



Association of Metropolitan School Districts

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House and Senate E-12 Education Funding Proposals and Governor's Recommendations

POLICY AREA	GOVERNOR	HOUSE	SENATE
General Education			
3R High Schools Program	Appropriates \$19.1 million in FY08 and \$55.9 million in FY09 for a high school redesign initiative involving six components. Participating schools would receive \$68 per pupil for a planning year and \$200 for an implementation year.	Includes an additional \$16.3 million for Advance Placement and International Baccalaureate programs, and College in the Schools (see Advance Placement and International Baccalaureate section for more detail).	No proposal.
All-Day Kindergarten	No proposal.	Increases the pupil weight from 0.557 to 0.86 for FY09 onward, representing roughly \$95 million in funding statewide.	No proposal.
Basic Formula	Increases formula by 2.00% per year for FY08 and FY09, raising formula to \$5,074 and \$5,176,	Increases formula by 3.00% per year for FY08 and FY09, raising formula to \$5,125 and \$5,280,	No action in E-12 omnibus bill; 2.00% increase to formula in SF 1611 as amended, representing a

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	respectively. Total increase over the biennium is \$319.5 million.	respectively. Total increase over the biennium is \$441.4 million.	total increase over biennium of \$292.7 million.
Career and Technical Levy	No proposal.	Adds an aid component provided for 10% of approved costs. Appropriates \$6 million in aid.	Levy is increased from \$80 to \$92 per ADM in grades 10-12, for total appropriation of \$35 million in biennium.
Consolidated Levy	No proposal.	No proposal.	Combines transition, operating capital and equity levies into a single new levy spread on ANTC. The proposal would commit \$90 million in new aid to buy down the levy and appropriate \$487,000 to hold all districts harmless.
Equity Revenue	Eliminates the 5 th /95 th percentile calculation, creates single formula for equity revenue linked to the basic formula allowance, and adjusts transition revenue to hold harmless those districts losing equity revenue as a result of the change.	Eliminates 5 th /95 th percentile calculation, standardizes authority to \$46 per pupil.	Eliminates 5 th /95 th percentile calculation, standardizes authority to \$46 per pupil, and adopts a hold harmless provision for first year.
Extended Time Revenue	Increases the maximum time of service for a qualifying student from 1.2 to 1.5 and increases the extended time formula allowance from \$4,601 to \$4,694 in FY08 and \$4,788 in FY09 and later. Together, the changes represent an additional \$18.5 million for	Increases the maximum time of service for a qualifying student from 1.2 to 1.5 and increases the extended time formula allowance from \$4,601 to \$4,740 in FY08 and \$4,880 in FY09 and later. Together, the changes represent an additional \$20.0 million for	No proposal.

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Gifted and Talented	the biennium. No proposal.	the biennium. Increases gifted and talented aid from \$9 per pupil to \$13 per pupil in FY08 and \$14 in FY09. Requires districts to adopt policies and procedures for academic acceleration of gifted and talented students that includes assessment of students' readiness and motivation for acceleration and a match between the curriculum and the students' academic needs.	No proposal.
LEP Revenue	Increases basic LEP revenue from \$700 per LEP pupil to \$714 in FY08 and \$729 in FY09 and later.	Removes five-year limit on the number of years an LEP student is eligible for aid, and increases basic LEP revenue from \$700 to \$815 per LEP pupil for FY08 onward. Eliminates LEP concentration formula.	Allows districts to collect and use LEP aid to conduct programs for nonpublic school pupils.
Location Equity Index	No proposal.	Establishes location equity revenue as a component of general education revenue, and puts a formula in place to allocate revenue to districts with higher wage and housing costs. Appropriates \$500,000 total for FY08.	Commissions funding study to continue the work of P.S. Minnesota.
Operating Capital Revenue	Increases the equalizing factor for operating capital from	Increases the equalizing factor for operating capital from	No proposal – see section on Consolidated Levy.

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	\$10,700 to \$17,590 for FY09 and later, representing tax relief of \$40 million in FY09.	\$10,700 to \$33,000 for FY09 and later, representing tax relief of roughly \$70.5 million annually.	
Q-Comp	Increases the limit on state total basic Q-Comp aid by 10% annually starting in FY09, and link Q-Comp allowance to the basic formula allowance.	No change to current law.	Freezes districts accepted by March 10, 2007, and places prohibition on new Q-comp districts until 2012.
Referendum Revenue	No proposal.	Changes ballot language for renewal of existing levies, and indexes the equalization factors to a statewide per-pupil referendum market value. The increase in equalization factors provides \$38.8 million in property tax relief.	No proposal.
Safe Schools Levy	No proposal.	Authorizes an additional \$3 per pupil levy for all districts, and \$5 per pupil levy for members of intermediate districts to use at the intermediate district.	Gives members of intermediate districts the authority to levy \$10 per pupil for safety initiatives at the intermediate.
School Finance Reform Task Force	No proposal.	Establishes a task force of legislative members to evaluate adequacy under the current system, and report to the Legislature by January 15, 2008.	Commissions a funding study to continue the work of P.S. Minnesota.
Transportation Sparsity	Appropriates additional \$3.6 million for the program over the biennium.	Appropriates additional \$3.6 million for the program over the biennium.	Appropriates additional \$3.4 million for the program over the biennium.

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Education Excellence			
Advanced Placement and International Baccalaureate (AP/IB)	Appropriates \$15.4 million in the 2008-9 biennium for schools wanting to offer AP and IB programs.	Requires a recipient participating in IB/AP to have a three year plan approved by the local school board to establish a new or expand an existing pre-advanced placement, AP or IB program and to increase the availability of and all students' access to and completion of these programs. Appropriates \$7.74 million in FY08 and \$8.6 million in FY09 for Pre-IB/AP, IB/AP and college in the school programs.	Adds IB to include program eligibility and requires a three-year plan. Requires \$500,000 each year for teachers to attend subject matter summer training.
After School Community Learning Grants	No proposal.	Provides \$2.3 million over the biennium.	Appropriates \$7 million in grants over the biennium.
Charter Schools	No proposal.	Eliminates appeal for sponsorship provisions for charter schools, and requires charters to return records to students' resident districts.	Limits the number of charters to 150, and eliminates the appeal for sponsorship provision to the commissioner if a school board elects not to sponsor a charter school. Also, requires charters to return records to students' resident districts.
Collaborative Urban Educator	Appropriates an additional \$1.5 million for the biennium to this program.	Appropriates \$1.3 million per year for FY08 and FY09.	Appropriates an additional \$944,000 for the biennium to this program.
Desegregation Rules	No proposal.	Creates a waiver for districts from racial balance	Creates a waiver for districts from racial balance

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		requirements, if the enrollment of a school reflects demographics in the school attendance area.	requirements, if the enrollment of a school reflects demographics in the school attendance area.
Mandarin Chinese Project	Appropriates an additional \$500,000 over the biennium for this program.	Establishes a world language pilots grant program, which includes mandarin Chinese. Appropriates \$250,000.	Appropriates an additional \$500,000 over the biennium for this program.
Math and Science Teacher Academies	Appropriates \$2 million in FY08 and \$4 million in FY09 for establishment of 5-6 regional academies for teachers.	No proposal.	No proposal.
Minnesota Reading Corps	Appropriates an additional \$2 million over the biennium for this program.	No proposal.	Appropriates an additional \$2 million over the biennium for this program.
Professional Teaching Standards Grant	No proposal.	No proposal.	Appropriates \$500,000 in FY08 only.
Reading At-Risk Report	No proposal.	No proposal.	Requires districts to prepare and submit a report by June 1 identifying students considered at risk of not learning to read by second grade.
RTI Initiative	No proposal.	No proposal.	Appropriates \$900,000 over the biennium to the RTI initiative at the St. Croix River Education District.
STEM Grants	No proposal.	No proposal.	Increases STEM grants statewide by \$3 million over the biennium.
Successful Schools Program	Appropriates \$75 million	No proposal.	No proposal.

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	annually in FY08 and FY09 to provide one-time reward payments for schools awarded three or more stars on the State School Report Card.		
Special Programs			
State Special Education Formula (Regular Appropriation)	Increases special education funding by 2.00% annually in FY08 and FY09, representing an increase for the biennium of \$29.8 million.	Changes special education reimbursement from second prior year to current year. Raises statewide cap from \$529 million to \$572 million for FY08, and to \$573 million, \$574 million and \$576 million in FY09-11, respectively.	Changes special education reimbursement from second prior year to current year. Fully funds special education formula, reflecting additional funding of \$123 million in FY07, \$164 million for FY08 and \$196 million in FY09. Restores a 4.6% growth factor for regular special education funding.
State Special Education Formula (Excess Cost Appropriation)	Increases the appropriation for excess cost by 2.00% annually in FY08 and FY09, or \$4.8 million over the biennium.	Excess cost aid grows from \$105 million in FY07 to \$128 million in FY08, \$129 million in FY09-10, and \$130 million in FY11.	Reinstates a 2.00% growth factor for the excess cost formula, and fully funds the formula (\$126 million for FY07, \$109 million for FY08, and \$111 million for FY09).
Education Reform, Facilities and Technology			
Capital Projects Levy	No proposal.	No proposal.	Limits the authorization of capital projects levies to those expiring in ten years or less (current law does not specify a

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Debt Service Revenue	No proposal.	Eliminates second tier for equalization, so that all debt service revenue over 15% of ANTC/pupil is equalized at the same rate. Raises the equalization factor to a statewide average ANTC/pupil (roughly \$6,937 in FY09), representing property tax relief of \$14.95 million per year starting in FY08.	maximum term). No proposal.
Technology Funding	Recommends \$19 million annually to improve school technology capacity and increase use of online curriculum, for \$38 million over the biennium.	Provides \$30 per pupil in one-time technology aid, and increases the appropriation for telecommunications aid by \$8.86 million for the biennium.	Increases the appropriation for telecommunications aid by \$8.29 million for the biennium.
Nutrition and Accounting			
Elimination of Unfunded Reserve Accounts	No proposal.	Eliminates reserve accounts for which no authority remains in statute as of June 30, 2007.	Eliminates reserve accounts for which no authority remains in statute as of June 30, 2007.
School Lunch Program	No proposal.	Provides \$3.0 million for school lunch and food storage program for the biennium.	Provides \$3.0 million for school lunch and food storage program for the biennium.
Early Childhood Education			
Developmental Screening	No proposal.	No proposal.	Appropriates \$1.3 million for developmental screening, giving districts an additional \$10 per student screened prior to

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ECFE	No proposal.	Restores the ECFE formula to \$120 per pupil for a total appropriation of \$5.5 million.	Restores the ECFE formula to \$120 per pupil for a total appropriation of \$5.5 million.
Prekindergarten Education Allowance System	Appropriates \$392,000 in FY08 and \$28.5 million annually thereafter to fund an early childhood scholarship fund, and recommends \$8.2 million over the biennium for school readiness measures.	Establishes the Scholarship Demonstration Project which funds two scholarships in rural MN, to be run by the MN Early Learning Foundation (MELF) and the Department of Human Services, for families with incomes less than 185% of the federal poverty level. The demonstration project is for 2008 and 2009 only.	E-12 omnibus bill appropriates \$2.1 million for early childhood allowances as a pilot program over the 2008-9 biennium. SF 406 appropriates \$53.9 million for the program in FY09, increasing to \$87.2 million in FY10 and \$107.8 million in FY11.
State Agencies			
Cross-Subsidy Reporting	No proposal.	No proposal.	Mandates that the Department of Education submit by January 10 of each year a report showing the total amount of statewide cross subsidies involving special education, basic skills, and general education revenue.
Department of Education	Recommends \$967,000 for compensation related costs.	Recommends \$934,000 for compensation adjustments over the FY08-09 biennium.	Provides \$1.5 million for salary and benefit adjustments.
Libraries			
General	Appropriates \$200,000 in FY08	Appropriates \$12.5 million	Appropriates \$2.55 million over

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	to pay for a comprehensive study of the state's libraries.	additionally to library-related purposes.	the biennium for libraries.