

Subject Special Education Tuition Billbacks to Resident School District

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Overview

Minnesota's school choice system allows a student resident in one school district to open enroll to another school district, enroll in a charter school regardless of the charter school's location, or in some cases, be placed in another school district for care and treatment programs. While most of Minnesota's school funding formulas are based on the students actually served by each school district or charter school (e.g. general education aid and initial special education aid are paid to the serving school district), some unreimbursed costs are billed back from the serving school district or charter school to the student's resident school district.

Unreimbursed special education costs, and some unreimbursed general education costs, are billed back to the resident school district under one of two scenarios. First, if more than 70 percent of the students enrolled in an intermediate school district, cooperative program, or charter school, students are eligible for special education services, 100 percent of the unreimbursed costs are billed back to the resident school district. For all other school district and charter school programs, 80 percent of the unreimbursed special education costs are billed back to the resident school districts, and for charter schools, an additional 10 percentage points of the unreimbursed special education costs are paid directly to the charter school directly by the state.

For fiscal year 2026 and later, H.F. 3595 lowers the portion of unreimbursed special education expenses that may be billed back to the resident district from 80 percent to 50 percent of the unreimbursed costs, and for charter schools, increases the portion of the unreimbursed costs paid directly from the state to the charter school from 10 to 40 percent.

Summary

Section	Description
1	Special education aid. Increases the portion of each charter school's unreimbursed special education expenditures from 10 to 40 percent of the school's unreimbursed special education costs.
2	Alternative attendance programs. Reduces the portion of a serving school's unreimbursed special education expenditures that may be billed back to the resident school district from 90 to 50 percent of the total unreimbursed special education costs.



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