

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2078

(SENATE AUTHORS: NEWTON and Hoffman)

DATE
03/07/2019

D-PG

Introduction and first reading
Referred to E-12 Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to education finance; modifying early education provisions; establishing
1.3 five regions for the voluntary prekindergarten program; making school readiness
1.4 plus permanent; amending Minnesota Statutes 2018, sections 124D.151,
1.5 subdivisions 5, 6; 126C.05, subdivision 1; Laws 2017, First Special Session chapter
1.6 5, article 8, section 8.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2018, section 124D.151, subdivision 5, is amended to read:

1.9 Subd. 5. **Application process; priority for high poverty schools.** (a) ~~To qualify for~~
1.10 ~~program approval for fiscal year 2017, a district or charter school must submit an application~~
1.11 ~~to the commissioner by July 1, 2016.~~ To qualify for program approval for fiscal year 2018
1.12 and later, a district or charter school must submit an application to the commissioner by
1.13 January 30 of the fiscal year prior to the fiscal year in which the program will be
1.14 implemented. The application must include:

1.15 (1) a description of the proposed program, including the number of hours per week the
1.16 program will be offered at each school site or mixed-delivery location;

1.17 (2) an estimate of the number of eligible children to be served in the program at each
1.18 school site or mixed-delivery location; and

1.19 (3) a statement of assurances signed by the superintendent or charter school director that
1.20 the proposed program meets the requirements of subdivision 2.

1.21 (b) The commissioner must review all applications submitted for fiscal year ~~2017 by~~
1.22 ~~August 1, 2016, and must review all applications submitted for fiscal year 2018 and later~~

2.1 by March 1 of the fiscal year in which the applications are received and determine whether
2.2 each application meets the requirements of paragraph (a).

2.3 (c) The commissioner must divide all applications for new or expanded voluntary
2.4 prekindergarten programs under this section meeting the requirements of paragraph (a) and
2.5 school readiness plus programs into ~~four~~ five groups as follows: the Minneapolis ~~and school~~
2.6 district; the St. Paul school ~~districts~~ district; other school districts located in the metropolitan
2.7 equity region as defined in section 126C.10, subdivision 28; school districts located in the
2.8 rural equity region as defined in section 126C.10, subdivision 28; and charter schools.
2.9 Within each group, the applications must be ordered by rank using a sliding scale based on
2.10 the following criteria:

2.11 (1) concentration of kindergarten students eligible for free or reduced-price lunches by
2.12 school site on October 1 of the previous school year. A school site may contract to partner
2.13 with a community-based provider or Head Start under subdivision 3 or establish an early
2.14 childhood center and use the concentration of kindergarten students eligible for free or
2.15 reduced-price meals from a specific school site as long as those eligible children are
2.16 prioritized and guaranteed services at the mixed-delivery site or early education center. For
2.17 school district programs to be operated at locations that do not have free and reduced-price
2.18 lunch concentration data for kindergarten programs for October 1 of the previous school
2.19 year, including mixed-delivery programs, the school district average concentration of
2.20 kindergarten students eligible for free or reduced-price lunches must be used for the rank
2.21 ordering;

2.22 (2) presence or absence of a three- or four-star Parent Aware rated program within the
2.23 school district or close proximity of the district. School sites with the highest concentration
2.24 of kindergarten students eligible for free or reduced-price lunches that do not have a three-
2.25 or four-star Parent Aware program within the district or close proximity of the district shall
2.26 receive the highest priority, and school sites with the lowest concentration of kindergarten
2.27 students eligible for free or reduced-price lunches that have a three- or four-star Parent
2.28 Aware rated program within the district or close proximity of the district shall receive the
2.29 lowest priority; and

2.30 (3) whether the district has implemented a ~~mixed-delivery~~ mixed-delivery system.

2.31 (d) The limit on participation for the programs as specified in subdivision 6 must initially
2.32 be allocated among the ~~four~~ five groups based on each group's percentage share of the
2.33 statewide kindergarten enrollment on October 1 of the previous school year. Within each
2.34 group, the participation limit for fiscal years 2018 and 2019 must first be allocated to school

3.1 sites approved for aid in the previous year to ensure that those sites are funded for the same
3.2 number of participants as approved for the previous year. The remainder of the participation
3.3 limit for each group must be allocated among school sites in priority order until that region's
3.4 share of the participation limit is reached. If the participation limit is not reached for all
3.5 groups, the remaining amount must be allocated to the highest priority school sites, as
3.6 designated under this section, not funded in the initial allocation on a statewide basis. For
3.7 fiscal year 2020 and later, the participation limit must first be allocated to school sites
3.8 approved for aid in fiscal year 2017, and then to school sites approved for aid in fiscal year
3.9 2018 based on the statewide rankings under paragraph (c).

3.10 (e) Once a school site or a ~~mixed-delivery~~ mixed-delivery site under subdivision 3 is
3.11 approved for aid under this subdivision, it shall remain eligible for aid if it continues to
3.12 meet program requirements, regardless of changes in the concentration of students eligible
3.13 for free or reduced-price lunches.

3.14 (f) If the total number of participants approved based on applications submitted under
3.15 paragraph (a) is less than the participation limit under subdivision 6, the commissioner must
3.16 notify all school districts and charter schools of the amount that remains available within
3.17 30 days of the initial application deadline under paragraph (a), and complete a second round
3.18 of allocations based on applications received within 60 days of the initial application deadline.

3.19 (g) Procedures for approving applications submitted under paragraph (f) shall be the
3.20 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
3.21 highest priority school sites not funded in the initial allocation on a statewide basis.

3.22 **EFFECTIVE DATE.** This section is effective for fiscal year 2020 and later.

3.23 Sec. 2. Minnesota Statutes 2018, section 124D.151, subdivision 6, is amended to read:

3.24 Subd. 6. **Participation limits.** (a) Notwithstanding section 126C.05, subdivision 1,
3.25 paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school
3.26 district or charter school must not exceed 60 percent of the kindergarten pupil units for that
3.27 school district or charter school under section 126C.05, subdivision 1, paragraph (e).

3.28 ~~(b) In reviewing applications under subdivision 5, the commissioner must limit the~~
3.29 ~~estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year~~
3.30 ~~2017. If the actual state aid entitlement based on final data exceeds the limit in any year,~~
3.31 ~~the aid of the participating districts must be prorated so as not to exceed the limit.~~

3.32 ~~(c) The commissioner must limit the total number of funded participants in the voluntary~~
3.33 ~~prekindergarten program under this section to not more than 3,160.~~

4.1 ~~(d) Notwithstanding paragraph (e), (b)~~ The commissioner must limit the combined total
4.2 number of participants in the voluntary prekindergarten program under this section and the
4.3 school readiness plus ~~programs~~ program under Laws 2017, First Special Session chapter 5,
4.4 article 8, section 9, to not more than ~~6,160 participants for fiscal year 2018 and 7,160~~
4.5 participants ~~for~~ per fiscal year ~~2019~~.

4.6 Sec. 3. Minnesota Statutes 2018, section 126C.05, subdivision 1, is amended to read:

4.7 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age
4.8 of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in
4.9 average daily membership enrolled in the district of residence, in another district under
4.10 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
4.11 chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22,
4.12 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03
4.13 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

4.14 (a) A prekindergarten pupil with a disability who is enrolled in a program approved by
4.15 the commissioner and has an individualized education program is counted as the ratio of
4.16 the number of hours of assessment and education service to 825 times 1.0 with a minimum
4.17 average daily membership of 0.28, but not more than 1.0 pupil unit.

4.18 (b) A prekindergarten pupil who is assessed but determined not to be disabled is counted
4.19 as the ratio of the number of hours of assessment service to 825 times 1.0.

4.20 (c) A kindergarten pupil with a disability who is enrolled in a program approved by the
4.21 commissioner is counted as the ratio of the number of hours of assessment and education
4.22 services required in the fiscal year by the pupil's individualized education program to 875,
4.23 but not more than one.

4.24 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled
4.25 in an approved voluntary prekindergarten program under section 124D.151 is counted as
4.26 the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil
4.27 units.

4.28 (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil
4.29 unit if the pupil is enrolled in a free all-day, every day kindergarten program available to
4.30 all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
4.31 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
4.32 every day kindergarten program available to all kindergarten pupils at the pupil's school.

4.33 (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

5.1 (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

5.2 (h) A pupil who is in the postsecondary enrollment options program is counted as 1.2
5.3 pupil units.

5.4 (i) ~~For fiscal years 2018 and 2019 only,~~ A prekindergarten pupil who:

5.5 (1) is not included in paragraph (a), (b), or (d);

5.6 (2) is enrolled in a school readiness plus program under Laws 2017, First Special Session
5.7 chapter 5, article 8, section 9; and

5.8 (3) has one or more of the risk factors specified by the eligibility requirements for a
5.9 school readiness plus program,

5.10 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
5.11 than 0.6 pupil units. A pupil qualifying under this paragraph must be counted in the same
5.12 manner as a voluntary prekindergarten student for all general education and other school
5.13 funding formulas.

5.14 Sec. 4. Laws 2017, First Special Session chapter 5, article 8, section 8, the effective date,
5.15 is amended to read:

5.16 **EFFECTIVE DATE.** Paragraph (i) of this section ~~expires at the end of fiscal year 2019~~
5.17 does not expire.

5.18 **EFFECTIVE DATE.** This section is effective the day following final enactment.