

# One Minnesota Budget



**2023 Education Budget**  
**Senate Education Finance Committee**  
**2.1.23**



# Ten Minnesota Commitments to Equity

1. **Prioritize equity.**
2. **Start from within.**
3. **Measure what matters.**
4. **Go local.**
5. **Follow the money.**
6. **Start early.**
7. **Monitor implementation of standards.**
8. **Value people.**
9. **Improve conditions for learning.**
10. **Give students options.**

# One Minnesota Budget



## Due North Education Plan

- Every student receives a world-class education
- Every student learns in a safe and nurturing environment
- Every student learns in a classroom with a caring and qualified teacher
- Expand access to opportunities for students of color and Indigenous students
- Expand access to opportunities for students in greater Minnesota
- Fund a 21st Century Education

# One Minnesota Budget



## Overview: 21st Century Education Funding \$6.9 Billion

- Academic Excellence
- Early Childhood and Education
- Access to Student and Family Opportunity
- Mental Health and School Safety
- American Indian Education
- Access to Equitable, Culturally Relevant Teaching and Learning Environment
- Reimagining the Secondary Experience
- PreK-12 Workforce
- Agency Supports

# 21st Century Education Funding

- Increase **General Education Basic Formula** and tie to inflation.
  - Why: Education funding has not kept up with rising costs and educational needs. Tying to inflation provides some funding stability in future years.
  - Funding
    - \$716.7M in FY24-25
    - \$1.4B in FY26-27
  - Components
    - Basic formula tied to inflation starting in FY26 and ongoing
      - Based on Consumer Price Index and capped at 3%
    - Increase the basic formula by 4% in FY24 and 2% in FY25

# 21st Century Education Funding

- Reduce the **Special Education Cross Subsidy**

- Why: Dedicated state and federal funding has not kept up with special education obligations.

- Funding

- \$722.6M in FY24-25

- \$840.1M in FY26-27

- Components

- Redirects general fund revenue back to district operational budgets

- Cross subsidy reduction aid formula will increase to represent 50% of the cross subsidy gap starting in FY24 and ongoing

# 21st Century Education Funding

- Fund **Universal Meals**, including breakfast, lunch, and Community Eligibility Provision (CEP)
  - Why: No child should be hungry in school and nutrition is fundamental to supporting the whole child.
  - Funding
    - \$388.4M in FY23-25
    - \$424.3M in FY26-27
  - Components
    - Funds one breakfast and one lunch for all students enrolled in schools that participate in federal breakfast and lunch programs
    - Requires certain CEP participation to get state reimbursement
    - Immediate administrative funding for startup

# 21st Century Education Funding

- Reduce the **English Learner (EL)** cross subsidy by over 20%
  - Why: State funding has not kept up with the needs of multi-lingual learners
  - Funding
    - \$24.9M in FY24-25
    - \$32.5M in FY26-27
  - Components
    - Increases EL revenue allowance
    - Extends cap for EL concentration revenue sliding scale
    - Increases EL concentration allowance for certain districts to adjust for inflation



# 21st Century Education Funding

- Decrease funding gap through improved **Facilities Funding**
  - Why: Disparities in funding for school facilities continue to grow, especially for smaller, rural districts.
  - Funding
    - \$66.3M in FY24-25
    - \$79.8M in FY26-27
  - Components
    - Modifies Long Term Facilities Maintenance (LTFM) revenue through an allocation for eligible new facilities improvements, district-based appropriations for excluded districts under statute, allowed reserved funding of up to \$1M, and no limit on other eligible LTFM revenue
    - Extends additional authority to projects over \$100,000 that are approved health and safety projects not already limited and specific deferred maintenance projects

# 21st Century Education Funding

- Fund **Unemployment Insurance Aid** to cover costs related to new eligibility for hourly school workers (*in partnership with DEED*)
  - Why: Eligible school staff that do not have work during the summer struggle to cover their needs or may find employment elsewhere.
  - Funding
    - \$200,000 in FY25
    - \$161.930M in FY26 and thereafter annually
  - Components
    - Unemployment insurance aid for public PK-12 school workers based on unemployment insurance costs.
    - Aid starts in FY26 to reimburse districts and charters for costs incurred in prior year.
    - Revenue is capped, so subjected to proration

## Other 21st Century Funding Items

- Review and comment for capital projects that qualify through achievement & integration revenue
- District renewal of current voter approved operating referenda
- Compensatory Spending at Generating Site

# Academic Excellence

- **BOLD: A Birth-Grade 12 Plan for Literacy Achievement**

- Why: Minnesota must address the achievement gap and lack of progress in reading proficiency by prioritizing practices based in the science of reading
- Funding: \$70M per biennium
- Components
  - **Regional literacy networks** in partnership with Minnesota Service Coops
  - Development of **statewide training**, based on the science of reading, to be free for districts and charters
  - Partnerships with higher education to create **literacy labs** for teacher candidates
  - Upgrades and maintenance for **data collection and analysis** capabilities
  - **Community and organizational partnerships** to expand literacy efforts across Minnesota

# Academic Excellence

- Minnesota Multi-Tiered System of Support (**MnMTSS**) and Collaborative Minnesota Partnerships to Advance Student Success (**COMPASS**)
  - Why: Support is needed for the implementation of a multi-tiered system of support to meet the diverse needs of ALL students through evidence-based core instruction and interventions that will improve outcomes.
  - Funding: \$40.5M per biennium
  - MnMTSS supports academic, behavioral, and social-emotional outcomes for every student
  - COMPASS delivers supports to schools in literacy, math, social-emotional learning, and mental health using the MnMTSS Framework
  - Components
    - **Grants to districts and charters** to implement MnMTSS through COMPASS
    - **Regional support structure** established through Minnesota Service Coops
    - **Grants to partners** to enhance regional capacity in MnMTSS implementation and evaluation of COMPASS

# Early Childhood

- **Targeted Mixed-Delivery Early Learning Model**

- Why: Increase accessibility to early care and education opportunities through high-quality programming, delivered by early care; Head Start; and schools, while honoring parent choice
- Funding: \$50.5M in FY24-25; \$434.2M in FY26-27
- Components
  - Full-day prekindergarten for eligible 4-year-olds
  - Mixed-delivery model comprised of school-based, Head Start, licensed community-based center, and family childcare programs
  - Will serve over 22,000 young learners
  - Funding in FY24/25 maintains 4,000 voluntary prekindergarten (VPK) and school readiness plus (SRP) seats set to expire and supports preparation for full implementation in FY26
  - In FY26/27, combines VPK, KEP, and scholarship Pathway II programs to support creation of new mixed delivery program
  - Standardized eligibility requirements and program requirements

# Early Childhood

- **Early Learning Scholarships** Expansion and Prioritization for Ages 0-3
  - Why: Resources must be provided for families to equitably access high quality early care and education settings that meet their needs beginning at birth
  - Funding: \$180M per biennium
  - Components
    - Expands eligibility to children from birth to five and prioritizes those birth to three
    - Will serve an additional 8,500 children, primarily infants and toddlers at current \$10,000 cap
    - Reallocation of Pathway II to Targeted Mixed-Delivery program, will simplify the funding structure

# Early Childhood

- **New Department of Children, Youth and Families (DCYF)**

- Why: Children and families need an integrated approach to accessing and navigating services with a whole family vision, focus on a child throughout their life. proposes to create a Department of Children, Youth, and Families (DCYF) that reimagines our state government structures to elevate child, youth, and family priorities and funding needs by providing focused leadership in our executive branch and with the legislature.

- **Core programs proposed to move to new agency:**

- Child care and early learning programs
- Child Support, Child Safety and Permanency, and other family-focused community programs
- Economic support and food assistance programs
- Youth opportunity and older youth investments

## **The 2023 Walz-Flanagan Budget Proposes Transition Office**

- Obtains the authority and resources (\$7.7M one-time) to support creation, alignment, and launch of a two-year process of moving core child, youth, and family support programs to the new agency that would begin July 2024.
- The proposed department would consist of an estimated 650 staff currently supporting the core services at existing agencies who move to DCYF with an estimated budget for core services to be in excess of \$3 billion.



# Early Childhood

- Increase **Early Childhood Health and Developmental Screening State Aid**
  - Funding: \$2.1M per biennium
- **Early Childhood Technical Funding Correction: English Learner and Breakfast Funding for Early Childhood Special Education Students**
  - Funding: \$1.3M in FY24-25; \$1.6M in FY26-27
- **Early Childhood Technical Funding Correction: Average Daily Membership (ADM) Change for Kindergarten Students with a Disability**
  - Funding: \$158,000 in FY24-25; \$166,000 in FY26-27
- **Head Start state funding flexibility and Tribal Head Start Set Aside: No cost.**

# Access to Student and Family Opportunities

## • **After School Community Learning Grants**

- Why: High-quality afterschool programs provide benefits to support social, emotional, cultural, and academic development and provide safe and supportive environments for children and youth.
- Funding: \$45M in FY24; available to spend through FY27
- Components:
  - Grants to community or non-profit organizations; culturally-specific organizations; American Indian organizations; tribal nations; political subdivisions; public libraries; or school-based programs that serve youth after school, during the summer, or during non-school hours. Grants support community-school partnerships to implement culturally affirming and enriching high-quality after school and summer learning programs.
  - Funding for Ignite Afterschool to build statewide system of support for continuous improvement.

# Access to Student and Family Opportunities

- **Full-Service Community Schools**

- Why: Investing in these models demonstrates improved outcomes in academic success, better attendance, lower discipline, and increased likelihood of high school graduation
- Funding: \$14.5M in one-time grants in FY24, available to spend until FY27
- Components
  - Supports \$400,000 startup grants and \$350,000 targeted expansion grants

- **Regional Library Basic System Support**

- Why: Community demand for the wide range of library services before, during, and after the pandemic have grown and funding must keep pace
- Funding: \$3.8M in FY24-25; \$4M in FY26-27
- Components
  - Decreasing the equalization component with an accompanying increase in the base creates funding consistency year over year.

# Mental Health, Well-Being, and School Safety

- **Student Support Personnel**

- Why: Students deserve to have the school personnel that can provide prevention and intervention services that meet their social, emotional, behavioral, mental, and physical health needs
- Funding: \$53.605M in FY24-25, and \$58.144M in FY26-27
- Components
  - Aid to districts and charters to hire counselors, social workers, school nurses, school psychologists, and chemical dependency counselors
  - Funded workforce development initiative
  - Mental health program coordinator and student support specialist at MDE

- **Building and Cyber Security grant program**

- Why: We must provide more opportunities for schools to provide a safe environment for students and staff
- Funding: \$50.1M in one-time grants in FY24, available to spend until FY27
- Components: grant funding for safety improvements to facilities and for cyber insurance costs

- **Governor's Human Services budget:**

- Invests \$ 16M in FY24-25 and \$26.5M in FY26-27 to increase funding for School Linked Behavioral Health grants and Intermediate school-linked behavioral grants

# American Indian Education

- Increase **American Indian Education Aid**

- Why: More funding is needed to support programming for the unique educational and cultural academic needs of American Indian students.
- Funding: \$13.5M in FY24-25; \$15M in FY26-27
- Components:
  - Doubles the minimum per district or charter from \$20,000 to \$40,000 and increases amount per pupil by \$500
  - Extends American Indian Education aid to joint powers districts
  - Clarifies that aid can only be used for non-Native students after needs of American Indian students met

# American Indian Education

- Fund **Native Language Revitalization Grants**

- Why: Children who learn their Indigenous language are able to maintain critical ties to their culture, affirm their identity, and preserve important connections with older generations.
- Funding: \$15M per biennium
- Components
  - Grants for districts and charters to offer language revitalization courses in Dakota or Anishinaabe
  - Funds can pay for teacher, program supplies, and curricular resources

- Require **American Indian History and Culture** training as a re-licensure requirement

- Why: All students deserve teachers that have training in the unique heritage and contributions of American Indians
- Components
  - 8 hours of re-licensure training in American Indian history and culture for Tier 3 and 4 teachers

- **Online Learning** for students in **Bureau of Indian Education Schools**

- Funding: \$3,000 per year

# Access to Equitable Teaching and Learning Environment

- Additional funding for **Special Education Separate Sites and Programs** serving Setting IV and higher
  - Why: Providing more support for students with the highest needs results in improved outcomes
  - Funding: \$9.4M in FY24-25; \$10.9M FY26-27
  - Components
    - Approximate increase of \$1,689 per pupil in setting IV or higher
- Extend funding for **special education services** until students reach **age 22**
  - Why: Providing support for students receiving special services until age 22 is crucial to their access and for alignment with federal law
  - Cost: \$9.6M in FY24-25; \$10.2M in FY26-27
- **Specific Learning Disability** criteria change
  - Why: Updated and improved SLD identification rules will allow for better articulation of the nature of disability and its impact on growth, access, and progress.
  - Funding: \$1.14M per biennium
  - Components
    - Update the policy for identifying students with SLD and support rulemaking and training

# Access to Equitable Teaching and Learning Environment

- **Alternatives to Exclusionary Discipline Strategies** grants

- Why: Every student has the right to learn in a safe, supportive, and nurturing environment.
- Funding: \$5.298M in FY24 and \$5.585M in FY25, FY26 and FY27
- Components:
  - Grants to districts and charters for implementing alternatives to exclusionary discipline strategies and reducing discipline disparities.
  - State capacity to provide training, coaching and technical assistance as well as implement a robust evaluation.

- **Student Voice Models**

- Why: Implementing youth voice models thorough community partnerships, expanding the impact of the Minnesota Youth Council, and building state capacity to leverage data in the Minnesota Student Survey.
- Funding: \$8M in FY24, available to spend until FY27



# Access to Equitable Teaching and Learning Environment

- **School Attendance** policies and practices
  - Why: Supporting local capacity to respond to the causes of chronic absenteeism is essential to student success.
  - Funding: \$460,000 per biennium
  
- **Foster Student Transportation**
  - Why: Ensuring students placed in foster care are able to remain enrolled in their school of origin.
  - Funding: \$540,000 in FY24-25; \$1.2M in FY26-27

# Reimagining the Secondary School Experience

- **Postsecondary Enrollment Options Funding Pilot**

- Why: The PSEO funding model should be focused on ensuring access and success for students.
- Funding: \$50M in one-time grants in FY24, available to spend until FY27
- Components:
  - \$47.9M in grants to districts and charters for additional ADM for students taking PSEO, including planning, implementation, evaluation and reporting.
  - \$2.1M administrative and programmatic capacity at the state level to collect and analyze data as well as evaluate the impact of fully funding PSEO to inform future funding structure for dual credit.

- **Career and Technical Education Access**

- Why: Expansion of CTE programs is important to ensuring alignment between talent and skills with workforce needs.
- Funding: \$30M in one-time grants in FY24, available to spend until FY27
- Components
  - \$26.3M for grants to districts, charters or service cooperatives to expand or establish CTE programs.
  - \$2.5M for efforts around CTE teacher mentorship and retention, licensure support for Tier 1 and 2 teachers, and work-based learning.
  - \$1.2M for state capacity to provide technical assistance, program approval, connections to education and industry partners, and coordination of grant and mentorship activities.

# Reimagining the Secondary School Experience

- **Competency Based Education**
  - Why: In the 21st Century, students need more innovative learning opportunities that meet their needs.
  - Funding: \$32M in one-time grants in FY24, available to spend until FY27
  - Components
    - Grants of \$250,000 to \$1.5M to districts and charters to expand competency-based learning opportunities
    - Funding for community-based conversations to share data and identify needs, development of digital credentials, and other data collection
- Expand **Rigorous Coursework** opportunities
  - Why: Students of color, Indigenous student, and students in greater MN still lack equitable access to courses like AP, IB, PSEO, concurrent enrollment and career and technical education
  - Funding: \$6.3M per biennium
  - Components
    - Recruiting and support students in rigorous courses, and provide transportation to postsecondary institutions
    - Provide teacher training for added rigorous courses

# Career Readiness

- **Youth Apprenticeship Programs Alignment**
  - Why: It is important to ensure students are able to use their youth apprenticeship hours in a registered apprenticeship program.
  - Funding: \$300,000 in FY24-25 only
  - Components: Workgroup of state, postsecondary and industry partners to ensure alignment of competencies.
- **Computer Science Education**
  - Why: Computer science opportunities in K-12 are critical to preparing the workforce of the future.
  - Funding: \$825,000 in FY24-25; \$970,000 in FY26-27
  - Components: Task force to develop a State Computer Science Education Plan, data collection and analysis, and grants for districts and charters to implement elements of the state plan.

# Career Readiness

- **High School Equivalency Test**
  - Why: Paying for the GED or HiSET test is a financial barrier to earning a high school equivalency diploma.
  - Funding: \$490,000 one-time in FY24-25
- **Adult Basic Education** adjustments
  - No cost: Adjust cap on gross revenue in ABE formula
  - No cost: Clarify ABE growth factor

# Educator Workforce

- **Grow Your Own**

- Why: In order for students to have equitable experiences and outcomes in school systems, they need equitable access to a diverse and effective educator workforce.
- Funding: \$35M per biennium
- Components
  - Expand current program to diversify teacher workforce
  - Provide access to teacher preparation for tier 1 and 2 special education teachers
  - Funding to target early childhood licensure and other shortage areas
  - Cover licensure and exam fees
- Expansion, including diversifying workforce, special education teachers, shortage areas, early childhood, and licensure and exam fees.

- **Paid Student Teaching**

- Why: We must reduce the financial barriers to entering the teaching profession that student teachers face with pay full tuition while having no income for living expenses.
- Funding: \$29.3M in each biennium
- Components: Pay pre-service teachers a stipend during their 12-week student teaching period

# Educator Workforce

- Invest in **Educator Career Pathways**

- Why: Introducing the educators of tomorrow to the path to teaching while in high schools is one solution to alleviate the teacher workforce shortage
- Funding: \$7M in FY24, available for four years
- Components
  - Grants to districts and charters to recruit, recruit, and retain high school students from underrepresented communities into educator pathways at the postsecondary level

- Addressing **Teacher Shortage in Early Childhood Education**

- Why: To increase access to high quality early childhood programming like Early Childhood Family Education and School Readiness Plus, we must license more early childhood educators.
- Funding: \$980,000 in FY24-25; \$1.4M in FY26-27
- Components
  - Grants to institutes of higher education to provide tuition and other supports
  - Targeting candidates in greater Minnesota, candidates of color, and American Indian candidates

# Educator Workforce

- **Statewide Teacher Mentoring** program to expand existing program funded with federal funds for four more years.
  - Why: We must provide statewide support for local induction models, which, when high quality, are more likely to keep teachers in their districts or charters and less likely to leave the profession.
  - Funding: \$9.94M in FY24; available for four years
  - Components: Grants for regional partners to provide mentoring supports, grants for Teacher of Record mentorship to Tier 1 special education teachers, national expert contracts to train mentors and principals and evaluation of program.
- **Teacher Licensing and Exam Fees**
  - Why: Removes these fees as barriers to entering the profession.
  - Funding: \$1.4M one-time in FY24-25, available to spend through FY27
- **Modification and additional funding for the Minnesota Indian Teacher Training Program**
  - Why: Increasing the number of American Indian teachers is a key part of diversifying our workforce to ensure students see themselves represented in their teachers.
  - Funding: \$1.6M in FY24 to expand existing grant program.



# IT/Data Collection

- **Ed-Fi Data Collection System and Reporting**
  - Why: To support the continued integration of data submissions from a variety of program areas
  - Funding: \$3.2M in FY24-25; \$4.7M in FY26-27
  - Components: IT services and program support / technical assistance
- **Information Technology Resources**
  - Why: Modernize MDE's technology infrastructure and portfolio to increase efficiency and effectiveness for Minnesota's educators, schools, and students
  - Funding: \$5.1M in FY24-25; \$9.8M in FY26-27
  - Components: IT Services

## Other IT/Data Collection

- **Data Governance Manager.** \$160,000 in FY24-25; \$320,000 in FY26-27
- **Digital Equity** Data and Report. \$162,000 in FY24-25; \$13,000 in FY26-27
- **Reasonable Force** Reporting. \$47,000 in FY24
- **Athletic Race/Ethnicity** Data Collection. \$180,000 FY24-25; \$130,000 FY26-27

# Agency Needs

- **EDI Center** staffing and grants
  - Why: to ensure the conditions, strategies, resources, and training for equity, diversity, and inclusion thrive in our educational system across the state.
  - Funding: \$35M in FY24-25; \$4M in FY26-27
  - Components:
    - \$30 million in grants to school districts and charter schools to implement culturally relevant practices. The grant funds are available until June 30, 2027.
    - Staffing to support the continuity of service and simultaneously increase capacity and impact of the EDI center as outlined in the mission and vision of the EDI Center, MDE's Strategic Plan, and the Governor's Due North Plan

# Other Agency Needs

- **Office of Inspector General at MDE**

- Why: To improve the State's ability to detect fraud and wrongdoing, ensuring that funds appropriated by the state and federal legislatures and distributed by MDE reach their intended beneficiaries, schools, teachers, children, and families
- Funding: \$4M per biennium
- Components: MDE staffing and other resources necessary to operate the office (travel, technology, forensic accounting, etc.)

- **Audit and Internal Control Resources**

- Why: To strengthen the State of Minnesota's approach to combating fraud, waste, and abuse
- Funding: \$1.6M per biennium
- Components: MDE staffing and resources necessary to conduct external auditing and internal control functions

# Other Agency Needs

- Maintain **Current Service Levels**: \$9.5M in FY24-25; \$9.9M in FY26-27
- **Legal Costs**: reduction of \$1.5M in FY23 costs; increase of \$7.5M in FY24
- **BOSA** staffing and outreach: \$128,000 per biennium
- **Ability to use fees collected from online learning providers**

# One Minnesota Budget

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**Thank you!**