

EARLY CHILDHOOD FAMILY EDUCATION FUNDING School Year 2005-2006

Any Minnesota school district that provides a community education program may establish an Early Childhood Family Education (ECFE) program and levy and receive aid for ECFE.

History

Program funding for Early Childhood Family Education was based upon a grant support concept from 1974 to 1983, administered by the Council on Quality Education. Legislation in 1983 transferred program administration responsibilities to Community Education; the 1984 Legislature adopted a statewide funding formula providing guaranteed equalized revenue based on a district's population under age five. ECFE revenue was based upon a percentage of the foundation aid formula until 1987, when it was set by the Legislature at a specific dollar amount (\$84.50 in 1987) per resident age 0-4 or 150, whichever was the greater. The Legislature continued to make upward adjustments in the formula rate until 1992, when the rate was set at \$101.25. The formula rate remained unchanged until 1997 when the Legislature increased it to \$111.25 for 1997-98 and \$113.50 for 1998-99. In 1999 the Legislature appropriated additional state aid of \$2.46 per 0-4 population to supplement the \$113.50 for 2000-01 and established funding at \$120 per resident age 0-4 in FY 2002 and thereafter. The 2003 Legislature reduced the rate to \$96 per resident age 0-4 beginning in FY 2005. The 2005 Legislature increased the rate to \$104, effective for school year 2005-06 (Fiscal Year 2006). For **school year 2005-2006**, the **maximum ECFE revenue for a district that certified a levy in the 2004-pay 2005 levy cycle** equals

\$104 x the greater of

- a) 150, or
- b) the number of district residents under five years of age as determined by the school census of the preceding school year (Fall 2004 Census).

Therefore, for school year 2005-2006, the **minimum formula revenue** is $\$104 \times 150 = \$15,600$.

For FY 2006, a district could **levy** for ECFE an amount equal to the lesser of the rate of 0.004852* times its adjusted net tax capacity (ANTC) or the district's estimated FY 2006 maximum ECFE formula revenue. Districts certified these levies in Fall 2004. A district's ECFE aid entitlement equals the difference between its actual maximum formula revenue and the certified levy. If a district certifies less than the maximum levy permitted, its state aid entitlement is reduced proportionately.

340 of 343 districts certified a levy for ECFE during the 2004-pay 2005 levy cycle. Statewide, ECFE revenue for FY 2006 totals \$36,957,000 (before penalty adjustments for excess fund balances) and is comprised of an estimated \$22,135,000 in levy and \$14,822,000 in state aid entitlements. In addition to these state and local tax revenues, programs may charge participant fees on a sliding scale basis and may receive funding from other sources.

Home Visiting

In 1992, the Legislature earmarked additional funding for home visiting through ECFE as part of a comprehensive prevention initiative. HOME VISITING REVENUE of \$1.60 per 0-4 population is derived from a levy established for this purpose in 1993, effective for FY 1994 revenue.

*The levy rate is set by the Department of Education to raise the total levy amount set by the legislature.