

124D.135 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) REVENUE.

Subdivision 1. **Revenue.** The revenue for early childhood family education programs for a school district equals \$112 for fiscal year 2007 and \$120 for fiscal year 2008 and later, times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of the previous school year.

Subd. 2. **Population.** For the purposes of subdivision 1, data reported to the department may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. **Early childhood family education levy.** (a) By September 30 of each year, the commissioner shall establish a tax rate for early childhood family education revenue that raises \$22,135,000 in each fiscal year. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy must equal the early childhood family education revenue. A district may not certify an early childhood family education levy unless it has met the annual program data reporting requirements under section 124D.13, subdivision 13.

(b) Notwithstanding paragraph (a), for fiscal year 2009 only, the commissioner shall establish a tax rate for early education revenue that raises \$13,565,000.

Subd. 4. **Early childhood family education aid.** If a district complies with the provisions of section 124D.13, it must receive early childhood family education aid equal to the difference between the early childhood family education revenue and the early childhood family education levy. If the district does not levy the entire amount permitted, the early childhood family education aid must be reduced in proportion to the actual amount levied.

Subd. 5. **Use of revenue restricted.** (a) Early childhood family education revenue may be used only for early childhood family education programs.

(b) Not more than five percent of early childhood family education revenue, as defined in subdivision 7, may be used to administer early childhood family education programs.

(c) An early childhood family education program may use up to ten percent of its early childhood family education revenue as defined in subdivision 1, including revenue from participant fees, for equipment that is used in the early childhood family education program. This revenue may only be used for the following purposes:

(1) to purchase or lease computers and related materials; and

(2) to purchase or lease equipment for instruction for participating children and their families.

If a district anticipates an unusual circumstance requiring its early childhood family education program capital expenditures to exceed the ten percent limitation, prior approval to exceed the limit must be obtained in writing from the commissioner.

Subd. 6. **Home visiting levy.** A district that is eligible to levy for early childhood family education under subdivision 3 and that enters into a collaborative agreement to provide education services and social services to families with young children may levy an amount equal to \$1.60 times the number of people under five years of age residing in the district on September 1 of the last school year. Levy revenue under this subdivision must not be included as revenue under subdivision 1. The revenue must be used for home visiting programs under section 124D.13, subdivision 4.

Subd. 7. **Reserve account.** Early childhood family education revenue, which includes aids, levies, fees, grants, and all other revenues received by the district for early childhood family education programs, must be maintained in a reserve account within the community service fund.

Subd. 8. **Reserve account limit.** (a) Under this section, the average balance, during the most recent three-year period in a district's early childhood family education reserve account on June 30 of each year, adjusted for any prior reductions under this subdivision, must not be greater than 25 percent of the sum of the district's maximum early childhood family education annual revenue under subdivision 1, excluding adjustments under this subdivision, plus any fees, grants, or other revenue received by the district for early childhood family education programs for the prior year.

(b) If a district's adjusted average early childhood family education reserve over the three-year period is in excess of the limit under paragraph (a), the district's early childhood family education state aid and levy authority for the current school year must be reduced by the lesser of the current year revenue under subdivision 1 or the excess reserve amount. The aid reduction equals the product of the lesser of the excess reserve amount or the current year revenue under subdivision 1 times the ratio of the district's aid for the current year under subdivision 4 to the district's revenue for the current year under subdivision 1. The levy reduction equals the excess reserve amount minus the aid reduction. For purposes of this paragraph, if a district does not levy the entire amount permitted under subdivision 3, the revenue under subdivision 1 must be reduced in proportion to the actual amount levied.

(c) Notwithstanding paragraph (a), for fiscal year 2003, the excess reserve amount shall be computed using the balance in a district's early childhood family education reserve account on June 30, 2002. For fiscal year 2004, the excess reserve amount shall be computed using the adjusted average balance in a district's early childhood family education reserve account on June 30, 2002, and June 30, 2003.

[See Note.]

Subd. 9. **Waiver.** If a district anticipates that the reserve account may exceed the 25 percent limit established under subdivision 8 because of extenuating circumstances, prior approval to exceed the limit must be obtained in writing from the commissioner.

[See Note.]

History: 1984 c 463 art 4 s 3; 1Sp1985 c 12 art 4 s 6; 1987 c 398 art 4 s 13; 1988 c 486 s 39; 1989 c 329 art 4 s 10,11; 1991 c 265 art 4 s 13; 1993 c 224 art 4 s 24-26; art 14 s 10; 1994 c 647 art 4 s 22,23; 1Sp1995 c 3 art 4 s 18; art 16 s 13; 1996 c 412 art 4 s 7; 1997 c 162 art 1 s 6,7;

1998 c 397 art 3 s 76,103; art 11 s 3; 1998 c 398 art 1 s 16; 1999 c 205 art 1 s 42,43; 1999 c 249 s 7; 1Sp2001 c 3 art 1 s 8,9; 1Sp2003 c 9 art 7 s 6,7; 1Sp2005 c 5 art 7 s 4,5; 2006 c 282 art 2 s 7; 2007 c 146 art 9 s 9-12; 2009 c 96 art 6 s 3; 2012 c 239 art 3 s 6

NOTE: Subdivisions 8 and 9 are repealed by Laws 2012, chapter 239, article 3, section 6, for revenue for fiscal year 2014 and later. Laws 2012, chapter 239, article 3, section 6, paragraph (b).