

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH SESSION

S.F. No. 2097

(SENATE AUTHORS: COHEN)

DATE	D-PG	OFFICIAL STATUS
02/27/2014	5897	Introduction and first reading Referred to Education
03/24/2014		Comm report: To pass as amended and re-refer to Finance

A bill for an act

1.1 relating to the financing of state government; making supplemental appropriations
1.2 for early childhood through grade 12 education, higher education, health and
1.3 human services, and state government; modifying certain statutory provisions;
1.4 increasing the general fund budget reserve; appropriating money; amending
1.5 Minnesota Statutes 2012, section 16A.152, subdivision 2; Minnesota Statutes
1.6 2013 Supplement, section 124D.165, subdivision 3, by adding a subdivision;
1.7 Laws 2013, chapter 116, article 8, section 5, subdivision 8; repealing Minnesota
1.8 Statutes 2012, section 16A.152, subdivision 1b.
1.9

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

ARTICLE 1

BUDGET RESERVE

1.13 Section 1. Minnesota Statutes 2012, section 16A.152, subdivision 2, is amended to read:

1.14 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general
1.15 fund revenues and expenditures, the commissioner of management and budget determines
1.16 that there will be a positive unrestricted budgetary general fund balance at the close of
1.17 the biennium, the commissioner of management and budget must allocate money to the
1.18 following accounts and purposes in priority order:

1.19 (1) the cash flow account established in subdivision 1 until that account reaches
1.20 \$350,000,000;

1.21 (2) the budget reserve account established in subdivision 1a until that account
1.22 reaches ~~\$653,000,000~~ \$1,000,992,000;

1.23 (3) the amount necessary to increase the aid payment schedule for school district
1.24 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the
1.25 nearest tenth of a percent without exceeding the amount available and with any remaining
1.26 funds deposited in the budget reserve; and

2.1 (4) the amount necessary to restore all or a portion of the net aid reductions under
 2.2 section 127A.441 and to reduce the property tax revenue recognition shift under section
 2.3 123B.75, subdivision 5, by the same amount; ~~and,~~

2.4 ~~(5) to the state airports fund, the amount necessary to restore the amount transferred~~
 2.5 ~~from the state airports fund under Laws 2008, chapter 363, article 11, section 3,~~
 2.6 ~~subdivision 5.~~

2.7 (b) The amounts necessary to meet the requirements of this section are appropriated
 2.8 from the general fund within two weeks after the forecast is released or, in the case of
 2.9 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations
 2.10 schedules otherwise established in statute.

2.11 (c) The commissioner of management and budget shall certify the total dollar
 2.12 amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of
 2.13 education. The commissioner of education shall increase the aid payment percentage and
 2.14 reduce the property tax shift percentage by these amounts and apply those reductions to
 2.15 the current fiscal year and thereafter.

2.16 **EFFECTIVE DATE.** This section is effective for forecasts following final
 2.17 enactment.

2.18 Sec. 2. **BUDGET RESERVE INCREASE.**

2.19 On July 1, 2014, the commissioner of management and budget shall transfer
 2.20 \$340,000,000 to the budget reserve in the general fund.

2.21 Sec. 3. **REPEALER.**

2.22 Minnesota Statutes 2012, section 16A.152, subdivision 1b, is repealed.

2.23 **ARTICLE 2**

2.24 **E-12 EDUCATION**

2.25 Section 1. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 3,
 2.26 is amended to read:

2.27 Subd. 3. **Administration.** (a) The commissioner shall establish application
 2.28 timelines and determine the schedule for awarding scholarships that meets operational
 2.29 needs of eligible families and programs. The commissioner may prioritize applications on
 2.30 factors including family income, geographic location, and whether the child's family is on a
 2.31 waiting list for a publicly funded program providing early education or child care services.

3.1 (b) Scholarships may be awarded up to \$5,000 for each eligible child. The
3.2 commissioner shall establish a target for the average scholarship amount per child
3.3 based on the results of the rate survey conducted under section 119B.13, subdivision 1,
3.4 paragraph (b), per year.

3.5 (c) A four-star rated program that has children eligible for a scholarship enrolled
3.6 in or on a waiting list for a program beginning in July, August, or September may notify
3.7 the commissioner, in the form and manner prescribed by the commissioner, each year
3.8 of the program's desire to enhance program services or to serve more children than
3.9 current funding provides. The commissioner may designate a predetermined number of
3.10 scholarship slots for that program and notify the program of that number.

3.11 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has
3.12 not been accepted and subsequently enrolled in a rated program within ten months of the
3.13 awarding of the scholarship, the scholarship cancels and the recipient must reapply in
3.14 order to be eligible for another scholarship. A child may not be awarded more than one
3.15 scholarship in a 12-month period.

3.16 (e) A child who receives a scholarship who has not completed development
3.17 screening under sections 121A.16 to 121A.19 must complete that screening within 90
3.18 days of first attending an eligible program.

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

3.20 Sec. 2. Minnesota Statutes 2013 Supplement, section 124D.165, is amended by adding
3.21 a subdivision to read:

3.22 **Subd. 6. Program funding.** (a) Beginning in fiscal year 2016, the annual baseline
3.23 appropriation for this program equals the lesser of:

3.24 (1) twice the appropriation for the previous year; or

3.25 (2) the actual amount necessary to fund all eligible scholarship requests.

3.26 (b) There is annually appropriated from the general fund to the commissioner of
3.27 education the amount necessary for early education scholarships according to paragraph
3.28 (a). This amount must be reduced by the amount of any money specifically appropriated
3.29 for the same purpose in any year from any state fund.

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

3.31 Sec. 3. Laws 2013, chapter 116, article 8, section 5, subdivision 8, is amended to read:

3.32 **Subd. 8. Early childhood education scholarships.** For transfer to the Office of
3.33 Early Learning for early learning scholarships under Minnesota Statutes, section 124D.165:

4.1 \$ 23,000,000 2014
 4.2 ~~23,000,000~~
 4.3 \$ 63,000,000 2015

4.4 Up to \$950,000 each year is for administration of this program.

4.5 Any balance in the first year does not cancel but is available in the second year.

4.6 **EFFECTIVE DATE.** This section is effective July 1, 2014.

4.7 Sec. 4. **ELEMENTARY LEARNING MENTORSHIP PILOT PROGRAM.**

4.8 Subdivision 1. **Establishment.** For fiscal years 2015 through 2017, the
 4.9 commissioner of education shall develop an elementary learning mentorship pilot program
 4.10 to improve kindergarten through grade 3 achievement using volunteer mentorships that
 4.11 provides one-on-one advice and training to students who need educational assistance.

4.12 Subd. 2. **Pilot site selection.** The commissioner shall select five school districts to
 4.13 serve as pilot sites. The pilot sites must include three school districts whose administrative
 4.14 offices are located in the seven-county metropolitan area, one school district whose
 4.15 administrative offices are not located in the seven-county metropolitan area, and one
 4.16 district where a majority of the students served are American Indian children. Two of the
 4.17 eligible school districts located in the seven-county metropolitan area must have their
 4.18 administrative offices located in a city of the first class.

4.19 Subd. 3. **Student selection.** Pilot sites are solely responsible for determining which
 4.20 students in the pilot site school district are paired with mentors. Pilot sites must develop
 4.21 a selection method to pair students who need additional one-on-one assistance with
 4.22 volunteer mentors. Students who need additional assistance with academic achievement
 4.23 should be given preference for being paired with a mentor. Students may be mentored for
 4.24 any portion of the school year, as determined by the pilot site and the mentor.

4.25 Subd. 4. **Mentorship criteria.** Each pilot site must select volunteer mentors who
 4.26 will work with kindergarten through grade 3 students who need additional one-on-one
 4.27 assistance to improve educational achievement. Each pilot site is solely responsible for
 4.28 overseeing its mentors and ensuring that the mentor's work conforms with the site's
 4.29 academic program. Each pilot site may determine the appropriate number of mentors and
 4.30 how each mentor interacts with students. Mentors must act as individual advisors and
 4.31 assist with individual academic performance throughout the school year. At a minimum,
 4.32 mentors shall work with each student at least three hours per week. Mentors may work
 4.33 with students in the evenings and during the summer. Each pilot site must agree to allow
 4.34 mentors to work individually with students to advise students and to help improve each
 4.35 student's achievement. Mentors must work with each student's teacher to ensure that

5.1 the mentorship guidance that is provided conforms to each teacher's lesson plan and
 5.2 curriculum. Pilot sites must be willing to allow mentors to work during the school day or
 5.3 after school with students needing additional assistance.

5.4 Subd. 5. **Funding.** In each year, the commissioner shall allocate 20 percent of the
 5.5 grant allocation to each pilot site. Each pilot site's grant allocation must be used to identify,
 5.6 select, and train mentors to work individually with students who are in need of achievement
 5.7 improvement. Grant allocations may also be used to purchase academic materials and to
 5.8 provide food and drink for students who are being mentored after the regular school day.
 5.9 The pilot site must agree to a financial and academic reporting mechanism determined by
 5.10 the commissioner for the purposes of preparing the report in subdivision 6.

5.11 Subd. 6. **Report.** By January 15, 2018, the commissioner shall report to the
 5.12 legislative committees in the legislature with responsibility for education finance on the
 5.13 effectiveness of the early learning mentorship pilot project. At a minimum, the report shall
 5.14 evaluate the extent to which mentorship improved achievement and attendance, reduced
 5.15 the achievement gap, and improved students' interest in learning. The report shall also
 5.16 examine mentorship techniques that proved successful.

5.17 Sec. 5. **APPROPRIATION.**

5.18 Subdivision 1. **Department of Education.** The sums indicated in this section are
 5.19 appropriated from the general fund to the Department of Education for the fiscal years
 5.20 designated.

5.21 Subd. 2. **Elementary learning mentorship pilot project.** For elementary learning
 5.22 mentorship pilot project grants and administration:

5.23 § 1,500,000 2015

5.24 The Department of Education may retain up to five percent of this appropriation for
 5.25 administration of the pilot project.

5.26 The base for fiscal years 2016 and 2017 is \$1,500,000 each year. The base for
 5.27 fiscal year 2018 and later is \$0.

5.28 **ARTICLE 3**

5.29 **HIGHER EDUCATION**

5.30 **Section 1. APPROPRIATIONS.**

5.31 The sums shown in the columns marked "Appropriations" are added to or, if shown
 5.32 in parentheses, subtracted from the appropriations in Laws 2013, chapter 99, article 1, to
 5.33 the agencies and for the purposes specified in this article. The appropriations are from the

7.1 The sums shown in the columns marked "Appropriations" are added to or, if shown
 7.2 in parentheses, subtracted from, the appropriations in Laws 2013, chapter 142, article 1, to
 7.3 the agencies and for the purposes specified in this article. The appropriations are from the
 7.4 general fund, or another named fund, and are available for the fiscal years indicated for
 7.5 each purpose. The figures "2014" and "2015" used in this article mean that the addition
 7.6 to or subtraction from the appropriation listed under them is available for the fiscal year
 7.7 ending June 30, 2014, or June 30, 2015, respectively. Supplemental appropriations and
 7.8 reductions to appropriations for the fiscal year ending June 30, 2014, are effective the
 7.9 day following final enactment.

7.10		<u>APPROPRIATIONS</u>	
7.11		<u>Available for the Year</u>	
7.12		<u>Ending June 30</u>	
7.13		<u>2014</u>	<u>2015</u>

7.14	Sec. 2. <u>BOARD OF THE ARTS.</u>	<u>\$</u>	<u>-0-</u>	<u>\$</u>	<u>600,000</u>
7.15	<u>\$600,000 is for arts education in partnership</u>				
7.16	<u>with the President's Committee's Turnaround</u>				
7.17	<u>Arts Initiative. The base for fiscal year 2016</u>				
7.18	<u>is \$600,000. The base thereafter is \$0.</u>				

APPENDIX
Article locations in 14-4661

ARTICLE 1	BUDGET RESERVE	Page.Ln 1.11
ARTICLE 2	E-12 EDUCATION	Page.Ln 2.23
ARTICLE 3	HIGHER EDUCATION	Page.Ln 5.28
ARTICLE 4	HEALTH AND HUMAN SERVICES	Page.Ln 6.15
ARTICLE 5	STATE DEPARTMENTS	Page.Ln 6.30

APPENDIX
Repealed Minnesota Statutes: 14-4661

16A.152 BUDGET RESERVE AND CASH FLOW ACCOUNTS.

Subd. 1b. **Budget reserve increase.** On July 1, 2003, the commissioner of management and budget shall transfer \$300,000,000 to the budget reserve account in the general fund. On July 1, 2004, the commissioner of management and budget shall transfer \$296,000,000 to the budget reserve account in the general fund. The amounts necessary for this purpose are appropriated from the general fund.