

Subject Special Education Tuition Billing

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Overview

Minnesota's special education aid formulas consist of several parts. An initial special education aid amount is calculated for each school district and charter school. On average, this initial aid covers roughly 60 percent of a school district or charter school's qualifying special education costs. This aid is paid directly from the state to the school district, cooperative, or charter school.

When a student open enrolls into another school district or enrolls in a charter school, the school district where the student lives is called the resident school district and the district where the student enrolls is called the serving school district. Under Minnesota's special education funding formulas, for these students, the serving school bills back a portion of its unreimbursed special education expenses to the resident school district. Under current law, for fiscal year 2027, the amount billed back (tuition billed) to the resident district is 80 percent of the unreimbursed costs (except for a few schools that serve more than 70 percent students with a disability, where 100 percent of the unreimbursed cost is billed back to the resident district).

The resident school district includes all of the billed back amounts in its cross subsidy calculation, and the cross subsidy for fiscal year 2027 covers 50 percent of the district's own unreimbursed costs and 50 percent of the amounts billed back to the resident district from other schools.

For charter schools, while 80 percent of the unreimbursed costs are billed back to the resident school districts, ten percent of the unreimbursed costs are billed directly to the state.

H.F. 1099 leaves the special education revenue unchanged for charter schools and cooperatives, but lowers the amount billed back to the resident school district from 80 percent to 50 percent of the unreimbursed costs and increases the portion paid by the state from ten percent to 40 percent of the unreimbursed special education costs. For the charter schools and cooperatives serving more

than 70 percent students with a disability, the revenue is also unchanged, but the charter school or cooperative will bill back 50 percent of the unreimbursed special education cost to the resident school district and 50 percent of unreimbursed cost to the state.

Summary

Section	Description
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| 1 | <p>Special education aid. [charter schools]</p> <p>Increases the portion of the unreimbursed special education expenses paid directly from the state from ten percent to 40 percent of the unreimbursed cost beginning in fiscal year 2027 and for the charter schools serving more than 70 percent students with a disability, provides 50 percent of the unreimbursed costs directly from the state.</p> |
| 2 | <p>Alternative attendance programs.</p> <p>Lowers the share of unreimbursed special education expenses billed by a charter school to a resident school district from 80 percent to 50 percent of the unreimbursed costs for fiscal year 2027 and later (the difference is covered in state aid) and for charter schools serving more than 70 percent students with a disability, lowers the tuition bill back amount from 100 percent of the unreimbursed special education costs to 50 percent of the unreimbursed special education costs (with the difference paid in state aid).</p> |



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