

# Governor’s Supplemental Budget Bill Summary

<u>Section</u>	<u>Summary</u>
<b>Article 1 – General Education</b>	
1	<p><b>Kindergarten Pupil Unit.</b> This section makes conforming changes related to a provision the Legislature passed last year to eliminate funding disparities for kindergartners with a disability. Before the change last year, kindergartners with a disability generated less general education revenue than their peers for the same number of hours served. This section cleans up other references that are no longer relevant due to this change.</p>
2	<p><b>Area Learning Center Transportation Aid Modification.</b> This section would allow cooperative units to directly receive area learning center transportation aid. Current law establishes that districts are the only direct recipients of these funds.</p>
3	<p><b>English Learner Cross Subsidy Qualifying Costs Definition.</b> This section adds a definition of “qualifying English learner services” for purposes of English learner revenue into law to clarify that it means the services necessary to implement the Language Instruction Education Program for English learners. With the creation of the English learner cross-subsidy aid that begins in FY27 (using FY25 data), more specificity is needed to ensure costs are consistently reported across the state and transparent to families whose students receive services.</p>
4	<p><b>School Unemployment Aid Funding Modification.</b> This section modifies the payment timeline for the school unemployment aid account in the special revenue fund to allow for 90 percent of the total aid amount for a given year to be paid in the current year before final audited data is received, at which time the remaining 10 percent would be paid.</p>
5	<p><b>Kindergarten Pupil Unit.</b> This section, along with section 1, makes conforming changes related to the changes passed last year to ensure equitable funding for kindergartners with a disability.</p>
6	<p><b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section is the first of a number of sections in the bill that make the changes to law necessary to allocate the voluntary prekindergarten reserve allocation set aside during the 2023 session and translate that to 5,200 new seats in FY25 only, therefore starting the 12,360 seats that were slated to begin in FY26 on year earlier. This section specifically adjusts local optional revenue ratio so that the VPK reserve allocation has no impact on local property taxes on a statewide basis.</p>
7	<p><b>Compensatory Revenue.</b> This section makes a technical correction to a cross reference in compensatory education revenue law.</p>
8	<p><b>Compensatory Revenue.</b> This section also makes a technical correction to compensatory education revenue law to eliminate inadvertent duplicative and conflicting language.</p>
9	<p><b>Operating Capital Levy Exemption Clarification.</b> This section is a technical correction to clarify that revenue related to purchasing menstrual products and opiate antagonists enacted in the 2023 legislative session is in the form of aid only and is not subject to levy equalization under operating capital revenue.</p>

10	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section is another conforming change related to the VPK reserve allocation related to operating capital levy and ensures that the levy impact of the change is zero.
11	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section is another conforming change related to the VPK reserve allocation to allocate a portion of the set aside to general education aid.
12	<b>One Room School House Funding Modification.</b> This section changes an existing funding stream for the Warroad School District to operate the Angle Inlet School from a grant to an aid. This will streamline the distribution, receipt, and reporting of funds for both MDE and the school district.
13	<b>Basic Skills Revenue - Account Transfer Authorized.</b> This section permits school districts to do a one-time transfer of certain basic skill revenue funds held in a restricted fund balance to be transferred into another restricted fund balance to be used in alignment with current eligible uses.

<u>Section</u>	<u>Summary</u>
<b>Article 2 – Education Excellence</b>	
1	<p><b>Paraprofessional Training Clarifications.</b> This section provides two clarifications related to the paraprofessional training requirement and aid passed last year.</p> <p>First, it clarifies that the entities eligible for the aid are also required to provide the required hours of training. This adds intermediate districts and other cooperative units, the Perpich Center for Arts Education, and the Minnesota State Academies to the list of entities required to provide at least eight hours of training, which are already eligible for the reimbursement funding.</p> <p>Second, it provides a definition of compensation to mean an hourly wage, taxes, and employer-paid pension contributions.</p>
2	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section relates to the VPK reserve allocation specific to its impact on achievement and integration aid.
3	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section also relates to the VPK reserve allocation and its impact on charter school building lease aid.
4	<b>Grant Appropriation Availability Modifications.</b> This section is the first of several changes to various grants to extend the availability of the funds from June 2024 to June 2025, or make other technical corrections. This section amends the availability for the ethnic studies school grants.
5	<b>Grant Appropriation Availability Modifications.</b> This section also extends the availability of a grant to FY25, in this case, the full service community school grants.
6	<b>Grantee Timeline Revision.</b> This section aligns the distribution timeline for a legislatively named grantee from 2023 with that of other grantees. Currently, MDE is directed by law to distribute funds to the Minnesota Council on Economic Education by August 15th of each year. This

	recommendation would remove that deadline to allow MDE to follow grant best practices and the Office of Grant Management policies related to reimbursement, budgets, and progress monitoring.
7	<b>Grant Appropriation Availability Modifications.</b> This section extends the availability of the nonexclusionary discipline grants into FY 25.

<u>Section</u>	<u>Summary</u>
<b>Article 3 – American Indian Education</b>	
1	<b>American Indian Education Aid Carry Forward Adjustment.</b> This section modifies the timeline in which unused American Indian Education Aid funds can be carried forward from six months to twelve, or the next fiscal year.

<u>Section</u>	<u>Summary</u>
<b>Article 4 – Teachers</b>	
1	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section makes corresponding changes to Q-comp revenue related to the VPK reserve allocation.
2	<b>Alternative Teacher Compensation Revenue Reserved.</b> This section makes clear that any unused alternative teacher pay systems (Q comp) funds must be held in a restricted fund. This recommendation will align the Q-Comp statute with other categorical program statutes to ensure that recipients use Q-Comp funds for the intended purpose.
3-5	<b>Grow Your Own Program Modifications.</b> Sections 3, 4, and 5 make three changes to the Grow Your Own grant program. They add tribal contract schools as an eligible grantee, allow scholarships to be used at community colleges, and allow existing grantees to revise their current grant agreements, which are 5 years in length, to include this option.
6-8	<b>Special Education Teacher Pipeline Program Modifications.</b> Sections 6, 7, and 8 make three changes to the Special Education Teacher Pipeline grant program. Adds tribal contract schools as an eligible grantee and allows funds to support any participant employed by the recipient (including Tier 3 and 4 license holders) as well as community members with a commitment to special education work. It also allows existing grantees to review their 5-year agreements to incorporate these changes. This will maintain the prioritization of tier 1 and 2 teachers.
9	<b>Student Support Personnel Aid Modifications.</b> This section allows school districts and charters to retain unspent Student Support Personnel Aid in a restricted fund balance for use in subsequent fiscal years but would limit the reserve amount to the amount of the prior year's aid allocation.

10	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section is a corresponding change to alternative teacher compensation aid related to the VPK reserve allocation.
11	<b>Grant Appropriation Availability Modifications.</b> This section extends grant availability into FY25 for the closing education opportunity gaps grant.
12	<b>Statewide Teacher Mentoring Program Use Modifications.</b> This section modifies the Statewide Teacher Mentoring Program to expand the uses of funds to include mentorships for Tier 2 licensed special education teachers in addition to Tier 1.
13	<b>Grant Appropriation Availability Modifications.</b> This section extends the availability of the student support personnel workforce pipeline grants for another year into FY25.
14-16	<b>Grant Appropriation Availability Modifications.</b> These sections make a technical clarification for consistency to grant availability language to three grant programs: teacher residency programs, CUGMEC grants, and mentoring and induction grants.

<u>Section</u>	<u>Summary</u>
<b>Article 5 – Charters</b>	
1	<b>Charter School Lease Aid Review Modification.</b> This section makes it clear that the commissioner approves or disapproves applications to receive lease aid, not the leases themselves.
2	<b>Charter School Lease Aid Review Modification.</b> This section would allow MDE to set additional criteria and rubrics to more effectively evaluate components of individual leases and to ensure funding is used appropriately.

<u>Section</u>	<u>Summary</u>
<b>Article 6 – Special Education</b>	
1	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section is a corresponding change to the VPK reserve allocation.

<u>Section</u>	<u>Summary</u>
<b>Article 7 – School Facilities</b>	
1	<b>Grant Appropriation Availability Modifications.</b> This section extends the availability of the gender-neutral restroom grant program another year into FY25.
2	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section makes corresponding changes to LTFM equalization aid related to the VPK reserve allocation.

<u>Section</u>	<u>Summary</u>
<b>Article 8 – School Nutrition and Libraries</b>	
1-2	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> These sections make corresponding changes to the school lunch and breakfast appropriations related to the VPK reserve allocation.

<u>Section</u>	<u>Summary</u>
<b>Article 9 – Early Childhood Education</b>	
1	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section increases the number of VPK seats to 12,360 beginning in FY25 instead of FY26 as part of the VPK reserve allocation.
2	<b>Head Start Administrative Support.</b> This section permits up to 2 percent of the Head Start grant to be used for administration.
3	<b>Grant Appropriation Availability Modifications.</b> This section allows the early childhood curriculum grant funds to be used for an additional year into FY25.
4	<b>Voluntary Prekindergarten (VPK) Reserve Allocation.</b> This section repeals the 2023 Session Law providing the VPK funding set-aside, which was redistributed in the number of sections previously mentioned in the bill.

<u>Section</u>	<u>Summary</u>
<b>Article 10 – State Agencies</b>	
1	This section is an appropriation of \$2.767M to PELSB for the costs of an online licensing system.

<u>Section</u>	<u>Summary</u>
<b>Article 11 – Forecast Adjustments</b>	
1-25	This article is the annual forecast article tying out the February forecast with appropriations. It was already passed by the Legislature and signed into law, but also included in this bill as a matter of standard practice.