



AGENDA ITEM: Consideration and Approval of Proposed MSBA Legislative Resolution: Repeal of \$250 Million Special Education Funding Cut

SUBMITTED BY: Rush City Public Schools Board of Education

DISTRICT: Rush City Public Schools, ISD #139

ACTION REQUESTED: Approval of Resolution for Submission to the Minnesota School Boards Association (MSBA)

SUMMARY:

Under recent state legislation, a \$250 million reduction target in special education funding was mandated through the creation of a Blue Ribbon Commission tasked with identifying cuts, with any shortfall defaulting to direct reductions in state special education cross-subsidy aid.

Because special education services are federal and state mandates that school districts are legally obligated to provide under the Individuals with Disabilities Education Act (IDEA), reducing state aid does not reduce student needs or statutory obligations. Instead, it forces local school districts like Rush City Public Schools to divert critical general fund revenue to cover the growing special education cross-subsidy gap.

This resolution requests that MSBA adopt as a priority on its statewide legislative platform the complete repeal of the mandated \$250 million special education cut/cross-subsidy reduction, urging the Legislature and Governor to fully preserve state special education funding.

RESOLUTION CALLING FOR THE REPEAL OF THE \$250 MILLION MANDATED SPECIAL EDUCATION FUNDING CUT

WHEREAS, Rush City Public Schools (ISD #139) is committed to providing a high-quality education and comprehensive support services tailored to the individual needs of all students, including children with disabilities; and

WHEREAS, federal laws, including the Individuals with Disabilities Education Act (IDEA), and Minnesota state statutes mandate that public school districts provide free, appropriate public education (FAPE) and necessary special education services to eligible students regardless of cost; and

WHEREAS, the costs of providing state- and federally-mandated special education services consistently exceed dedicated federal and state categorical funding, creating a substantial "special education cross-subsidy" gap that school districts must fund using local general education revenues; and

WHEREAS, reliance on local general fund dollars to cover the special education cross-subsidy reduces the financial resources available for general classroom instruction, elective courses, support staff, facility maintenance, and extracurricular opportunities for all students in Rush City; and

WHEREAS, state legislation established a \$250 million target in special education cuts through the Blue Ribbon Commission on Special Education, stipulating that any unrealized savings will be deducted directly from state special education cross-subsidy aid under Minnesota Statutes; and

WHEREAS, reducing state special education funding or cross-subsidy aid by \$250 million does not reduce the legal mandates or actual costs of educating students with specialized needs, but instead shifts an unsustainable financial burden onto local public school districts and local taxpayers; and

WHEREAS, stable, predictable state funding for special education is essential to maintaining equitable educational opportunities, recruiting and retaining qualified specialized educators, and preserving general fund integrity across Rush City Public Schools and all Minnesota districts;

NOW, THEREFORE, BE IT RESOLVED, that the School Board of Rush City Public Schools, Independent School District No. 139, strongly urges the Minnesota Legislature and the Governor to repeal the mandated \$250 million reduction in special education funding and safeguard special education cross-subsidy aid from future state budget cuts; and

BE IT FURTHER RESOLVED, that the Minnesota Legislature and the Governor should fulfill the state's commitment to public education by fully funding special education mandates and eliminating the special education cross-subsidy gap; and

BE IT FURTHER RESOLVED, that this resolution be formally submitted to the Minnesota School Boards Association (MSBA) for consideration by the MSBA Delegate Assembly and inclusion in the MSBA Legislative Platform.

BOARD ACTION / RECORD OF VOTE

Adopted by the School Board of Rush City Public Schools, Independent School District No. 139, on this ____ day of _____, 2026.

Motion made by: _____

Seconded by: _____

Vote: ____ Ayes ____ Nays ____ Abstain ____ Absent

Board Chair Signature: _____ **Date:** _____

Board Clerk Signature: _____ **Date:** _____