



# Special Education Overview & Blue Ribbon Commission Update

April 7, 2026 | House Education Finance Committee

# Ten Minnesota Commitments to Equity

1. Prioritize equity.
2. Start from within.
3. Measure what matters.
4. Go local.
5. Follow the money.
6. Start early.
7. Monitor implementation of standards.
8. Value people.
9. Improve conditions for learning.
10. Give students options.



# Special Education Enrollment and Expenditures

Total Cost excl transport	SFY 18	SFY 19	SFY 20	SFY 21	SFY 22	SFY 23	SFY 24	SFY 25
Districts	1,684,568,898	1,749,488,572	1,817,758,537	1,869,237,701	1,933,561,327	2,037,475,353	2,238,807,882	2,466,787,197
Charters	133,671,567	148,863,814	167,639,214	173,383,445	186,164,477	203,383,862	226,246,103	247,180,699
Coops	162,522,869	178,466,518	192,533,136	191,470,087	201,225,048	200,599,611	211,177,864	231,634,392
Percent Incr - Dist	4.19%	3.85%	3.90%	2.83%	3.44%	5.37%	9.88%	10.18%
Percent Incr- Charters	17.61%	11.37%	12.61%	3.43%	7.37%	9.25%	11.24%	9.25%
Percent Incr - Coops	11.04%	9.81%	7.88%	-0.55%	5.09%	-0.31%	5.27%	9.69%

Includes Alternative Delivery of Specialized Instructional Services (ADSIS) costs

Child Count	SFY 18	SFY 19	SFY 20	SFY 21	SFY 22	SFY 23	SFY 24	SFY 25
District	134,596	139,145	142,817	139,872	141,907	147,867	154,476	159,576
Charter	7,674	8,460	9,199	9,510	9,625	10,180	10,809	11,699
Total	142,270	147,605	152,016	149,382	151,532	158,047	165,285	171,275

# Special Education Transportation Contracted vs Total Cost

Strata	FY 14 SpEd Transport	FY 19 SpEd Transport	FY 24 SpEd Transport	FY 14 SpEd Contracted Transport	FY 19 SpEd Contracted Transport	FY 24 SpEd Contracted Transport	FY 14 % Contracted	FY 19 % Contracted	FY 24 % Contracted
MPLS & ST PAUL	20,404,470	22,457,387	29,565,625	9,216,802	10,160,199	27,308,785	45%	45%	92%
OTHER METRO, INNER	25,296,668	31,192,410	50,929,724	15,626,833	22,603,545	42,040,552	62%	72%	83%
OTHER METRO, OUTER	70,644,311	87,487,768	114,445,729	46,190,085	60,808,265	88,884,076	65%	70%	78%
NONMET >=2K	34,799,164	52,954,851	68,308,138	23,762,942	37,093,593	52,661,484	68%	70%	77%
NONMET 1K-2K	15,165,984	19,671,334	23,798,569	8,472,647	12,317,610	15,342,683	56%	63%	64%
NONMET < 1K	11,189,930	16,674,603	21,632,220	4,555,504	7,667,324	10,249,643	41%	46%	47%
CHARTER	3,684,647	14,004,960	25,509,581	3,415,522	13,080,708	24,626,397	93%	93%	97%

# Special Education Transportation Cost Per Student

Strata	FY 14 SpEd Students Transport	FY 19 SpEd Students Transport	FY 24 SpEd Students Transport	FY 14 Cost/Student	FY 19 Cost/Student	FY 24 Cost/Student	Growth FY 14 to FY 24
MPLS & ST PAUL	4,509	4,694	4,418	4,525	4,784	6,692	48%
OTHER METRO, INNER	3,861	4,444	4,160	6,552	7,019	12,243	87%
OTHER METRO, OUTER	10,222	11,242	11,570	6,911	7,782	9,892	43%
NONMET >=2K	7,939	9,827	10,168	4,383	5,389	6,718	53%
NONMET 1K-2K	2,856	3,524	3,466	5,310	5,582	6,866	29%
NONMET < 1K	2,093	2,405	2,473	5,346	6,933	8,747	64%
CHARTER	460	1,212	1,776	8,010	11,555	14,364	79%

# FIN 728 Transportation Contracted vs Total Cost

Strata	FY 14 FIN 728 Transport	FY 19 FIN 728 Transport	FY 24 FIN 728 Transport	FY 14 FIN 728 Contracted Transport	FY 19 FIN 728 Contracted Transport	FY 24 FIN 728 Contracted Transport	FY 14 % Contracted	FY 19 % Contracted	FY 24 % Contracted
MPLS & ST PAUL	2,908,301	17,091,712	26,345,404	2,012,927	8,128,151	22,976,913	69%	48%	87%
OTHER METRO, INNER	2,099,409	7,829,572	13,916,117	1,042,841	5,503,891	11,589,764	50%	70%	83%
OTHER METRO, OUTER	6,621,357	15,113,890	26,977,086	4,587,423	11,579,363	19,562,974	69%	77%	73%
NONMET >=2K	2,385,718	3,928,770	6,964,869	604,847	1,655,635	3,158,171	25%	42%	45%
NONMET 1K-2K	324,910	1,016,188	1,801,052	162,558	669,590	928,452	50%	66%	52%
NONMET < 1K	274,231	417,857	829,604	74,469	233,245	422,492	27%	56%	51%
CHARTER	474,059	2,509,181	4,485,620	453,762	2,500,972	4,411,255	96%	100%	98%

# Special Education Forecast

## February 2026 Special Education Forecast – Entitlement Basis

Fiscal Year	Regular	Excess Cost	Cross Subsidy	Homeless Aid	Hold Harmless	Charter Adj	Total
2025	1,588,209,174	522,090,725	471,927,396	11,707,260	19,578,459	9,327,618	2,622,840,631
2026	1,734,052,523	596,170,995	520,335,143	1,133,106	16,286,032	9,942,667	2,877,920,466
2027	1,871,675,805	677,912,563	639,759,446	579,756	9,778,399	10,439,690	3,210,145,659
2028	2,025,121,942	755,135,009	683,324,470	436,234	5,711,505	7,337,533	3,477,066,694
2029	2,164,767,514	853,189,833	728,166,644	317,073	3,791,467	7,723,492	3,757,956,022

## November Special Education Forecast – Entitlement Basis

Fiscal Year	Regular	Excess Cost	Cross Subsidy	Homeless Aid	Hold Harmless	Charter Adj	Total
2025	1,589,506,662	522,833,191	471,927,396	13,146,519	19,909,580	9,660,491	2,626,983,839
2026	1,711,592,434	596,130,971	510,380,956	1,654,099	12,945,095	10,871,190	2,843,574,746
2027	1,819,621,440	665,625,039	614,049,102	1,687,307	8,577,243	11,135,876	3,120,696,007
2028	1,935,660,897	722,121,552	640,834,499	416,789	6,809,591	7,764,604	3,313,607,931
2029	2,048,969,170	806,366,892	689,232,570	242,801	4,718,165	8,204,231	3,557,733,829

# Special Education Forecast Feb 26 vs Nov 25

## February 2026 vs November 2025 Special Education Forecast – Entitlement Basis

Fiscal Year	Regular	Excess Cost	Cross Subsidy	Homeless Aid	Hold Harmless	Charter ADJ	Total
2025	(1,297,489)	(742,465)	-	(1,439,259)	(331,122)	(332,874)	(4,143,208)
2026	22,460,088	40,023	9,954,188	(520,993)	3,340,937	(928,524)	34,345,720
2027	52,054,365	12,287,525	25,710,344	(1,107,551)	1,201,156	(696,186)	89,449,652
2028	89,461,046	33,013,457	42,489,971	19,445	(1,098,086)	(427,070)	163,458,763
2029	115,798,344	46,822,940	38,934,073	74,272	(926,698)	(480,739)	200,222,193

# Special Education Expenditures and Forecasting

November 2025 special education forecast growth rates by LEA type (based on weighted prior year and changes in student average daily member (ADM) for districts and charters

Nov-25	FY 25 Est	FY 26 Est	FY 27 Est	FY 28 Est	FY 29 Est
District	7.95%	7.50%	6.10%	5.40%	4.90%
Charter	10.10%	9.25%	8.08%	7.50%	6.93%
Coop	7.50%	6.96%	6.43%	6.60%	6.77%

February 2026 special education forecast growth rates by LEA type (based on weighted prior year and changes in student average daily member (ADM) for districts and charters

Feb-26	FY 25 Act	FY 26 Est	FY 27 Est	FY 28 Est	FY 29 Est
District	10.21%	9.43%	8.66%	6.91%	5.15%
Charter	5.47%	6.06%	6.66%	6.81%	6.97%
Coop	9.69%	6.13%	6.35%	6.57%	6.79%

# Blue Ribbon Commission Update

## **2025 First Special Session Laws Chapter 10, Article 7, Section 7**

Blue Ribbon Commission on Special Education established to "to advise and assist the legislature and governor in transforming special education services."

Duties. (a) By October 1, 2026, the commission must develop and present to the legislature and the governor an action plan for transforming special education services while maintaining a free appropriate public education for students with disabilities. The action plan must include but is not limited to the following:

(1) strategies to increase administrative efficiencies and improve program collaboration to promote shared services, to reduce overreliance on special education; provide supports and early intervention programs to reduce the need for more intensive special education services; use assistive technology; and expand access to teletherapy and remote evaluations to address provider shortages;

(2) approaches to reducing special education expenditures, including identifying strategies for addressing the significant cost drivers of state spending on special education, including special education transportation, tuition billing, specialized placements, legal and administrative costs, and personnel costs;

# Blue Ribbon Commission Update

Duties (continued) (3) opportunities for reducing paperwork, using data to drive individualized education programs, increasing access to qualified personnel, and eliminating gaps in early identification and early intervention;

(4) opportunities to reform special education funding formulas to incentivize efficient, inclusive practices, increase flexibility in how special education funds are used, align third-party billing practices to maximize reimbursements, and streamline reporting burdens that add value; and

(5) statewide strategies for slowing cost growth in special education services while maintaining a free appropriate public education.

(b) For each element of the action plan, the commission must analyze the effect on students eligible for special education; special education teachers, paraprofessionals, and other unlicensed special education staff; and other special education constituencies as the commission deems appropriate.

(c) The commission may contract with a private entity or consultant as necessary to complete its duties under this section and is exempt from state procurement process requirements under Minnesota Statutes, chapter 16C.

# Blue Ribbon Commission Update

## **2025 First Special Session Laws Chapter 10, Article 7, Section 8.**

DIRECTION TO COMMISSIONER OF MANAGEMENT AND BUDGET; CONTINGENT REDUCTION IN SPECIAL EDUCATION AID APPROPRIATIONS.

(a) When preparing the forecast for state revenues and expenditures under Minnesota Statutes, section 16A.103, the commissioner of management and budget must assume a \$250,000,000 reduction in the appropriations for special education aid for the biennium beginning July 1, 2027, and for each subsequent biennium, until the end of the legislative session that enacts a budget for the Department of Education for the biennium beginning July 1, 2027.

(b) Upon enactment of a budget for the Department of Education for the biennium beginning July 1, 2027, the legislature must identify enacted provisions that were recommended by or based on the recommendation of the Blue Ribbon Commission on Special Education.

# Blue Ribbon Commission Update

(c) To the extent the net savings attributable to the provisions in paragraph (b) are less than \$250,000,000 for the biennium beginning July 1, 2027, and for each subsequent biennium, the commissioner of education must reduce the special education cross subsidy aid factor under Minnesota Statutes, section 125A.76, subdivision 2e, paragraph (b), as necessary to reduce biennial appropriations for special education aid by an amount equal to the difference between the savings identified in paragraph (b) and the \$250,000,000 of biennial savings assumed in paragraph (a). The commissioner of education must notify the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education of any reduction in the cross subsidy aid factor under this paragraph.

# Blue Ribbon Commission Update

## Goal 1

**Increase administrative efficiencies** and improve program **collaboration** to promote **shared services**, including a multitiered system of supports (MTSS) to reduce overreliance on special education

Provide supports and early intervention programs to reduce the need for more intensive special education services

Use assistive technology and expand access to teletherapy and remote evaluations to address provider shortages

## Goal 2

Reduce special education expenditures, including identifying strategies for addressing the significant cost drivers of state spending on special education, such as special education transportation, tuition billing, specialized placements, legal and administrative costs, and personnel costs

## Goal 3

Reduce paperwork, using **data** to drive individualized education programs, increasing access to qualified personnel, and eliminating gaps in early identification and early intervention

## Goal 4

Reform special education funding formulas to incentivize efficient, inclusive practices, increase flexibility in how special education funds are used, align third-party billing practices to maximize reimbursements, and streamline reporting burdens that add value

## Goal 5

Slow cost growth in special education services while maintaining a free appropriate public education

# Blue Ribbon Commission Update

## Legislative Appointments

- House Floor Leader Appointment – Rep. Kim Hicks
- House Speaker Appointment – Dan Armagost, SMEC
- Senate Majority Appointment – Sen. Bonnie Westlin
- Senate Minority Appointment – Sen. Julia Coleman

## Governor's Appointments

- Kimberly Baker - Owatonna Public Schools
- Scott Brown - EdFinMN
- John Carlson – Rochester Public Schools
- Krista Dillman – ISD 742, St Cloud
- Superintendent Marcy Doud – Intermediate 287

- Laura Jean – PACER Center
- Justin Killian – Education Minnesota
- Melanie Kray – Southwest West Central Service Cooperative
- Erin Lavery – Indigo Education
- Superintendent Cory McIntyre – Anoka-Hennepin School District
- Delia Samuel – Multicultural Autism Action Network
- Ramona Springis-Doss – ISD 196, Rosemount-Eagan-Apple Valley (retired)
- Superintendent Stacie Stanley – Saint Paul Public Schools

# Blue Ribbon Commission Update

## Past Meeting Dates and Topics

- October 8, 2025 – Member Introductions, Legislative Charge, Process/Procedures
- November 5, 2025 – School Finance and Special Education Aid Formula 101
- December 4, 2025 – School Finance and SpEd Aid Q&A, ADSIS Overview
- January 8, 2026 – Fiscal Notes, Subcommittee Overview and Kickoff
- March 5, 2026 – Entitlements vs. Reimbursements, Subcommittee Updates

# Blue Ribbon Commission Update

## Subcommittee Process

- Focus Area One: Special Education Implementation
  - Goals 1, 3, and 4
  - Two Groups of four members
- Focus Area Two: Special Education Funding
  - Goals 2, 4 and 5
  - Three Groups of three members

# Blue Ribbon Commission Update

## Upcoming Meeting Dates and Topics

- Subcommittees have been meeting on their own since February
- June 4, 2026 – Subcommittees Present Recommendations to Full Commission
- July 14, 2026 – Full group consensus building
- Report writing
- August 6 and September 3 held as alternate dates if needed
- Report due to legislature no later than October 2, 2026

# Thank you!

## Questions?