



# MDE Overview of Federal Education Funds

Senate Education Finance Committee

February 4, 2025

# Ten Minnesota Commitments to Equity

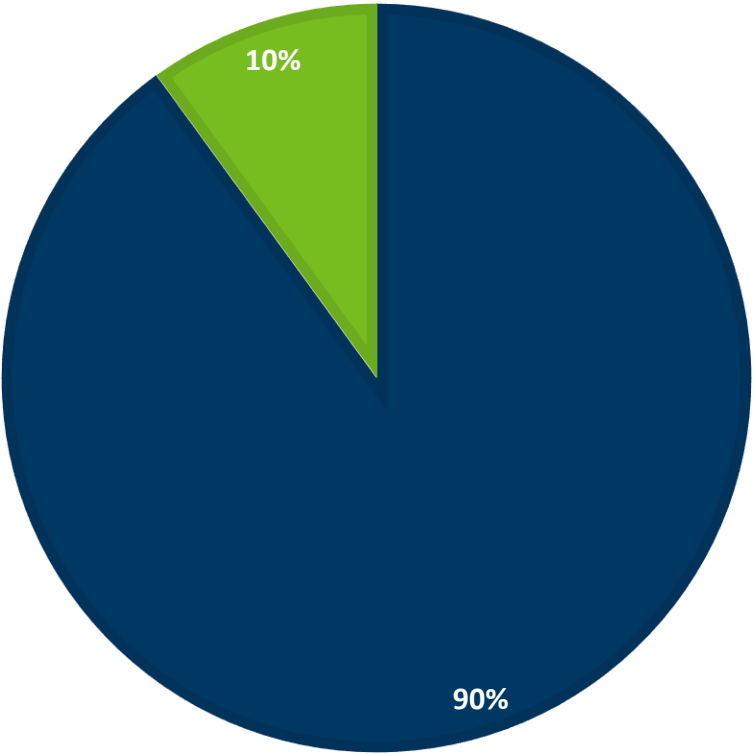
1. Prioritize equity.
2. Start from within.
3. Measure what matters.
4. Go local.
5. Follow the money.
6. Start early.
7. Monitor implementation of standards.
8. Value people.
9. Improve conditions for learning.
10. Give students options.



- Background
  - Federal funds Minnesota receives
  - Federal Funds Review and Approval
- Highlighted federal funds
  - ESEA Title Funds, IDEA, Nutrition, Charter schools, Perkins, McKinney Vento, Other Areas

# Federal Funds Minnesota Receives

MDE's Federal Budget	FY24	FY25	FY26	FY27
	\$1,431,646,000	\$1,441,065,000	\$997,283,000	\$1,000,054,000



# Federal Funds Review and Approval

- In most cases, Minnesota statute requires the executive branch agencies to receive legislative review before expending federal money.
- Legislative approval occurs through one of the following (MMB-led):
  - Governor's biennial budget
  - Governor's revised recommended biennial budget
  - Session submission/Governor's supplemental budget
  - Legislative Advisory Commission fall 20-day review process
  - Legislative Advisory Commission 10-day review process (as needed)

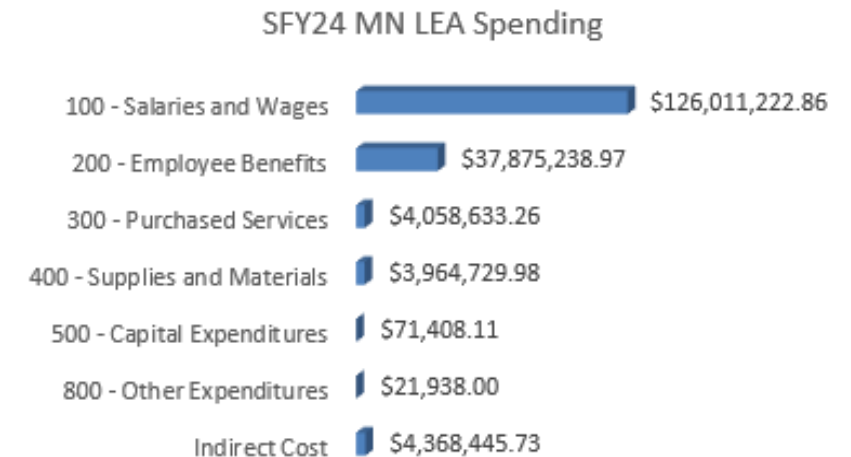
# Elementary and Secondary Education (ESEA) Title Funds

# ESEA Title Funding Overview

- The Elementary and Secondary Education Act (ESEA) of 1965, reauthorized as the Every Student Succeeds Act (ESSA) in 2015, is generally intended to provide equal access to a high quality, well-rounded education. The ESEA provides funding and enforces accountability for improved outcomes for all student groups across a variety of measures
- Each program ("Title") focuses on supporting different actions toward that aim
- Annual appropriation from Congress, based on concentrations of poverty
- Federally approved ESSA State Plan makes the state and LEAs within the state eligible for these funds using U.S. Census Bureau SAIPE and equivalent data
  - Individual LEA eligibility is based on U.S. Census Bureau SAIPE data and a Charter-equivalency formula since Charters do not have SAIPE data. Each program has a specific formula that must be used to calculate the state reservations and funds to each LEA.
- MDE supports eligible LEAs in ensuring programming and expenditures meet requirements, LEA submits annual work plan
- Nonpublic equitable services provided by the LEA to the students and staff of participating nonpublic schools
- Congress tends to use ESEA Title program formulas to distribute emergency education funds (such as ARP-ESSER)

# ESEA Title I, Part A

- Purpose: raise the achievement of students at risk of not meeting standards in schools with high percentages of low-income children
- **FFY24/SFY25 award to MN: \$193,571,656**
- State activities provide for North Star accountability and support system through COMPASS
- 476 participating LEAs, awards used for
  - Required and optional district-wide activities
  - School level programming ("Title I Schools")





- Purpose: state and subgrantee awards to ensure all migratory children and youth reach academic standards and graduate.
- **FFY24/SFY25 award to MN: \$1,445,734**
- 8 participating LEAs, awards used to services help children of migratory agricultural workers overcome the disadvantages they face, including the disruption of education. The goal of the program is to assist all migrant students to meet the challenging academic standards and achieve graduation.

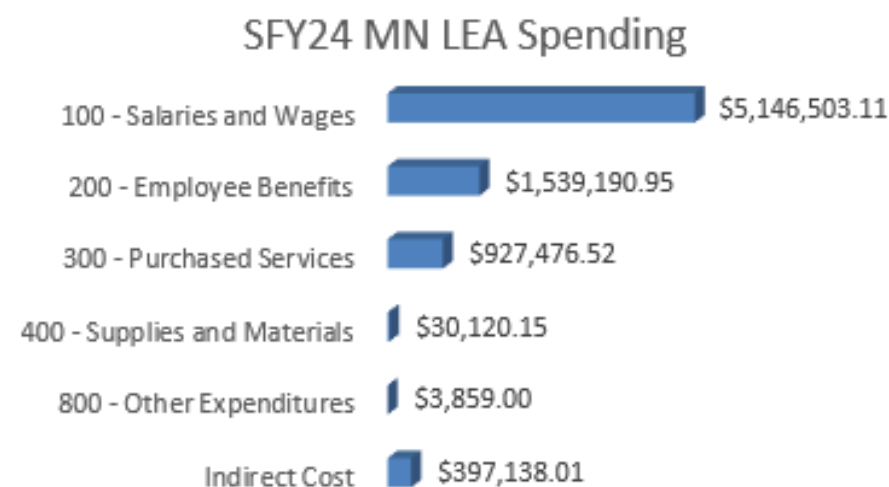
# ESEA Title I, Part D

- Purpose: support dropout prevention and education continuity for neglected, delinquent or at-risk youths
- **FFY24/SFY25 award to MN: \$919,671**
- 19 participating LEAs, awards used for coordinated programming between the LEA and both the juvenile detention sites and identified sites for delinquent youth within the district boundaries



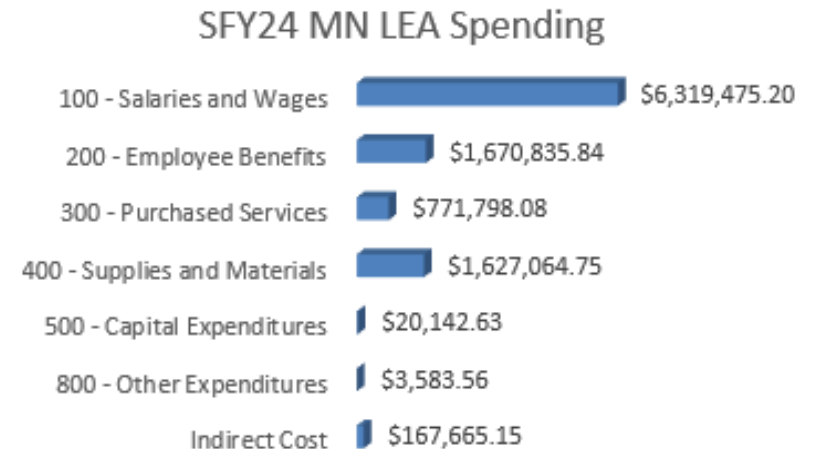
# ESEA Title II, Part A

- Purpose: improve the academic achievement of all students by increasing access to effective educators
- **FFY24/SFY25 award to MN: \$26,589,301**
- 504 participating LEAs, awards used for
  - Professional development
  - Educator recruitment and retention
  - Class size reduction
  - Transferred to another ESEA program (176 LEAs)



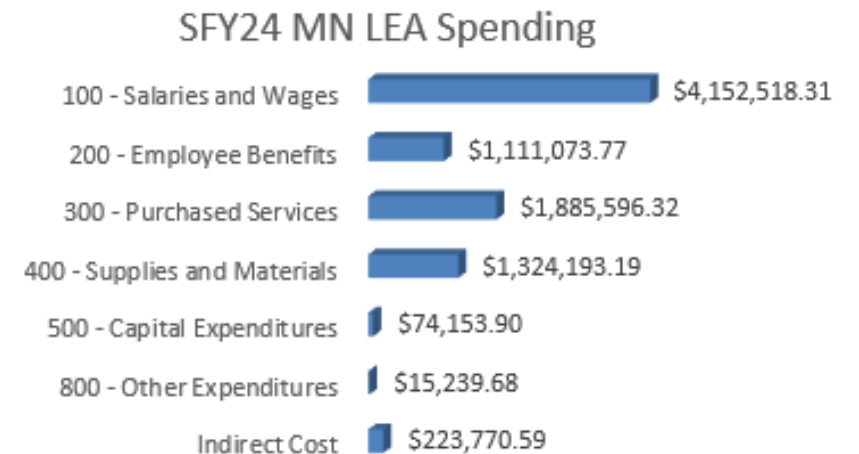
# ESEA Title III, Part A

- Purpose: ensure the civil rights of English learners to attain English proficiency, receive a public education and meet state academic standards. It supplements the state English learning program required by Minnesota Statutes, sections 124D.58-65
- **FFY24/SFY25 award to MN: \$11,078,314**
- 134 participating LEAs and consortia, awards used for
  - Professional development
  - Language Instruction Educational Program
  - Family and Community Engagement



# ESEA Title IV, Part A

- Purpose: state and LEA awards to expand student support and academic enrichment by increasing student access to a well-rounded education, improving school conditions for safe and healthy student learning, and improving the effective use of technology
- **FFY24/SFY25 award to MN: \$13,796,008**
- 467 participating LEAs, awards used for
  - Well-rounded education
  - Safe and healthy students
  - Effective Use of Technology
  - Transferred to another ESEA program (269 LEAs)

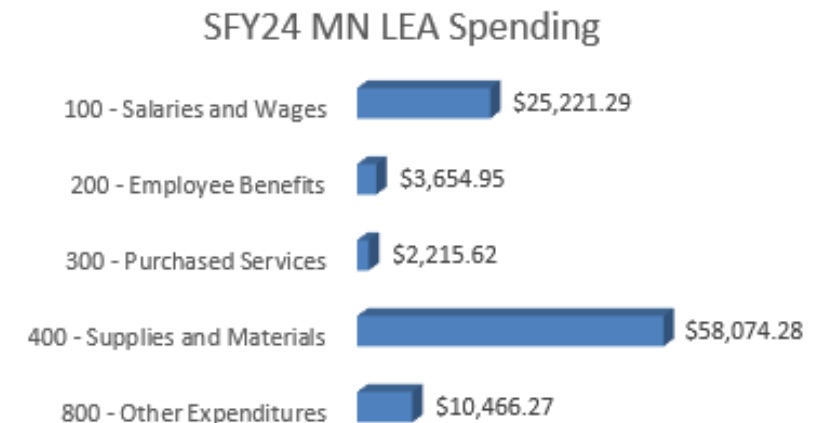


# ESEA Title IV, Part B

- Purpose: supports the creation of 21<sup>st</sup> Century Community Learning Centers that provide academic enrichment opportunities during the non-school hours for students attending high-poverty, low-performing schools.
- **FFY24/SFY25 award to MN: \$13,230,809**
- State activities include monitoring, evaluation training, professional development and administration of grant competitions to award funding to eligible entities including public school districts and charter schools, nonpublic schools, community-based organizations, faith-based organizations, and other youth serving organizations.
- 21 subrecipients (14 grants awarded to LEAs and seven awarded to community-based organizations), awards used to
  - Help students meet state and local academic standards in core academic subjects, such as reading and math
  - Offer students a broad array of enrichment activities that complement their regular academic programs
  - Offer literacy and other educational services to the families of participating students
  - During the 2023-24 school year, funded organizations served 16,420 students and 6,626 family members

# ESEA Title V, Part B

- Purpose: LEA awards to provide additional funds to rural, low-income schools for additional ESEA-allowed activities
- **FFY24/SFY25 award to MN: \$151,717**
- 5 participating LEAs, awards used for any allowable activity in the ESEA
- The U.S. Department of Education directly manages the sister program Rural Education Achievement Program Small, Rural Achievement (REAP-SRSA) in which 173 MN LEAs participate.

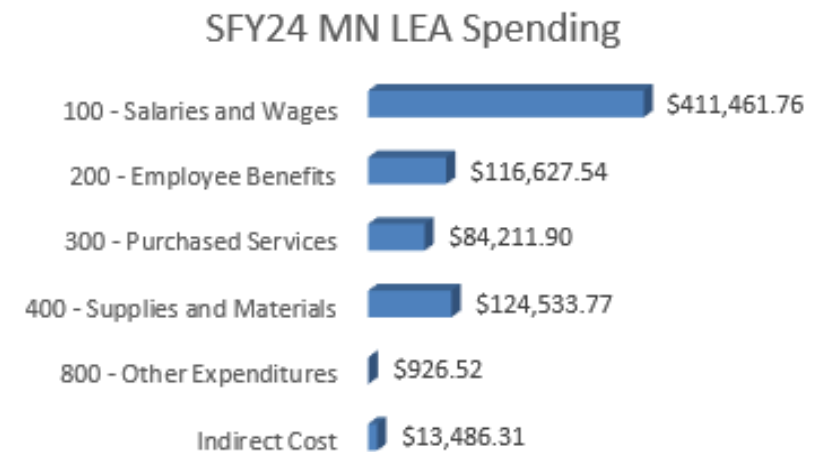


- Purpose: The Indian Education Formula Grants funds certain LEAs eligible under federal law, Tribally-controlled schools, Tribes and Indian Organizations, and Indian Community Based Organizations for elementary and secondary programs that serve American Indian students
- FY24 Award: \$5,070,559 for 91 grantees serving 17,631 students.
- Requirements
  - Have and get approval from an American Indian Parent Advisory Committee
  - Conduct open consultation with parents, teachers, and Tribes
  - Provide assessment results to parent advisory committee and community
  - Conduct meaningful collaboration with Tribes within 50 miles
  - Have Indian hiring preference and training opportunities
- Applicants apply directly to USED
- Recipients must use the funds for comprehensive programs that are designed to meet unique cultural, language, and educational needs of American Indian and Alaska Native students and ensure students meet state academic standard.



# McKinney Vento

- Purpose: competitive grant awarded to LEAs to ensure that students experiencing homelessness receive appropriate public education
- **FFY24/SFY25 award to MN: \$1,015,000**
- 22 participating LEAs, awards used to remove barriers to enrollment, attendance and success for homeless students.



# Individuals with Disabilities Education Act (IDEA)

- Different Funds
  - Part B/611
  - Part B/619
  - Part C
  - State Personnel Development Grant
  - DeafBlind Grant

# IDEA Part B/611

- Purpose: Formula grants to assist in meeting the excess costs of providing special education and related services to children with disabilities.
- Eligibility: States must serve all children with disabilities between ages 3 through 21
- **FFY24 Award: \$233,603,544**
- Base funding is set at approximately \$55 million. It is allocated based on the 1998 resident child count. For LEAs with newly opened, closed, or significantly expanded charter schools, these dollars are reallocated within an LEA based on the current year child count.
- The remaining flow through amount is allocated at 85 percent based on enrollment, and 15 percent based on free and reduced-price lunch counts. Enrollment and poverty are based on an October 1 child count attributed to the serving LEA.
- These awards are considered entitlements to the LEA and they access them through the MDE grant system.

- Selection/Eligibility: MDE submits an annual application to the Office of Special Education and Rehabilitation Services (OSERS), which requires assurances related to policies and procedures for Part B funds.
- Information provided to federal government: Annual assurances that include data reporting for monitoring and compliance, dispute resolution, and program outcomes
- How do schools budget for federal funds?
  - LEAs enter their budgeted expenditures in Special Education Data Reporting Application (SEDRA). These budgets are loaded from SEDRA to MEGS weekly.
  - 34 C.F.R., section 300.202 (a), only allows the use of federal funds to cover the excess costs of providing special education and related services. To meet the excess cost requirement in 34 C.F.R., section 300.202 (b), LEAs must spend a certain minimum amount for the education of its children with disabilities before Part B funds are used. This ensures that children served with Part B funds have at least the same average amount spent on them from sources other than Part B, as do children in the LEA as a whole.

# Individuals with Disabilities Education Act (IDEA Part B/619)

- Purpose: The Preschool Grants program provides formula grants to make available special education and related services for children with disabilities aged 3 through 5.
- Eligibility: In order to be eligible for these grants, states must serve all eligible children with disabilities aged 3 through 5 and have an approved application under Part B of IDEA
- **FFY24 Award: \$8,176,457**
- Base amount is set at approximately \$5.3 million. It is allocated based on the 1996 resident child count. For LEAs with newly opened, closed, or significantly expanded charter schools, these dollars are reallocated within an LEA based on the current year child count.
- The remaining flow through amount is allocated at 85 percent based on enrollment, and 15 percent based on free and reduced-price lunch counts. Enrollment and poverty are based on an October 1 child count attributed to the serving LEA.
- These awards are considered entitlements to the LEA.

- Selection: Sub-granting to LEAs with the same formulary allocation as Part B/611
- How do schools budget for federal funds?
  - LEAs enter their budgeted expenditures in Special Education Data Reporting Application (SEDRA). These budgets are loaded from SEDRA to MEGS weekly.
  - 34 C.F.R., section 300.202 (a), only allows the use of federal funds to cover the excess costs of providing special education and related services. To meet the excess cost requirement in 34 C.F.R., section 300.202 (b), LEAs must spend a certain minimum amount for the education of its children with disabilities before Part B funds are used. This ensures that children served with Part B funds have at least the same average amount spent on them from sources other than Part B, as do children in the LEA as a whole.

- Purpose: The Grants for Infants and Families program (Part C) awards formula grants to assist states in implementing statewide systems of coordinated, comprehensive, multidisciplinary, interagency programs and making early intervention services available to children with disabilities, aged birth through two, and their families. Under the program, states are responsible for ensuring that appropriate early intervention services are made available to all eligible birth-through-two-year-olds with disabilities and their families, including Indian children and families who reside on reservations geographically located in the state.
- **FFY24 Award:** \$8,878,796
- Eligibility: Intergovernmental agreements from Special Education Administrative Units (SEAUS)/LEAs are eligible to apply. The federal award is available based on a formula up to the amount of their allocation.
- Selection: MDE submits an annual application for Part C funds to the Office of Special Education and Rehabilitation Services (OSERS). Annual assurances include data reporting for monitoring, compliance, dispute resolution, and program outcomes
- MDE is awarded and receives the funds and then allocates a portion of the total award (~60%) to SEAUs and LEAs.
- How do schools budget for federal funds?
  - 34 C.F.R., section 303.205 Part C funds may be used for early intervention services where no other funding sources exist.



# IDEA State Personnel Development Grant

- Purpose: Improve results for students with disabilities by assisting states in improving systems for professional development, family engagement and implementation of effective practices.
- Minnesota's 2020-2025 State Personnel Development Grant focuses on improving graduation rates for American Indian and Black students with disabilities through school mentoring programs, family engagement, and improving the representation of American Indian teachers and administrators in the special education workforce.
- **FFY24/SFY 25 Award: \$1,187,730**

# IDEA State Personnel Development Grant

Current uses of State Personnel Development Grant funds:

- Nine participating school district subgrantees and one tribal school subgrantee are implementing an evidence-based mentoring program to improve graduation rates for American Indian and Black students with disabilities.
- Subgrantee PACER Center (nonprofit) is developing improved supports to school for engaging families of American Indian students with disabilities, as well as developing resources for families of American Indian students with disabilities to better understand and participate in special education.
- Fond Du Lac Tribal and Community College is developing improved systems for recruiting and retaining American Indian students and current teachers in the special education workforce through a joint powers agreement with MDE.

# Minnesota DeafBlind Project

## U.S. Department of Education (ED) Grant Award #H326T230026

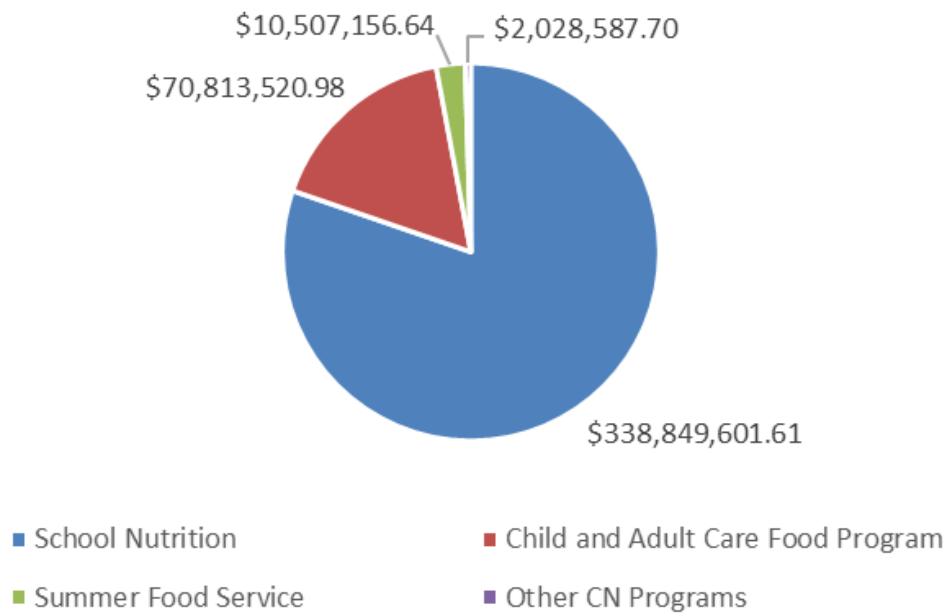
- **Performance period:** 10/01/2023 - 09/30/2028 with five 12-month budget periods
- **Total amount for each budget period:** \$180,179.00 each year
- **Current uses of funds:**
  - Provide technical assistance (e.g., family support, resource sharing, workshops, webinars, mentoring) to the families and school teams of children and youth who have a combined hearing and vision loss, from birth to age 22.
  - Any family member, educator or service provider in Minnesota can request services. Services are provided to Minnesota families at no cost.
  - **Goal:** provide support to Individual Education Plan (IEP) and Interagency Family Services Plan (IFSP) teams and team members, including parents, and build collaborative relationships which improve services to children who are deafblind.
- This is a unique collaborative project of the Minnesota Department of Education (MDE) and BrightWorks, with a range of community partners throughout Minnesota.

# Nutrition

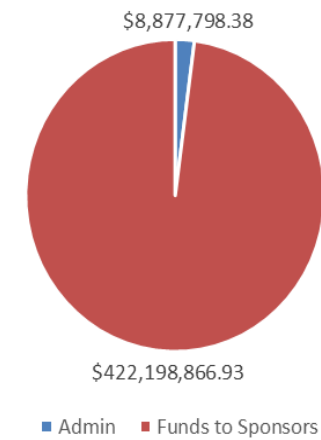
- MDE Receives federal funds from the U.S. Department of Agriculture (USDA) for Child Nutrition Programs.
- Purpose: USDA Child Nutrition Programs aim to provide healthy nutritious meals to children and providing nutrition education to children.
- **FY2024 award:** the funds totaled \$431 million in which \$422.2 went to schools and sponsors and \$8.8 million funded administrative costs.
- There are over 900 sponsors covering more than 8,000 sites in Minnesota.
- Three main programs are School Nutrition Program (SNP) (breakfast and lunch), Child and Adult Care Food Program (CACFP), and the Summer Food Service Program (SFSP).
  - Others include Summer EBT and Kindergarten Milk

- Sponsors claim meals monthly and are reimbursed per meal. Minnesota reimburses the claim and then draws funding down from the USDA.
  - Sponsors submit the number of reimbursable meals served each month. Reimbursement rates are set by the USDA and the rates vary by program (CACFP, SFSP, SNP), meal type, and eligibility category of the child (Free, Reduced or Paid).
  - Eligibility of the programs vary. The highest reimbursement and eligibility is targeted at low-income areas based on school and census data.
  - Schools and other sponsors apply for funds through MDE.
  - Any school is eligible to participate in the School Nutrition Program. To maximize federal funding, MDE assists schools in matching children for higher reimbursement benefits through Direct Certification and applying area eligibility to sites.
- Schools estimate the number of meals they will serve each year to determine their budget. The federal reimbursement rates are rarely enough to cover the cost of the meal service.

## Claim Reimbursement, Funding to Sponsors



## Administrative vs. Reimbursement



# Charter Schools



# Charter Schools Program Grant

- Purpose: To increase charter school quality and authorizer accountability. The three objectives identified in MDE's application to ED are designed to support a landscape of high-quality/high-performing charter schools that all parents from all communities can access by making informed decisions about the best education choices for their children through empowered access to information. The objects are as follows:
  - Facilitate further student access, particularly for traditionally underserved students, to high-quality public charter schools in Minnesota by awarding Charter School Program (CSP) start-up, grade and/or seat-based Expansion/Replication subgrants.
  - Provide technical assistance to and share best practices with charter schools to further increase student academic and operational performance.
  - Provide evaluation and technical assistance to support charter school authorizer best practices.
- **Award: \$37,579,122**
- Selection/Eligibility: USED posted the grant opportunity. MDE applied for and was awarded the grant in September 2023. Charter school apply for either start-up or expansion/replication grants through a competitive grant process.

# Charter Schools Program Grant

- Distribution: Charter school apply for the start-up or expansion/replication grants through a competitive grant process. Charter schools are notified of these grant opportunities via MDE websites and through the monthly Charter Center Update that is disseminated to charter school leaders, authorizers, and other community partners.
- School budgeting: Charter schools are provided MDE budget development guidance, including allowable costs, published on our website and provided to charter schools applying for the start-up or expansion/replication grants.
  - The grant is scaffolded such that each year, the use of funds narrows so charter schools are able to operate independent of the grant when its ends after 36 months.
  - Grant funds are for costs associated with start-up of new and expanding programs.
  - Schools must ensure they are sustainable using general education funds allocated by the state.

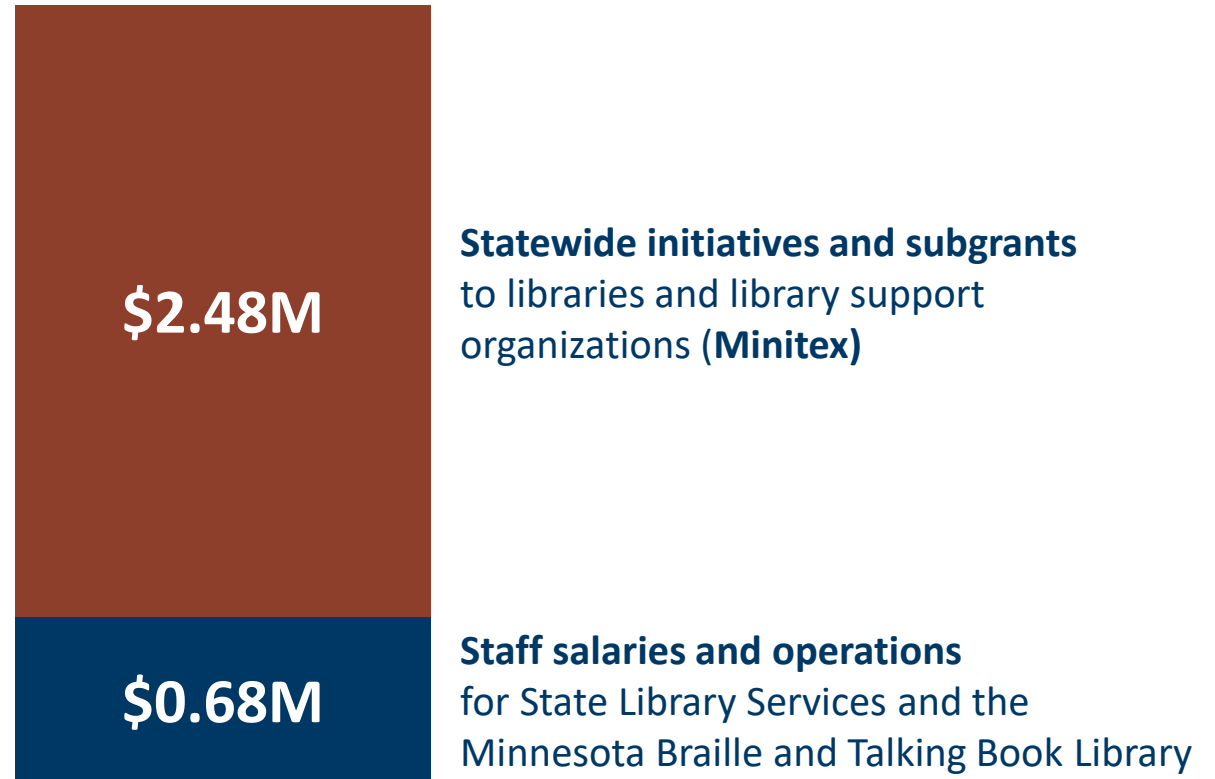
# Other Federal Programs

# Library Services and Technology Act (LSTA) Funds

## LSTA Grants to States Program

- The Institute of Museum and Library Services distributes approximately \$180 million annually to state library administrative agencies based on population and other eligibility factors, such as state matching funds.
- Minnesota's LSTA Grants to States allotment in 2024 is **\$3.17 million**.
- State Library Services distributes the funds through **competitive subawards** to libraries and library support organizations and supports **statewide initiatives** such as interlibrary loan and services to the blind and print-disabled.

## Distribution of 2024 LSTA Grants to States Allotment



# Adult (Basic) Education (ABE)

- Purpose: The Workforce Innovation and Opportunity Act (WIOA) Title II funds adult education and skills development programs and English language skills.
- **FFY24 Award: \$7,449,260**
  - FFY24 \$6,361,843 for Federal Adult Education funding to create and oversee Adult Education programming
  - FFY24 \$1,087,417 for Integrated English Literacy and Civics Education (IELCE) grants, programming, and oversight
- Impact: Helped fund services for an estimated 50,000 adults in 2023-24 at 36 Adult Education consortia and 89 providers located throughout Minnesota.
- Process
  - Federal legislature approves total national allocation and U.S. Department of Education allocates grant funding to Minnesota Department of Education through a federal formula
  - MDE-ABE Staff oversee, lead, monitor, fund, and provide technical assistance to grantees/programs
  - Minnesota Department of Education flows the remaining funds to applicants who demonstrate effectiveness in serving adults and are awarded a multi-year grant through a competition
  - The Minnesota Department of Education provides annual reports to the U.S. Department of Education through the National Reporting System. In addition, ABE is part of the federally-approved State WIOA Plan.

# Career and Technical Education: Perkins V

- Purpose: The ***Strengthening Career and Technical Education for the 21st Century Act of 2018***, also known as ***Perkins V***, was designed to improve and expand high-quality career and technical education (CTE) programs to meet student and employer needs.
- **FFY24 Award:** \$21,458,646.
- Process and flow of Grants
  - Federal legislature approves total national allocation and U.S. Department of Education allocates grant funding to Minnesota State Colleges and Universities (MNState) is the eligible [Sole State Agency](#) authorized to receive and disburse federal Perkins V funds under Minnesota Statute.
  - Each State distributes not less than 85 percent of its Perkins Title I funds by formula to local education agencies, area career and technical schools, and community colleges that offer eligible CTE programs.
  - MDE-CTE Staff oversee, lead, monitor, fund, and provide technical assistance to grantees/programs in K-12. School districts apply to MDE for approval of a CTE program aligned with federal requirements, to be eligible to access Perkins V funding.
  - Districts who are eligible submit reimbursement to MDE for eligible expenses based on a pre-approved budget plan submitted. The MDE-CTE Team supports districts and school programs around the establishment, expansion and alignment of CTE programs to federal program requirements to ensure continued eligibility.
  - MDE collaborates with MNState to provide annual reports to the USED through the National Reporting System.

# Federal Impact Aid

- Federal Impact Aid (FIA), or Title VII, funds LEAs with boundaries that are on federally-owned land, including Indian lands, to make up for lost property tax revenue or have increased expenditures for federally connected children.
  - For LEAs with children residing on Indian lands, military bases, low-rent housing properties or other federal properties, or have parents in uniformed services or employed on eligible federal properties.
  - Based on an annual count of federally connected school children.
  - Paid directly to LEAs
- **FY24 Award:** \$16,296,118
- Types of funds
  - Payments for lost portion of local tax revenue due to being on federal property
  - Basic support payments to help LEAs that educate federally connected children
  - Additional assistance for children with disabilities
  - Construction grants
- How funds can be used
  - Flexibility for capital or operating purposes
  - Funds for children with disabilities and construction grants must be used for those purposes

- Response to the COVID-19 pandemic in three phases
  - CARES Act, March 2020
  - CRRSA Act, December 2020
  - American Rescue Plan (ARP), March 2021
- Allocations to states and LEAs followed the Title I, Part A formula
- Elementary and Secondary School Emergency Relief (ESSER): \$2,049,737,960
- Governor's Emergency Education Relief (GEER) included \$62,914,547 for public school supports and over \$82M in services for nonpublic schools through the Emergency Assistance for Nonpublic Schools (EANS) program



# Thank You

## Questions?

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