 2015).

Section

- 3 **General education revenue; charter schools.** Clarifies that charter schools do not qualify for location equity revenue and calculates declining enrollment aid individually for each charter school.
- 4 **Learning year pupil units.** Clarifies the calculation of kindergarten pupils used to calculate learning year program revenue.
- 5 **Extended time revenue.** Clarifies the effective date of the change in the extended time revenue formula to reflect the change in pupil weights beginning in fiscal year 2015.
- 6 **Equity revenue.** Clarifies that the portion of equity revenue based on each district's referendum allowance is calculated using adjusted, not resident, pupil units.
- 7 **Regional equity gap.** Clarifies that regional equity gaps are calculated using adjusted, not marginal cost, pupil units.
- 8 **District equity gap.** Clarifies that regional equity gaps are calculated using adjusted, not marginal cost, pupil units.
- 9 **Transition revenue.** Clarifies the calculation of transition revenue to reflect the roll-out of alternative compensation (Qcomp) revenue from the general education revenue program.
- 10 **Referendum equalization levy.** Removes an obsolete reference.
- 11 **Referendum aid guarantee.** Corrects the referendum aid guarantee to reflect location equity revenue.
- 12 **Referendum revenue.** Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.
- 13 **Board-approved referendum allowance.** Clarifies that a school district first calculates its location equity revenue and then its board-approved referendum amounts.
- 14 **Safe schools levy.** Changes an erroneous pupil count reference from marginal cost to adjusted pupil units.
- 15 **Alternative attendance programs.** Clarifies a cross reference.
- 16 **General education aid appropriation.** Adjusts the general education aid appropriation to reflect forecast adjustments and the correction of the PSEO payment level for colleges and universities.

Section

Article 2: Educational Excellence

Overview

This article modifies educational excellence programs.

- 1 **Revenue amount; Qcomp.** Clarifies a cross reference in the Qcomp program.
- 2 **Initial achievement and integration revenue.** Clarifies that a district's achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures or its revenue amount.
- 3 **Incentive revenue.** Clarifies that each district's achievement and integration incentive revenue is based on the lesser of the maximum revenue amount or the district's actual approved qualifying expenditures.

Article 3: Special Education

Overview

This article modifies special education revenue calculations.

- 1 **Nonresident tuition rate; other costs.** Corrects a cross reference and clarifies that location equity revenue is excluded from the definition of general education revenue used to calculate special education tuition rates.
- 2 **Definitions; special education.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of one-to-one licensed, certified aides, as required by the child's individualized education program by including the costs in the definitions of "nonfederal special education expenditures" and "old formula special education expenditures."
- 3 **Special education initial aid.** Increases the special education aid paid to the Minnesota State Academies for the Deaf and the Blind to cover the costs of one-to-one licensed, certified child aides, as required by the child's individualized education program.
- 4 **Special education initial aid.** Clarifies that special education pupil transportation costs are excluded when calculating each district's special education initial aid.
- 5 **Cross subsidy reduction aid.** Clarifies the calculation of cross subsidy reduction aid.
- 6 **Special education aid.** Removes an erroneous reference to "initial" aid.
- 7 **Definitions; special education excess cost.** Clarifies the reduction to old formula special education expenditures when calculating excess cost aid and clarifies the treatment of location equity revenue in the general education base revenue.

Section

- 8 Excess cost aid.** Removes erroneous reference to “initial” aid.
- 9 Out-of-state tuition.** Clarifies the payment of out-of-state tuition special education aid to resident school districts.
- 10 Appropriations; Minnesota State Academies.** Increases the fiscal year 2015 appropriation for the Minnesota State Academies by \$300,000.

Article 4: Nutrition

Overview

This article provides state funding to school districts to cover the current 40 cent per meal student cost of reduced price school lunches.

- 1 School lunch aid computation.** Increases the state payment for each school lunch served to a reduced-price meal eligible student by 40 cents beginning in fiscal year 2015.
- 2 No fees.** Requires that each participant in the school lunch program provide school lunches for free to each student eligible for a free or reduced price meal (a participant is the provider, including school districts, nonpublic schools, and a few other organizations).
- 3 School lunch appropriation.** Increases the fiscal year 2015 school lunch appropriation by \$3.5 million to make reduced price meals free to eligible students and adjusts the appropriation base to match the February 2014 forecast.

Article 5: Self-Sufficiency and Lifelong Learning

Overview

This article adjusts formula amounts for the adult basic education program.

- 1 Adult basic education supplemental service grants.** Increases the maximum amount of a supplement services grant to any single organization from 20 to 40 percent of the total amount of supplemental service aid.
- 2 State total adult basic education aid.** Increases the portion of adult basic education aid available for supplemental service grants from two to three percent of the total program aid.
- 3 Program revenue.** Conforms an age limit to match federal census data characteristics.

Section

Article 6: Forecast Adjustments

Overview

Each year, the legislature adjusts the actual amount appropriated for each K12 education program to match the forecast level of spending for that program. This article reflects those changes in each appropriation.