

HF562 - 0 - Due Process and Procedures Processing Time

Chief Author: **Heather Edelson**
 Committee: **Education Finance**
 Date Completed: **2/24/2023 9:37:41 AM**
 Agency: **Education Department**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology	X	
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	122,332	77,778	70,928	70,553	
Total	-	122,332	77,778	70,928	70,553	
Biennial Total			200,110		141,481	

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
General Fund	-	122,332	77,778	70,928	70,553	
Total	-	122,332	77,778	70,928	70,553	
Biennial Total			200,110		141,481	
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	122,332	77,778	70,928	70,553	
Total	-	122,332	77,778	70,928	70,553	
Biennial Total			200,110		141,481	
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	
Total	-	-	-	-	-	
Biennial Total			-		-	

Bill Description

This bill creates due process special education aid for school districts, requires the districts to use this money to provide time for teachers to complete due process forms and procedures, and appropriates money for this new aid.

Section 1:

Subd. 2(a) provides timelines and definitions related to due process special education aid. The definitions include the following, "school district" includes a charter school where teachers have an exclusive representative for purposes of collective bargaining."

Subd. 2(b) describes the due process special education aid calculation:

- For fiscal year 2024, the due process revenue for a school district is equal to \$116 times the adjusted pupil units for the current fiscal year. For fiscal year 2024, the due process revenue for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students is equal to \$33 times the adjusted pupil units for the current fiscal year.
- For fiscal year 2025 and later, the due process revenue for a school district equals \$65 times the adjusted pupil units for the current fiscal year. For fiscal year 2025 and later, the due process revenue for a school district that is a member of an intermediate school district or other cooperative unit that enrolls students equals \$13 times the adjusted pupil units for the current fiscal year.
- If a district is a member of more than one cooperative unit that enrolls students, the revenue must be allocated among the cooperative units.

Subd. 2(c) sets forth conditions and uses of the due process special education aid.

Section 2 appropriates general fund sums in an unspecified amount.

Assumptions

MDE does not collect data on the unionization status of charter school personnel. Therefore, the calculations include the cost for all charter schools.

The aid calculation was made using the November 2022 pupil projections for districts and charter schools for all four fiscal

years.

The final fiscal 2022 APU for intermediate school districts and cooperative units was used to determine the allocations among cooperative units for each district served.

It is unclear whether the payments to intermediate units or cooperatives would be pass-through payments from the member districts or paid by MDE directly to those intermediate units or cooperatives.

This fiscal note assumes that there are no special education expenses. It is unclear whether the intent of expenditures from the due process special education aid will also be allowed as a special education expense. If the LEA reimbursed staff with these funds and these funds originate outside of 125A, then the service would also be reimbursable with state special education funds. Thus, an LEA would actually receive roughly 160% of the actual cost of the service.

FAPE is a non-negotiable and due process is a requirement, so it is assumed that individuals relieving staff for due process purposes are appropriately licensed to allow for continuance of services and compliance with providing FAPE.

Implementation would incur MNIT costs, the scope of which cannot be determined at this time. Costs incurred would include:

- 1) Calculations in the bill use current year ADM, so MDE would need to add it to the district and charter school entitlement calculations, likely as a non-general education revenue.
- 2) MDE does not collect any information on union representation status for charter school teachers and would need to collect that information and add a flag for it in the GENEDCHT table.
- 3) It's unclear how the bill wants the aid distributed to the intermediate districts and cooperatives, so the scope of work that would involve from MNIT cannot be determined. At the very least, MDE would have to calculate the revenue for each district that is a member, and would need to add at least one field to the database to flag the districts that have enrollment at an intermediate or cooperative with some mechanism for populating that field. If the revenue is paid to the districts, each district would be responsible for the pass-through payments and any allocations if the district is a member of more than one intermediate or cooperative. If the cooperatives are to be paid directly from MDE, the scope of MNIT work would be much larger because MDE would need to calculate the allocations.

Expenditure and/or Revenue Formula

Due Process Special Education Aid	FY 2024	FY 2025	FY 2026	FY 2027
Districts and Charter Schools	108,252,372	60,412,592	59,980,579	59,611,405
Intermediate Districts and Cooperatives	27,671,866	10,904,225	10,904,376	10,904,320
Entitlement	135,924,238	71,316,817	70,884,956	70,515,725
90%	122,331,814	64,185,135	63,796,460	63,464,152
10%		13,592,424	7,131,682	7,088,496
Total Appropriation	122,331,814	77,777,559	70,928,142	70,552,648
(in thousands)	FY 2024	FY 2025	FY 2026	FY 2027
Appropriation	122,332	77,778	70,928	70,553

Long-Term Fiscal Considerations

The funding would be ongoing.

Local Fiscal Impact

References/Sources

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