

HOUSE RESEARCH

Bill Summary

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Authors: Loon

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Analyst: Tim Strom
Lisa Larson

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Overview

This bill contains the governor's combined initial and supplemental budget recommendations for prekindergarten through grade 12 education.

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Article 1: General Education

Overview

This article proposes to increase the basic formula allowance by one percent per year, establishes and funds a four-year-old prekindergarten program, and extends the maximum number of years of funding for participating in English language learner programs from six to seven.

- 1 Length of school year; hours of instruction.** Requires a prekindergarten program to include at least 850 hours of instruction during the school year and at least 200 hours of summer instruction.

Makes this section effective for revenue for fiscal year 2017 and later.

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- 2** **Alternative compensation revenue amount.** Maintains districts' alternative compensation revenue amounts by reducing the per enrollee allowance for the alternative teacher compensation program (commonly called QComp) by the amount needed to accommodate additional prekindergarten enrollees authorized by this article.
- 3** **Prekindergarten program.** Creates a voluntary prekindergarten program for four-year-olds and funds each child participating full time in the program at 1.0 pupil units.
- Subd. 1. Programs authorized.** Authorizes a school district to offer a voluntary prekindergarten program for four-year-olds.
- Subd. 2. Program characteristics.** Sets 14 program characteristics for prekindergarten programs including:
- (1) compensatory instruction accelerating language, math, and social skills;
 - (2) instructional content and activities that address learning needs;
 - (3) before and after measurement of the child's cognitive and social skills;
 - (4) maximum class size of 20 or fewer children and requiring a maximum child-staff ratio of 10 to 1 or less;
 - (5) an individualized learning plan for each student;
 - (6) licensure standards for lead teachers (this requirement is phased-in);
 - (7) instructional staff salaries comparable to K12 instructional staff salaries;
 - (8) community collaboration and planning with community health and social service agencies;
 - (9) coordination with existing school programs;
 - (10) parent engagement strategies;
 - (11) curriculum, assessment, and instructional strategies aligned with state standards;
 - (12) inclusion of children with disabilities;
 - (13) coordinated professional development; and
 - (14) plans for delivering services that may include partners such as child care centers, licensed family child care programs, and Head Start programs.
- Subd. 3. Child eligibility.** Allows a child to participate in a prekindergarten program if the child is at least four years old on September 1, has completed the early childhood developmental screening process, and documents required immunizations.
- Subd. 4. Hours of instruction.** Requires the school district to set a prekindergarten school year that contains at least 850 hours of instruction during the regular school year and at least 200 hours of instruction during the summer.
- 4** **English learner.** Increases the maximum number of years that state funding for English language services may be provided to an English language learner from six to seven years. Includes prekindergarten students in the funding formula for English language learners.

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- 5 **Pupil unit.** Creates a pupil weight of 1.0 for each child enrolled in a free all-day, every day prekindergarten program.
- 6 **General education revenue.** Renames extended time revenue “extended support” revenue and removes obsolete language.
- 7 **Basic revenue.** Increases the basic formula allowance by one percent in both years of the biennium. This increases the formula allowance from \$5,831 in fiscal year 2015 to \$5,889 in fiscal year 2016 and \$5,948 for fiscal year 2017 and later.
- 8 **Extended support revenue.** Changes the name of “extended time” revenue to “extended support” revenue. Authorizes alternative learning centers to use the revenue for providing academic services to high school students during the regular school day. Removes obsolete language.
- 9 **Operating capital levy.** Increases the equalizing factor for the operating capital levy from \$14,500 to \$38,650 for fiscal year 2017, \$47,700 for fiscal year 2018, and \$50,550 for fiscal year 2019 and later. These changes reduce the operating capital levy to offset other levy changes due to creating and including the prekindergarten pupil units in other school funding formulas.
- 10 **Appropriations.** Appropriates money for the governor’s initiatives and appropriates the base budget level for all other programs, adjusted for the change in pupil units. See the House Fiscal Analysis worksheet for details:
<http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 2: Educational Excellence

Overview

This article contains two programs to provide financial assistance to certain teacher candidates, revises American Indian education aid programs, and increases funding for the Minnesota Reading Corps.

- 1 **Income defined for child care programs.** Excludes financial assistance, including college loan forgiveness amounts, from the definition of income for purposes of calculating eligibility for child care assistance programs.
- 2 **American Indian teacher grant amounts.** Authorizes the commissioner of education to annually reallocate any unspent American Indian teacher grant funds among the four jointly operated programs (the four programs are UMD and the Duluth school district; Bemidji State and Red Lake school district; Moorhead State and school districts located within the White Earth Reservation; and Augsburg College and the Minneapolis and St. Paul school districts).
- 3 **Information for student applications.** Removes language from the American Indian teacher grant program having to do with certain loans (this focuses the program entirely on grants).

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4 Eligibility for American Indian scholarships. Removes language from the American Indian teacher grant program authorizing loans for certain living expenses. Eliminates references to the Congressional method for determining scholarship needs.

5 TeachMN. Creates a program to award forgivable loans to certain teacher candidates.

Subd. 1. Definitions. Defines “high needs area” as those areas so defined in the department’s biennial teacher supply and demand report or other survey method conducted by the Department of Education. Defines “high needs school” as a focus or priority school, a school with a greater percentage of free and reduced price meal eligible pupils than the state average, or a geographically isolated school experiencing a teacher shortage. Defines “qualified candidate” as a teacher candidate who is enrolled in a Minnesota teacher licensure program and meets the eligibility criteria established in subdivision 3.

Subd. 2. Account. Creates an account within the Office of Higher Education to disburse fixed-rate forgivable loans to qualifying teacher candidates. Requires any unspent funds for the program appropriated to MDE and transferred to the Office of Higher Education, as well as any loan repayment amounts, to return to the account and to carry forward into future years without cancellation.

Subd. 3. Eligibility. Authorizes the Office of Higher Education to award forgivable loans to candidates who express interest in teaching in high needs schools. Requires the Office of Higher Education to consider teacher shortages, geographical distribution, and teacher diversity when awarding forgivable loans. Requires the applicant to submit a letter of support from a professional supervisor, colleague, or academic professor.

Subd. 4. Loan requirements. Requires interest to accrue on the loan from the date of issuance. Requires loan recipients to declare their intention to teach in a Minnesota school district for at least four years after completing the teacher preparation program. A loan recipient who does not teacher in a Minnesota school district for at least four years may be required to repay the loan.

Subd. 5. Usage. Requires a qualified candidate who receives a forgivable loan under this section to use the money only for tuition and related living and miscellaneous expenses required to complete the teacher preparation program and attain licensure.

Subd. 6. Forgiveness and repayment. For a loan recipient whose eligibility is based on enrollment in a program in a high needs area, defers repayment of the loan if the recipient completes the teacher preparation program and teaches in that discipline. Forgives the loan principal and any accumulated interest after four years of teaching service in that discipline. For a loan recipient whose eligibility is based on employment in a high needs school, defers repayment of the loan if the recipient completes the teacher preparation program and teaches in a high needs school. Forgives the loan principal and any accumulated interest after four years of teaching in a high needs school. Establishes an appeals process for teachers who experience special circumstances and don’t fulfill their teaching commitment under the timelines specified in this section. Defers loan repayments for up to 12 months for a loan

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recipient who has completed a teacher preparation program but has been unable to find qualifying employment.

Subd. 7. Rulemaking. Directs the commissioner of education to adopt rules or procedures, in consultation with the Office of Higher Education to establish: (1) additional eligibility criteria; (2) annual and lifetime maximum award amounts; (3) loan distribution criteria; (4) interest rates for the loans; (5) service fulfillment and repayment criteria; and (6) an appeals process consistent with subdivision 6.

6 Stepping up for kids; financial assistance. Creates a program to award financial aid to certain paraprofessionals currently employed by school districts who intend to become teachers in high needs areas or high needs schools.

Subd. 1. Definitions. Defines “high needs area” as an area so defined in the department’s biennial teacher supply and demand report or other survey method conducted by the Department of Education. Defines “high needs school” as a focus or priority school, a school with a greater percentage of free and reduced price meal eligible pupils than the state average, or a geographically isolated school experiencing a teacher shortage. Defines “qualified candidate” as a paraprofessional who is working in a Minnesota school and has been admitted to a Minnesota teacher licensure program.

Subd. 2. Account. Creates an account within the Office of Higher Education to disburse financial assistance to qualifying paraprofessionals. Requires any unspent funds at MDE to transfer to the Office of Higher Education and to carry forward into future years.

Subd. 3. Eligibility. Authorizes a qualified candidate to apply to the Office of Higher Education for financial assistance. Requires the qualified candidate to submit a letter of support from the administrator of the school district where the candidate is currently working. Authorizes the Office of Higher Education to award financial assistance to qualified candidates who work in high needs schools. Requires the Office of Higher Education to consider teacher shortages, geographical distribution, and teacher diversity when awarding financial assistance under this program. Requires a grant recipient to remain employed in a Minnesota school district for at least four years after completing the teacher preparation program or be subject to a recapture of the financial assistance awarded under this section.

Subd. 4. Usage. Requires a qualified candidate who receives financial assistance under this section to use the money only for tuition and related living and miscellaneous expenses required to complete the teacher preparation program and attain licensure.

Subd. 5. Rulemaking. Requires the commissioner of education to adopt rules or procedures in consultation with the Office of Higher Education to implement this section. The rules and procedures, among other things, may include determining additional eligibility criteria, setting the maximum award limits per recipient, establishing criteria for meeting the service conditions set out in this section, and defining conditions for repaying of awards.

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- 7 Minnesota Reading Corps program.** Requires the Minnesota Reading Corps to give priority to placing AmeriCorps members in prekindergarten, kindergarten, and first grade programs in schools that have received “focus” or “priority” status on the Minnesota’s multiple measurements ratings programs or in schools designated as a federal school improvement grant recipient.
- 8 American Indian education aid.** Converts the American Indian grant program to an aid program. Qualifies school districts, charter schools, and American Indian Tribal contract schools that enroll at least 20 American Indian students for the new aid. Sets the aid amount equal to the greater of the amount of the current grant or the sum of \$20,000 and \$405 for the 21st student and each additional American Indian student enrolled in the district or tribal contract school.
- 9 Revenue amount; tribal contract state aid formula.** Removes the maximum limit on the amount of tribal contract aid paid by Minnesota to each of the four Bureau of Indian Education Tribal Contract Schools located in Minnesota (current law limits the annual state aid supplementing federal funding to not more than \$1,500 per student).
- 10 Classification of data.** Classifies the loan application data for the TeachMN program and the “Stepping up for kids” program as private data on individuals.
- 11 Income exclusions; Minnesota family investment program.** Includes loan forgiveness amounts in the list of excluded income when determining eligibility for the Minnesota family investment program (MFIP).
- 12 Subtractions from federal taxable income.** Includes any loan forgiveness amounts or financial assistance received by prospective teachers under the TeachMN and “Stepping up for kids” programs in the list of income that is subtracted from federal taxable income for purposes of computing Minnesota taxable income.
- 13 Appropriations.** Appropriates additional funding for the teacher preparation loans and grants, American Indian programs including the new American Indian education aid program and tribal contract school aid, and for the Minnesota Reading Corps. Provides the baseline level of funding for all other programs in this article, adjusted for the change in pupil units. See the House Fiscal Analysis worksheet for details:
<http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>
- 14 Repealer.** Repeals portions of the American Indian teacher grant program – section 122A.63, subdivisions 3 (submission of the application by the commissioner to the American Indian education committee for review and comment), 7 (loan forgiveness), and 8 (revolving fund for loan repayments).

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Article 3: Special Education

Overview

This article increases special education funding, provides funding for Positive Behavioral Interventions and Supports (PBIS), and appropriates the baseline level of funding for other programs in this article.

- 1 **Definitions.** Clarifies the calculation of “general revenue” for purposes of calculating special education excess cost aid.
- 2 **Special education initial aid.** Increases special education funding for fiscal year 2017 and later by increasing the share of each of the three portions of the initial aid calculation.
- 3 **Definitions; special education excess cost aid.** Clarifies the definition of “general revenue,” which is the percentage of general education revenue used to offset a portion of each district’s unreimbursed special education costs when computing excess cost aid.
- 4 **Excess cost aid.** Adjusts the excess cost aid formula to reflect the changes to the special education funding formula and the changes in pupil units due to creating the prekindergarten program.
- 5 **Appropriations.** Appropriates additional money for special education aid and for the department to implement Positive Behavioral Interventions and Supports for Minnesota schools. Provides the baseline level of funding for all other programs in this article, adjusted for the change in pupil units. See the House Fiscal Analysis worksheet for details: <http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 4: Facilities and Technology

Overview

This article appropriates the baseline level of funding for health and safety aid, debt service equalization aid, alternative facilities aid, deferred maintenance aid, and telecommunications/internet access aid.

- 1 **Appropriations.** Appropriates the baseline level of funding for all programs in this article, adjusted for the change in pupil units. See the House Fiscal Analysis worksheet for details: <http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

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Article 5: Nutrition and Accounting

Overview

This article provides increased funding for school breakfast programs and appropriates the baseline level of funding for all other programs in this article.

- 1 Program reimbursement; school breakfast.** Increases the reimbursement to \$1.30 for each breakfast served to a prekindergarten, first, second, or third grade student, allowing all students in these grades to receive breakfast at no charge (the 2014 Legislature made breakfast available to all kindergarten pupils without charge). Requires school breakfast reimbursements to be submitted to the Department of Education within 60 days of the close of each month in order for the claims to be paid.
- 2 Appropriation transfers.** Eliminates a cross reference to the funding for school readiness programs (school readiness funding is replaced with the prekindergarten funding authorized in article 1).
- 3 Appropriation transfer for community education programs.** Eliminates a cross reference to the funding for school readiness programs (school readiness funding is replaced with the prekindergarten funding authorized in article 1).
- 4 Appropriations.** Appropriates additional money for school breakfast. Provides the baseline level of funding for all other programs in this article. See the House Fiscal Analysis worksheet for details: <http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 6: Libraries

Overview

Authorizes regional library systems to apply for telecommunications aid on behalf of their member districts. Prioritizes the uses of library telecommunications aid. Appropriates the base level of funding for library programs.

- 1 Eligibility.** Authorizes a regional library system to apply for library telecommunications aid on behalf of its member districts as well as itself. Prioritizes the telecommunications aid for connections and other eligible non-voice related e-rate program category 1 services. If the regional library has funds remaining, then the aid may be used for e-rate program category 2 services.
- 2 Telecommunications aid.** Requires a regional library to document in its telecommunications aid application that the regional library, as well as all of its member libraries, have filed an e-rate application.
- 3 Award of funds.** Requires the commissioner of education to award regional library telecommunications aid based on the actual costs of internet connections, as well as other factors that are documented in the library's e-rate funding commitment decision letter.

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- 4 **Appropriations.** Appropriates the baseline level of funding for all programs in this article. See the House Fiscal Analysis worksheet for details:
<http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 7: Early Childhood Education

Overview

This article increases funding for Head Start, provides money for a range of kindergarten assessment options, increases funding for the Northside Achievement Zone and the St. Paul Promise Neighborhood, and eliminates categorical funding for the school readiness program beginning in fiscal year 2017.

- 1 **Services with new or existing providers.** Eliminates the requirement for a school district to submit a copy of each school readiness service contract to the commissioner of education.
- 2 **Kindergarten readiness assessment.** Requires the commissioner of education to develop a process for measuring kindergarten readiness and a list of valid and reliable assessment measures aligned with World's Best Workforce goals of measuring school readiness. Requires a school district to use a department-approved kindergarten readiness assessment measure.
- 3 **Family eligibility; early learning scholarships.** Authorizes early learning scholarships for children from birth to age five who are not enrolled in the full-day prekindergarten program authorized in article 1.
- 4 **Help Me Grow.** Requires the commissioner of education to coordinate activities with the Departments of Human Services and Health to implement the Help Me Grow program in Minnesota. Charges the Help Me Grow program with coordinating and collaborating services across sectors, including child health, early learning, and family support. Requires the Help Me Grow program to provide community outreach and disseminate information on programs and services.
- 5 **Appropriations.** Appropriates additional money for ECFE (tied to the increase in the basic formula allowance), Head Start, kindergarten entrance assessments, and the achievement zone/promise neighborhood programs. Eliminates funding for school readiness aid (article 1 creates a new funding program for prekindergarten programs). Provides the baseline level of funding for all other programs in this article. See the House Fiscal Analysis worksheet for details: <http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>
- 6 **Repealer.** Repeals sections 124D.15, subdivision 3a (school readiness reporting requirements); and 124D.16, subdivisions 2 (school readiness aid), 3 (uses of school readiness aid), and 5 (school readiness reserve account).

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Article 8: Prevention

Overview

Appropriates the baseline level of funding for community education programs.

- 1 Appropriations.** Appropriates the baseline level of funding for all programs in this article. See the House Fiscal Analysis worksheet for details:
<http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 9: Self-sufficiency and Lifelong Learning

Overview

Appropriates the baseline level of funding for adult basic education and GED testing.

- 1 Appropriations.** Appropriates the baseline level of funding for all programs in this article. See the House Fiscal Analysis worksheet for details:
<http://www.house.leg.state.mn.us/fiscal/files/k1215app.pdf>

Article 10: State Agencies

Overview

Redirects teacher criminal background check fees to the Department of Education and grants rulemaking authority to the Board of Teaching for certificates of advanced professional study. Appropriates money for the Department of Education, Minnesota State Academies, and Perpich Center.

- 1 Background checks.** Redirects all fees paid by teacher applicants for criminal background checks to the commissioner of education for costs associated with processing teacher licensure background checks and clarifies the payment process.
- 2 Rulemaking authority.** Grants the Board of Teaching authority to adopt rules to approve certificates of advanced professional study. Defines a certificate of advanced professional study as a credential available to a teacher with full licensure in a least one discipline that allows for teaching without a further waiver or variance when a licensure program in the discipline does not exist or when a licensed teacher for that discipline cannot be found. Requires the certificate to: (1) have fewer requirements than the full licensure in that discipline; (2) set specific requirements to attain the certificate; and (3) maintain professional standards for teaching in that discipline. Requires the rules to limit certificates to: (1) disciplines in which at least one geographic area of the state has a demonstrated shortage of fully licensed teachers; and (2) emerging disciplines where full licenses or licensure programs do not exist.

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- 3 Appropriations; Department of Education.** Appropriates money for the Department of Education including an agency operating adjustment of 1.8 percent per year, and adds additional funds for Board of Teaching rulemaking, Regional Centers of Excellence (\$6 million over base), Help Me Grow (\$2 million), prekindergarten program administration (\$2.8 million), school breakfast administration (\$400,000), and English Learner program administration (\$1.4 million).
- 4 Appropriations; Minnesota State Academies.** Appropriates money for the Minnesota State Academies including an operating adjustment of 1.8 percent per year and includes money for certain technology improvements.
- 5 Appropriations; Perpich Center for Arts Education.** Appropriates money for the Perpich Center for Arts Education including an operating adjustment of 1.8 percent per year and includes funds for certain technology improvements.