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**Minnesota Department of Education (MDE)**  
**Financial Management**  
**Safe School Levy (SSL)**  
**Maintenance of Effort (MOE)**

FY 2010

# Statutory Requirements

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## **Safe School Levy Maintenance of Effort**

Minn. Stat § 126C.44 Safe School Levy requires all districts to annually certify they have met the maintenance of effort requirement, whether the board levies the safe school levy or not. This can be achieved through either of the following methods:

- 1) District's total spending on services provided by licensed pupil support staff employed by the district is not less than the sum of its expenditures for services provided by these employees in the previous fiscal year, excluding amounts spent under Minn. Stat § 126C.44 Safe School Levy, or
- 2) District's full time equivalent number of licensed pupil support employees for the current fiscal year is not less than the number for the previous year.

# List of Licensed Pupil Support Employees



- The statute defines licensed pupil support employees who are employed by the district as:
  - licensed school counselors
  - licensed school nurses
  - licensed school social workers
  - licensed school psychologist
  - licensed alcohol and chemical dependency counselors

In determining the number of full time equivalent employees or total spending do not include contracted services. Total spending would include the cost of the employee plus any **direct** costs related to the services the employee provides as determined by the district. Consistency in methodology is important. Districts should maintain supporting documentation.

# Reporting SSL Expenditures



- The FY 2010 computation is the total spending on services provided by the licensed pupil support staff less the portion of FY 2010 safe school levy expenditures for these licensed pupil support staff. In FY 2010 the current year spending must be at least the amount of the prior year (FY 2009) spending.

## FY 2010 SSL Reporting

	<b>Total Spending on Services provided by Licensed Pupil Support Staff (includes safe school levy expenditures)*</b>	<b>\$100</b>
<b>Less:</b>	<b>Safe School Levy Expenditures for Licensed Pupil Support Staff (The related portion in Finance 339 &amp; 342)</b>	<b>15</b>
	<b>Current Year Base Maintenance of Effort (Report on FY 2010 Summer Levy Information)</b>	<b>\$85</b>

## FY 2010 Verification of Maintenance of Effort for Safe School Levy

<b>FY 2009</b>	<b>Current Year Base Maintenance of Effort</b>	<b>\$80</b>
<b>FY 2010</b>	<b>Current Year Base Maintenance of Effort</b>	<b>\$85</b>

**Results: FY 2010  $\geq$  FY 2009**

## Reporting SSL MOE in FY 2009 and FY 2010



- Fiscal Year 2009 Base Year Reporting of SSL MOE  
Districts were required to submit the FY 2009 base year base maintenance of effort and the full time equivalent number of licensed pupil support staff in the Fiscal Compliance Table.
  
- Fiscal Year 2010 Reporting of SSL MOE
  - Levy Information System
  
  - Report the following items:
    - Current Year Base Maintenance of Effort
  
    - Full Time Equivalent (FTE) Staff

## Frequently Asked Questions

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- Q What would happen if we do not report SSL total spending and FTE information?
- A The statute does not have any penalties at this time. However, the reporting entity would be considered to be out of compliance with a Minnesota Statute.
- Q Who needs to report SSL MOE?
- A Only regular districts that have levy authority are required to report. Not charters, education districts, cooperatives, intermediate school districts
- Q Our funding is about to expire and we will no longer have funding for a licensed pupil support staff position, how will that affect SSL MOE?
- A The statute provides two opportunities for districts to meet MOE requirements either by total spending or FTE. The statute does not have language that would allow district to change MOE requirements due to changes in funding, enrollment, retirements and so on.

## Frequently Asked Questions

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- Q Should we include all counselors, social workers, etc. regardless of their funding source?
- A Yes, include all licensed pupil support employees that have been defined in Minn. Stat § 126C.44 regardless of funding source.
- Q We're inclined to omit those funded by special ed, because they are being counted toward special education's MOE. Is this approach correct?
- A Do not omit those funded by special education, the special education maintenance of effort is totally separate and has nothing to do with Safe School Levy Maintenance of Effort. Report each maintenance of effort as if the other did not exist, neither has any influence on the other.

## Frequently Asked Questions

- Q FY09 is the base year for base year expenditures for licensed pupil support staff and FTE. The following year (FY2010), senior employees have retired and new employees were hired to replace them. FY2010 there would be less expenditures for licensed pupil support staff; however, they would have the same number of FTE, so they would meet the maintenance of effort. The question is, would the base year expenditures for FY2011 be the old FY2009 or the reduced FY2010?
- A Based on the wording of the law, we should use the reduced FY 2010 expenditures and FY 2010 FTEs as the base for the FY 2011 calculations.

*“The district must annually certify either that: (1) its total spending on services provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section; or (2) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), is not less than the number for the previous year.”*

## Frequently Asked Questions

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Q We will not be able to meet MOE for FY10, what will be the repercussions for our district?

A The statute does not specify any repercussions at this time; however, the district would not be in compliance with a Minnesota statute. The district could be subject to legal action by an affected party.

Q We do not levy for Safe Schools, do we need to submit information to the state?

A If the district employees licensed pupil support staff that are defined by Minn. Stat. § 126C.44 the district would be required to report both total spending and FTE. The district is required to meet the MOE requirement.

## Frequently Asked Questions

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- Q If a district is claiming a portion of the salary for a licensed pupil support employee under special education, do you still claim the person as one FTE for safe school MOE? Or would you have to reduce the FTE by the amount claim under special education?
- A The SSL MOE and special education MOE have completely independent requirements and are reported separately. The district would not make an adjustment based on reporting of either amount. Each type of MOE is reported individually and does not affect the others MOE.

## Frequently Asked Questions

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Q Does a district need to report both total spending and FTE or just one?

A Both total spending and FTE need to be reported.

Q How does a district report a nurse under the Safe Schools maintenance of effort, if a the nurse is contracted out to another district for 50% of the nurses time.

A It is important that the nurse meets the definition in Minn. Stat. § 126C.44, is licensed by MDE and recorded in UFARS using object code 154 Licensed School Nurse. If these conditions have been met, the district can report 50% of the expenditures and FTE in your example. It is important to remain consistent when reporting Safe School Levy Maintenance of Effort each year.

## Frequently Asked Questions

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- Q By “licensed school counselors” do we include guidance counselors? We share a guidance counselor, but we have no other counselors.
- A The guidance counselor would be included if they were licensed by MDE. Only employees are included in Safe School Levy Maintenance of Effort, if this person’s services are purchased from another agency, they would not be included. Please refer to 8/28/09 Safe School Levy Maintenance of Effort memo.
- Q Our school psychologist is employed by the Special Education Cooperative, of which we are a member. We pay part of his costs. Do we include only the part of his salary that we are paying?
- A It depends on who is considered to be the employer. If the services obtained do not represent an employer/employee relationship they would not be included. Please refer to the 8/28/09 Safe School Levy Maintenance of Effort memo.

## Frequently Asked Questions

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- Q We share a social worker who is employed by a Special Education Cooperative. I assume we list only the portion for which we pay.
- A It depends on who is considered to be the employer. If the services obtained do not represent an employer/employee relationship they would not be included. Please refer to the 8/28/09 Safe School Levy Maintenance of Effort memo.
- Q We have a school social worker employed by our district whose pay is partially subsidized by county collaborative funds. Do we include only our net cost?
- A The total cost would be included regardless of the funding sources. Please refer to the 8/29/09 Safe School Levy Maintenance of Effort memo.

## Frequently Asked Questions

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Q Do we report total salary and benefits?

A Total spending would include the cost of the employee plus any **direct** costs related to the services the employee provides as determined by the district

Q Does licensed mean licensed by the Board of Nursing, or by the Department of Education? What object code would we use?

A Nurses licensed by MDE would be coded to object code 154 Licensed School Nurse included in total spending and FTE in SSL. Nurses licensed by other bodies would be coded to object code 155 Licensed Nursing Services excluded from total spending and FTE in SSL.

## Frequently Asked Questions

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Q What is the deadline for reporting the safe school levy maintenance of effort information?

A November 30, 2010 through the Levy Information System

Q Do we list FTE's based only on the amount of time each actually serves our district?

A Yes, only include employees not contracted services.

## New Legislation



House File 2431, 1<sup>st</sup> Committee Engrossment, Article 1, section 14:

(c) A school district must set aside at least \$3 per adjusted marginal cost pupil unit of the safe schools levy proceeds for the purpose authorized under paragraph (a), clause (6). The district must annually certify either that: (1) its total spending on serviced provided by the employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures for these purposes, excluding amounts spent under this section, in the previous year plus the amount spent under this section; ~~or~~ (2) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), is not less than the number for the previous year; or (3) that the district's full-time equivalent number of employees listed in paragraph (a), clause (6), including those provided through a special education cooperative, intermediate school district, or education district, is not less than the number for the previous year.

### **339 Safe Schools – Crime Levy \$3 Set-Aside (Fund 01)**

Record expenditures for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors that help provide early responses to problems. All districts must set-aside at least \$3 per adjusted marginal cost pupil unit (AMCPU) of the school schools levy proceeds for these purposes.

The activity in this code and Finance Code 342 relate to Balance Sheet Code 449 Reserved for Safe Schools Levy. Minn. Stat. § 126C.44.

### **342 Safe Schools – Crime Levy (Fund 01)**

Record levy revenue and expenditures for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: to pay for salaries, benefits and transportation of peace officers and sheriffs for liaison services; drug abuse prevention program as defined in section 609.101 subd. 3 para (e), in the elementary schools; gang resistance education training curriculum; security in the district's schools and on school property; or other crime prevention, drug abuse, student and staff safety; voluntary opt-in suicide prevention, violence prevention measures taken by the school district; or the costs for license school counselors, school nurses, social workers, psychologists and alcohol and chemical dependency counselors to help provide early responses to problems. See Finance Code 339 for the required set-aside related to this levy.

The activity in this code and Finance Code 339 relate to Balance Sheet Code 449 Reserved for Safe Schools Levy. Minn. Stat. § 126C.44.

## UFARS Balance Sheet Code

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### **449 Reserved for Safe Schools – Crime Levy (Fund 01)**

The unspent resources available from the levy must be reserved in this account for future use. All activity in this account must be related to Finance Code 339 and Finance Code 342. Refer to Minnesota Statutes § 126C. 44. *This reserve account is allowed to go into deficit.*

## MDE Financial Management Team

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- Janna Duffy, Supervisor  
([janna.duffy@state.mn.us](mailto:janna.duffy@state.mn.us) or 651-582-8788)
- Karen Dykoski  
([karen.dykoski@state.mn.us](mailto:karen.dykoski@state.mn.us) or 651-582-8766)
- Greg Hein  
([greg.hein@state.mn.us](mailto:greg.hein@state.mn.us) or 651-582-8460)
- Keri Lewis  
([keri.lewis@state.mn.us](mailto:keri.lewis@state.mn.us) or 651-582-8480)
- Sarah Miller  
([sarah.c.miller@state.mn.us](mailto:sarah.c.miller@state.mn.us) or 652-582-8370)
- Mary Weigel  
([mary.weigel@state.mn.us](mailto:mary.weigel@state.mn.us) or 651-582-8770)