

**Subject** Duluth School District; Special Education Funding

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## Overview

Local school districts are required by state law to provide appropriate and necessary special education to children with disabilities from birth through 21 years of age. Each disability category is defined in statute or rule. Minnesota's special education formula is a multistep hybrid formula. The formula combines a cost-reimbursement formula with a modified "census style" of funding, provides a floor of funding based on fiscal year 2016 funding amounts, and authorizes serving school districts and charter schools to bill a portion of their unfunded special education costs attributable to nonresident students back to the student's resident school district.

Under current law, the special education revenue for each district may depend on its 2016 base funding level, but the initial aid calculation is computed three different ways and the way that provides the **least** amount of revenue to the district becomes the special education initial aid amount. Some districts switch among the three aid formulas depending on changes in their characteristics.

H.F. 336 adjusts the fiscal year 2016 special education base for the Duluth school district upwards by \$500,000 for use in calculating future special education aid payments and makes additional annual payments of \$1,000,000 to the Duluth school district to compensate for the district's unique special education circumstances.

## Summary

Section	Description
1	<p><b>Special education fiscal year 2016 base year adjustment.</b></p> <p>Requires the commissioner of education to increase the fiscal year special education 2016 base for the Duluth school district by \$500,000 (note: this higher base level is no longer sufficient to modify the district's special education revenue).</p>
2	<p><b>Special education appropriations.</b></p> <p>Appropriates an unspecified amount for special education aid for fiscal years 2024 and 2025 for the base adjustment. Appropriates \$1,000,000 per year from the general fund to the commissioner of education for payments to the Duluth school district for unreimbursed special education costs.</p>



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