

Subject Unreimbursed special education costs partially paid by state

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Overview

In Minnesota, when a student open enrolls to another school district, attends a charter school, or is placed in a special education program like those operated by an intermediate school district, the unreimbursed costs are “billed back” to the resident school district. For the last 20 years, the billing adjustment was actually done by the Minnesota Department of Education (MDE) through adjustments to the serving school’s and resident district’s special education payments. For most programs, the resident school district is billed for 90 percent of the serving school’s unreimbursed special education costs. For a few charter schools and intermediate school district programs that serve primarily disabled students, 100 percent of the unreimbursed special education costs are charged back to the resident school district.

H.F. 1879 phases in a new state aid to cover an increasing portion of the tuition bill backs that would otherwise have been charged to the resident school districts.

Summary

| Section | Description |
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| 1 | Nonresident tuition rate; other costs. Factors the new state-paid tuition bill back amounts into the special education tuition rates calculated for nonresident school districts. |
| 2 | Annual general education and special education tuition reimbursement appropriation. Expands the current open and standing appropriation for general education aid to include the proposed special education tuition reimbursement aid. |
| 3 | Alternative attendance programs. Limits the serving school’s tuition bill back rate of 90 percent of the unreimbursed costs to fiscal year 2020. |

| Section | Description |
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| 4 | <p>Resident district responsibility.</p> <p>Phases down the resident school district’s responsibility for tuition reimbursements from 90 percent for FY 20, to 80 percent for FY 21, 70 percent for FY 22, 60 percent for FY 23, 50 percent for FY 24, and 40 percent for FY 25 and later.</p> |
| 5 | <p>State payment.</p> <p>Requires the state to pay for an increasing share of the tuition that would otherwise be billed back to the resident school district. Sets the state aid share at 10 percent for FY 21, 20 percent for FY 22, 30 percent for FY 23, 40 percent for FY 24, and 50 percent of the unreimbursed tuition amounts for FY 25 and later.</p> |
| 6 | <p>Annual report.</p> <p>Requires the commissioner of education annually to report to the education committees of the legislature on the amounts of unreimbursed tuition paid to serving school districts during the previous school year. Requires the report to recommend changes to reduce the unreimbursed special education costs.</p> |



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