MINNESOTA DEPARTMENT OF EDUCATION
School Finance Division

SUMMARY OF SELECTED EDUCATION FUNDING PROGRAMS
Prepared for Integration Revenue Task Force Meeting
November 29, 2011

STATE INTEGRATION REVENUE PROGRAMS

1. Integration Revenue (M.S. 124D.86)
   - Initial Allocation =
     o For Minneapolis & St Paul, $445 per pupil unit;
     o For Duluth, $206 per pupil unit;
     o For other districts required to implement an integration plan, where non-white enrollment exceeds 15%, lesser of $129 per pupil unit or actual cost of approved plan;
     o For other districts required to implement an integration plan, where non-white enrollment is 15% or less, and for districts that voluntarily participate in a multidistrict integration collaborative, lesser of $92 per pupil unit or actual cost of approved plan.
     o The initial allocation is funded 70% with state aid and 30% with a local property tax levy.

   - Additional Local Levy – Minneapolis only $35 per pupil unit (Minneapolis total = $480/PU)

   - Alternative Attendance Adjustment:
     o For a resident of Minneapolis, St Paul or Duluth who attends another district under an alternative attendance program (including Choice is Yours), state aid to the serving district is increased by the difference between the integration revenue per pupil unit in the resident district and the integration revenue per pupil unit in the serving district, if the enrollment of the student in the nonresident district contributes to integration / desegregation

   - For FY 2012, total funding includes $67,211,000 of state aid and $27,810,200 of local levies.

   - See Table 1 and Table 1a for a breakdown of integration revenue by district.

2. Interdistrict Desegregation or Integration Transportation Aid (M.S. 124D.87)
   - A district that provides transportation of pupils to and from an interdistrict program for desegregation or integration purposes (including the Choice is Yours) is eligible for state aid to reimburse the additional costs of transportation.

   - The additional costs are those over and above the amounts provided for transportation through the basic formula and transportation sparsity aid.

   - For FY 2012, total funding is $14,917,000, all state aid.

   - See Table 2 for a breakdown of FY 2011 expenditures by district and by program.
There is no categorical funding specifically for intradistrict integration transportation. This is funded through a combination of general education aid and integration revenue.

- General Education Aid attributable to pupil transportation = 4.85% of basic formula ($250.94/pupil unit for FY 2012), plus transportation sparsity allowance.
- Integration Revenue: district may elect to use a portion of its integration revenue for intradistrict transportation costs included in its approved desegregation/integration plan.

OTHER STATE PROGRAMS PROVIDING TARGETED FUNDING FOR HIGH NEED STUDENTS

1. **Compensatory Revenue (M.S. 126C.10, Subd. 3).**
   - Allocation is based on building-level concentration of students eligible for free or reduced price meals.
   - Amount per eligible student increases as concentration increases, up to a maximum of $2,855 per student eligible for free lunch at a school with 80% or higher concentration of eligible students.
   - Must be used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age.
   - For FY 2012, total funding is $437,558,000, all state aid.
   - In addition to the regular compensatory aid, compensatory pilot grants totaling $2,325,000, are awarded to seven large districts.
   - For FY 2013 only, there is also an additional $15,403,000 in compensatory pilot project formula revenue, allocated to large districts that receive less than $1,400 per eligible student from the regular compensatory aid formula.

2. **Limited English Proficiency (English Learner) Revenue (M.S. 126C.10, Subd. 3)**
   - Allocation is based on number of LEP students with fewer than 5 years of enrollment in Minnesota.
   - Basic allocation is $700 per eligible student.
   - Additional revenue provided based on concentration formula – sliding scale providing up to $250 per eligible student in districts with at least 11.5% LEP students.
   - For FY 2012, total funding is $40,117,000, all state aid.

3. **Special Education Aid (M.S. 125A.76-79)**
   - Special education-regular aid nominally funds 68% of salaries, 52% of contracted services, and 47% of supplies & equipment for approved special education programs. However, state total aid is capped, resulting in a proration factor of about 89% for FY 2012.
   - Special education-excess cost aid funds a portion of special education costs not reimbursed by the regular formula. The state total aid is capped, resulting in a proration factor of about 65% in FY 2012.
   - For FY 2012, special education-regular aid totals $827,804,000 and special education-excess cost aid totals $113,802,000. Federal aid for special education is described below.

(See Table 3 for a breakdown of funding by district and charter school for these state categorical programs)
FEDERAL VOLUNTARY PUBLIC SCHOOL CHOICE GRANTS (VPSC) PROGRAM

1. Original Grant of $12.7 million over 5 years (FY 2003-FY 2007)
   o The purpose was to provide the following:
     ▪ transportation to allow students to move from low-performing schools to higher-performing schools;
     ▪ parent outreach to enable parents to make informed choices about the education of their children;
     ▪ academic tutoring to support student academic needs as they enter their new choice schools.
   o Grant partners included Minneapolis Public Schools, West Metro Education Program (WMEP), and the Minneapolis Parent Information Center (MPIC) which is no longer in operation.

2. Second grant of $8.8 million over 5 years (FY 2008-FY 2012)
   o Overall purpose: to provide students and families information and support to transfer from low performing to high performing schools in order to improve academic achievement.
   o Includes increased marketing efforts to parents to inform school choice decisions, academic & other support services for students participating in Choice is Yours, support for creating “enhanced school sites” in Minneapolis Public Schools, WMEP, Columbia Heights, and Brooklyn Center.
   o Grant partners and FY 2012 grant awards (including carryover from FY 11):
     ▪ Minneapolis Public Schools $685,000
     ▪ WMEP $685,000
     ▪ Choice Information & Support Services (Plymouth Christian Youth Center -- replaced MPIC) $477,500
     ▪ Center for School Change at Macalester College (provides a leadership academy for administrators and promotes PSEO options for low-income students) $275,000.

FEDERAL PROGRAMS PROVIDING TARGETED FUNDING FOR HIGH NEED STUDENTS

1. Title 1 Part A (CFDA 84.010) ($156.4 million for FY 2012)
   o The largest of the federal compensatory education programs. Almost every district in the state qualifies for Title I funds and Title I services are in approximately 90% of the state’s elementary schools.
   o Objectives include:
     ▪ Identifying and serving students who are most at-risk of not meeting our state content and performance standards;
     ▪ Increasing success in the regular classroom through coordination of supplemental services with classroom instruction and curriculum;
     ▪ Providing for the involvement of parents in the education of their children;
     ▪ Providing intensive and sustained staff development; and,
     ▪ Coordinating with state and federal programs to maximize the services available for at-risk students and to increase the number of students receiving services.
2. **Title 3 Part A (CFDA 84.365) ($8.3 million for FY 2012)**
   - Overall purpose: to help ensure that children and youth who are limited English proficient, Native American and/or immigrants, attain English language proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic standards that all children are expected to meet. Funds are directed to states and eligible local districts or consortia through a formula grant allocation to:
     - develop high-quality language instruction educational programs through high quality professional development;
     - assist SEAs, LEAs, and schools to build their capacity to establish, implement, and sustain language instruction and development programs by providing professional development for ESL and classroom teachers;
     - promote parental and community involvement; and to
     - hold SEAs, LEAs, and schools accountable for increases in English proficiency and core academic content knowledge of limited English proficient children.

3. **Special Education (34 CFR Part 300)**
   - **IDEA, Part B, Section 611 (167.1 million for FY 2012)**
     i. These funds are to support and enhance special education and related services to students with IEPs from ages 3-21. The funds are allocated to Minnesota on a base plus enrollment (85%) and poverty (15%).
   - **IDEA, Part B, Section 619 ($5.4 million for FY 2012)**
     i. These funds are focused on students with IEPs ages 3-5. The funds are allocated to Minnesota on a base plus enrollment (85%) and poverty (15%).