

**Subject** Education Finance Forecast Adjustments

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## Overview

H.F. 2889 proposes to adjust the current biennium's (2018/2019) appropriations for K12 state aid programs and human services forecasted programs. These changes are often referred to as "forecast adjustments" and adjust the actual amounts appropriated to the most recent forecast estimate of the true costs for each of the listed programs. A forecast adjustment may be an increase in the appropriation or it may be a decrease in the appropriation.

Article 1 of H.F. 2889 relies on the February 2019 Forecast data to make the best estimates of the state aid required for each K12 appropriation. Generally, a change in the estimated pupil counts, or a change in program participation is the most likely cause of a forecast adjustment. The changes in the appropriations are real, but they have no fiscal impact related to the K12 budget because the changes are built into the forecast estimate of the budget base. The most significant change contained in this year's forecast adjustments is the appropriation for special education revenue.

Article 1 of H.F. 2889 affects appropriations for programs in both fiscal year 2018 and fiscal year 2019 because no forecast adjustments were enacted during the 2018 legislative session.

Article 2 of H.F. 2889 adjusts appropriations for fiscal year 2019 for forecasted programs administered by the Department of Human Services. Appropriations are adjusted for MFIP, MFIP Child Care Assistance, General Assistance, Minnesota Supplemental Aid, Housing Support, Northstar Care for Children, MinnesotaCare, Medical Assistance, Alternative Care, the Consolidate Chemical Dependency Treatment Fund Entitlement, and technical activities funded with federal TANF funds.