

SF782 - 1A - School Districts; Extended Time Revenue

Chief Author: **Roger Chamberlain**
 Committee: **Education Finance And Policy**
 Date Completed: **2/18/2021 11:36:38 AM**
 Agency: **Education Department**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |
| Information Technology | X | |
| Local Fiscal Impact | X | |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|-----------------------|----------------------|------------|--------------|--------------|--------------|--------------|
| | Dollars in Thousands | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
| General Fund | - | 929 | 1,032 | 1,032 | 1,032 | 1,032 |
| Total | - | 929 | 1,032 | 1,032 | 1,032 | 1,032 |
| Biennial Total | | | 1,961 | | | 2,064 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|----------|----------|----------|----------|
| | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
| General Fund | - | - | - | - | - |
| Total | - | - | - | - | - |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Alyssa Holterman Rosas **Date:** 2/18/2021 11:36:38 AM
Phone: 651-284-6439 **Email:** alyssa.holterman.rosas@lbo.leg.mn

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|----------------------------------------------------------|---|----------|------------|--------------|--------------|--------------|
| Dollars in Thousands | | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
| General Fund | - | 929 | 1,032 | 1,032 | 1,032 | 1,032 |
| Total | | - | 929 | 1,032 | 1,032 | 1,032 |
| Biennial Total | | | | 1,961 | | 2,064 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| General Fund | - | 929 | 1,032 | 1,032 | 1,032 | 1,032 |
| Total | | - | 929 | 1,032 | 1,032 | 1,032 |
| Biennial Total | | | | 1,961 | | 2,064 |
| 2 - Revenues, Transfers In* | | | | | | |
| General Fund | - | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |

Bill Description

Minnesota Statutes 126C.10, subdivision 2c.

The added language allows districts to generate extended time revenue for every pupil placed in a children’s residential facility or other residential or in-patient facility providing mental health services, juvenile justice services or related programming, whether the education service are provide on-site or off-site for instruction provided after the end of the proceeding regular school year and before the beginning of the following regular school year. Extended time revenue is the total membership hours in summer instruction divided by the minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20 times the pupil until weighting in section 126C.05 subdivision 1, times \$5,117.

The section is effective for revenue for fiscal year 2022 and later.

Assumptions

- The education services would be provided by licensed teachers.
- This bill allows special education students receiving instruction over the summer who are placed in care and treatment to generate extended time revenue.
- Districts would use their existing extended year programs to provided extended time instruction.
- This program is available to independent and special districts (types 1 and 3). Charter schools are ineligible to generate extended time revenue because M.S. 125A.15, 125A.51 and 125.515 direct the district in which the residential facility is located to provide the instruction. Students need not meet the the at-risk criteria as described in M.S. 124D.68 to be eligible to generate extended time revenue.
- The Average Daily Membership (ADM) computed from the Membership Hours of the students enrolled in the program will generate aid based on the Extended Time formula rate of \$5,117 per extended time pupil unit.
- There will not be an adjustment to carry the extended time revenue to the general education revenue to fulfill the 1.00 ADM. Only extended time ADM will be generated in this program.
- M.S. 126C.06, subd. 15 refers to extended time eligibility to grades kindergarten (without a disability) through secondary.
- Currently, voluntary pre-kindergarten (VPK), early childhood special education (ECSE) and kindergarten students

with disabilities are not eligible for extended time ADM.

- Instructional hours, the denominator in calculating extended time ADM is based on M.S. 120A.41.
 - o 850 kindergarten full day
 - o 935 grades 1 through 6
 - o 1,020 grades 7 through 12
- Membership for students enrolled in the extended time program will be reported in terms of hours.
- Pupil weighting applies based on M.S. 126C.05, Subd. 1(e).
 - o 1.0 Full-day kindergarten through grade 6
 - o 1.2 Grade 7-12
- The extended time ADM generated by this program would not exceed the cap on extended time ADM of 0.2 ADM. M.S. 126C.05, subd 8.
- Students who have been absent for five consecutive school days during the summer school shall be dropped from the roll. M.S. 126C.05 subd. 8.
- Districts would offer extended day programming from the last day of regular school year until the beginning of the next regular school year. The membership would be attributed to the following school year.
- Summer programming is assumed to be provided as 100 Membership Hours over the summer months. The program would run ten weeks over the summer, five days per week and two hours per day.
- Membership generated after the end of the regular school year would be included in revenue for the next fiscal year.
- Assume a constant level enrollment.
- For FY22 100% of students who were enrolled in care and treatment, State Aid Category (SAC) 27 and 28 would enroll in this program during the summer programming. Students who were reported with SAC 27 and 28 and Status End Code 40, enrolled the last day of school, for FY 2019 was used as base-line for the number of students. For FY23 and later 100% percent of students enrolled the last day of school in care and treatment would participate.
- Used students enrolled in Classifications 76, Educational Oversight to Private Residential Care & Treatment (State approved) and 77, Educational Oversight to Public Residential Care & Treatment (State approved) as a base count. The estimated fiscal cost could be an under-representation if programs offer more instructional hours and if there are residential or in-patient programs that are not identified with a unique site number from which MDE can identify potential eligible students.
- The assumed participation rates in this fiscal note are in addition to students who already qualify and participate in State Approved Alternative Programs (SAAPs).
- Nonpublic and home school (shared-time) students are not eligible to generate extended time revenue unless they are placed in a residential program and elect to enroll in the public school.
- Existing State Approved Alternative Programs would continue to operate normally and generate extended time ADM.
- MNIT programming would be required to collect student participation data.

Expenditure and/or Revenue Formula

| Expenditure and/or Revenue Formula | Extended Time FY22 Revenue | | |
|--------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------|-------------|
| | Grades 1 - 6 | Grade 7 - 12 | Total |
| Extended Time Revenue | | | |
| Total Number of Students Enrolled as Care and Treatment at the end of the School Year, SAC 27, Satus End Code 40 (FY19 student data) | 280 | 1,424 | 1,704 |
| Percent of students participating 100% FY22-25 | 280 | 1,424 | 1,704 |
| Membership hours per student 100 extended time ADM per student | 0.11 | 0.10 | |
| Total Extended Time ADM (Number of Students times Extended time) | 30.80 | 142.40 | 173.20 |
| Pupil Units | 1.00 | 1.20 | |
| Cost extended day program \$5117 | \$157,604 | \$874,393 | \$1,031,997 |

| | FY2022 | FY2023 | FY2024 | FY2025 |
|---------------------|-----------|-------------|-------------|-------------|
| 90% of current year | \$928,797 | \$928,797 | \$928,797 | \$928,797 |
| 10% of prior year | | \$103,200 | \$103,200 | \$103,200 |
| Total | \$928,797 | \$1,031,997 | \$1,031,997 | \$1,031,997 |

Long-Term Fiscal Considerations

The costs would be ongoing.

Local Fiscal Impact

Districts would need to track membership hours of students placed in care and treatment programs.

References/Sources

N/A

Agency Contact: Kelly Wosika 651-582-8855

Agency Fiscal Note Coordinator Signature: Melissa Johnson

Phone: 651-582-8690

Date: 2/18/2021 11:33:43 AM

Email: melissa.r.johnson@state.mn.us