

HOUSE RESEARCH

Bill Summary

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Overview

Minnesota's special education formula is a cost reimbursement formula partially based on a district's special education costs in the second prior year. The regular special education formula is initially based on 68 percent of a school district's expenditures for essential personnel (essential personnel are staff necessitated by the special education program). This initial aid amount is then subject to a statewide revenue cap, which has been relatively unchanged since fiscal year 2004 when the program growth factors were removed from the formula. This cap effectively reduces each district's regular special education revenue to 76 percent of the initial amount for FY 2008 and 72 percent of the initial aid amount for FY 2009.

The second part of the state's special education funding system is called excess cost aid. This formula initially provides 75 percent of a district's unreimbursed special education costs once the district has spent 4.36 percent of its general education revenue on unfunded special education costs. This formula is also subject to a statewide cap, which reduces the excess cost aid to 42 percent of the amount it would otherwise be in FY 2008 and to 37 percent of the amount it would otherwise be in FY 2009.

This bill eliminates the statewide caps for regular special education aid and excess cost aid and fully funds the regular special education and excess cost aid formulas.

Section

- 1** **Adjusted special education base revenue.** Adjusts each school district's special education base revenue (which is revenue from the second prior year) by the change in the district's number of students with an IEP, instead of change in total enrollment in the school district.
- 2** **School district special education aid.** Increases the state total regular special education aid for each district by removing the statewide aid cap from the regular special education funding formula.
- 3** **Initial excess cost aid.** Removes an obsolete provision.
- 4** **District special education excess cost aid.** Removes the statewide aid cap from the special education excess cost aid formula.
- 5** **Annual general education aid appropriation.** Makes the appropriation for special education aid open and standing.
- 6** **Repealer.** Repeals:
 - 125A.76, subdivision 4 - regular special education aid cap;
 - 125A.79, subdivision 6 - excess cost special education statewide aid cap.