

**Subject** Special Education Blue Ribbon Commission

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## Overview

In Minnesota, local school districts are required by state law to provide appropriate and necessary special education to children with disabilities from birth through the child's 22nd birthday. Children with disabilities fall into one of 13 disability categories, and special instruction and services for children with disabilities must be based on an assessment of the child's educational needs and the individualized education program (IEP).

Minnesota's school district special education costs are primarily funded through a state partial-cost reimbursement formula, and as special education costs rise, so too does the state aid commitment to fund special education programs. In addition to the initial cost-based formula, a separate special education funding formula covers a portion of the unreimbursed special education costs facing each school district. This formula is called cross subsidy aid. In total, state special education aid increased over the last five years from \$1.8 billion to \$2.7 billion per year.

The 2025 Legislature created a Blue Ribbon Commission to study Minnesota's significant increase in special education costs, identify specific costs factors, and recommend changes to the state's special education system, including its funding system. The law is coupled with a provision that automatically reduces the cross subsidy aid by \$250 million per biennium if the Blue Ribbon Commission's recommendations are not implemented by the 2027 Legislature.

H.F. 4114 eliminates the automatic reduction in special education cross subsidy aid contained in the 2025 law while continuing the work of the Blue Ribbon Commission.

## Summary

Section	Description
1	<p><b>Special education recommendations by the Blue Ribbon Commission.</b></p> <p>Eliminates the automatic reduction of \$250 million per biennium in special education cross subsidy aid beginning with the 2028/2029 biennium if the Blue Ribbon Commission's recommendations are not enacted by the 2027 legislature.</p>



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