

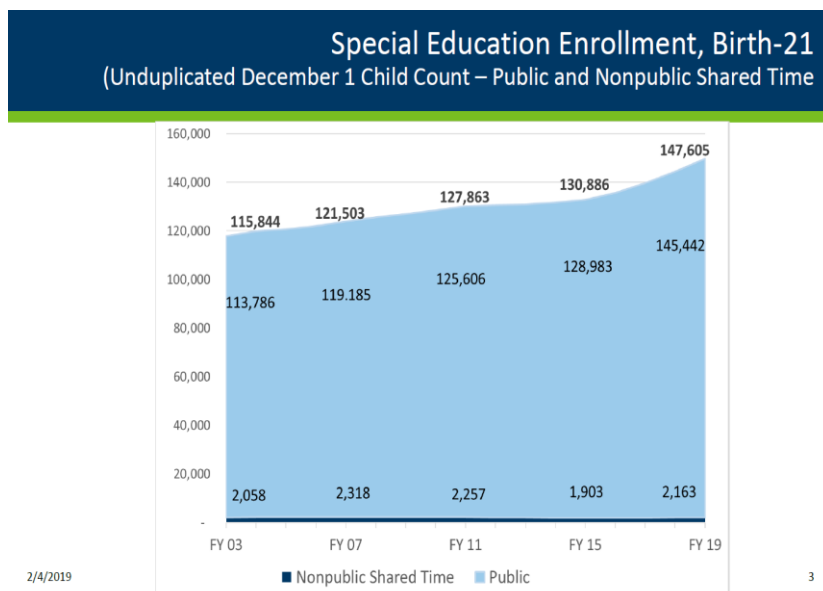
## Business Committee 10.8.19

### 2. H. Education Finance: State Special Education Revenue - Part 1

Before we get into the components of determining State Special Education Revenue, let's look at some concepts, categories, and District and State statistics.

1. Every student generates general education revenue regardless of whether they qualify for special education services.
2. Understanding that the cost to provide Special Education can be very expensive, special education revenue calculations were created to provide supplemental financial support.
3. While there is one "State Special Education Aid" revenue, it's composed of 5 calculations. They include: Initial Aid, Excess Cost, Special Transportation, Tuition Adjustments, and Hold Harmless.
4. Generally speaking, students do not generate revenue in a "per pupil" formula like many other school revenues. Districts submit expenses and those are used to calculate a partial reimbursement for those eligible costs.
5. Where a student lives matters. In most cases, the Resident District is responsible for the costs of providing special education services even if another district is providing it (Tuition Billing). Billing rates are calculated by the state for each district and revenue is exchanged through the state payment processes to make sure costs get allocated to the home districts.
6. From FY16 through FY20 there has been a cap on how much special education revenue a district can receive. In FY20, the state is providing a new aid to cover a small portion of the Special Education Cross Subsidy. This is generated amount costs that districts must absorb in their general fund to fully pay for special education costs. This new cross subsidy aid is really only holding the gap steady rather than reducing the impact on the general fund.

### How many students receive Special Education Services?

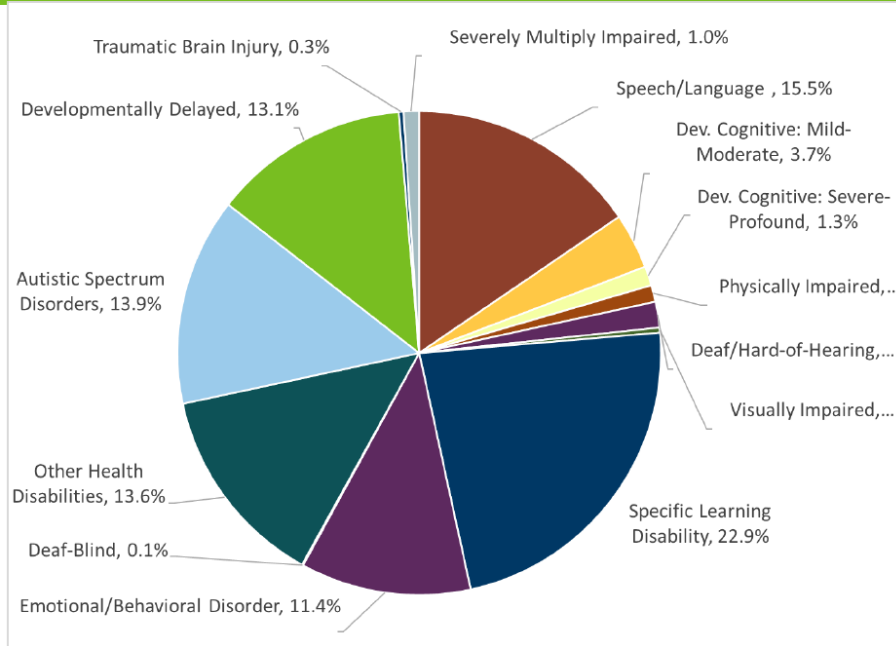


As a comparison, MDE reports show an estimated enrollment of 872,561 public school students for FY19 – of those, 145,442 students are receiving special education services – **approximately 16.7%**

For Duluth Public Schools the students identified (Residents) on the Dec. 1, 2018 count were 9,185 public school students, and 1,633 receiving special education services – **approximately 17.8%**

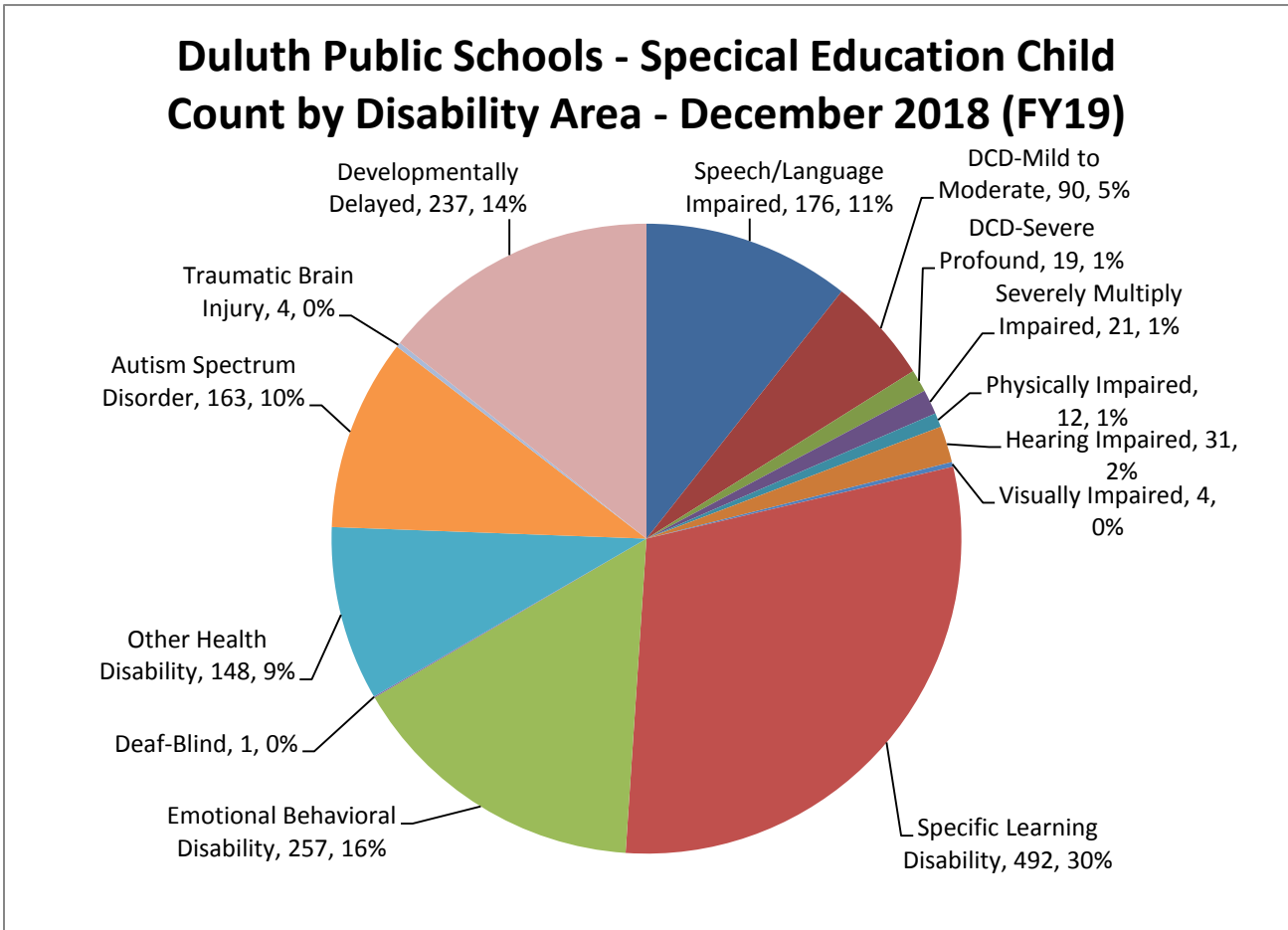
Students receiving special education services are identified by Disability Area. Here is the breakout as a statewide average and for Duluth Public Schools, using the December 1, 2018 Child Count Report

## Special Education Enrollment by Primary Disability, FY 2019 Public School and Nonpublic Shared Time Students, Birth-21

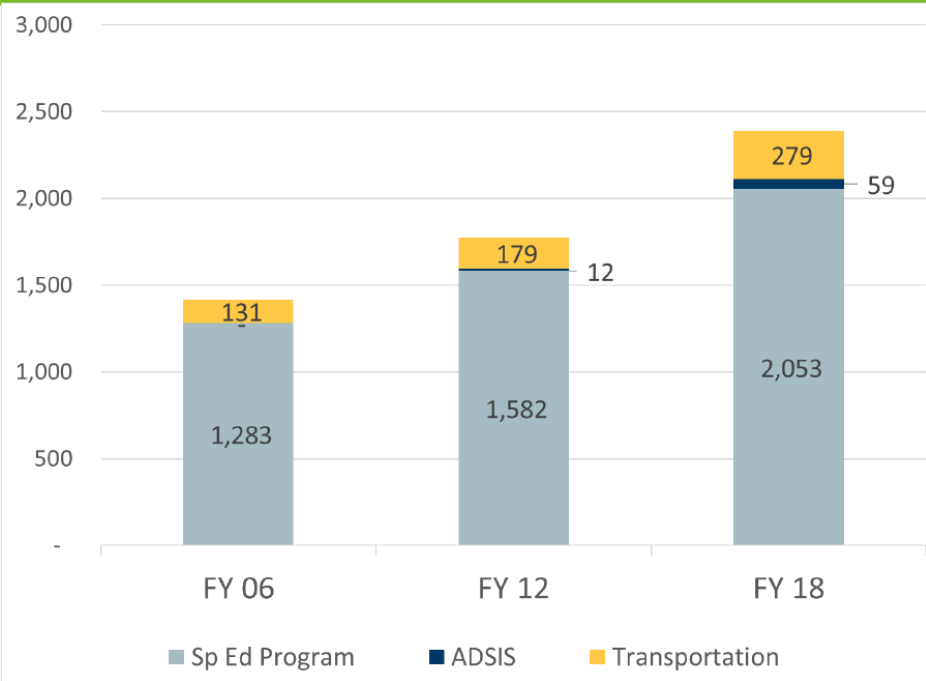


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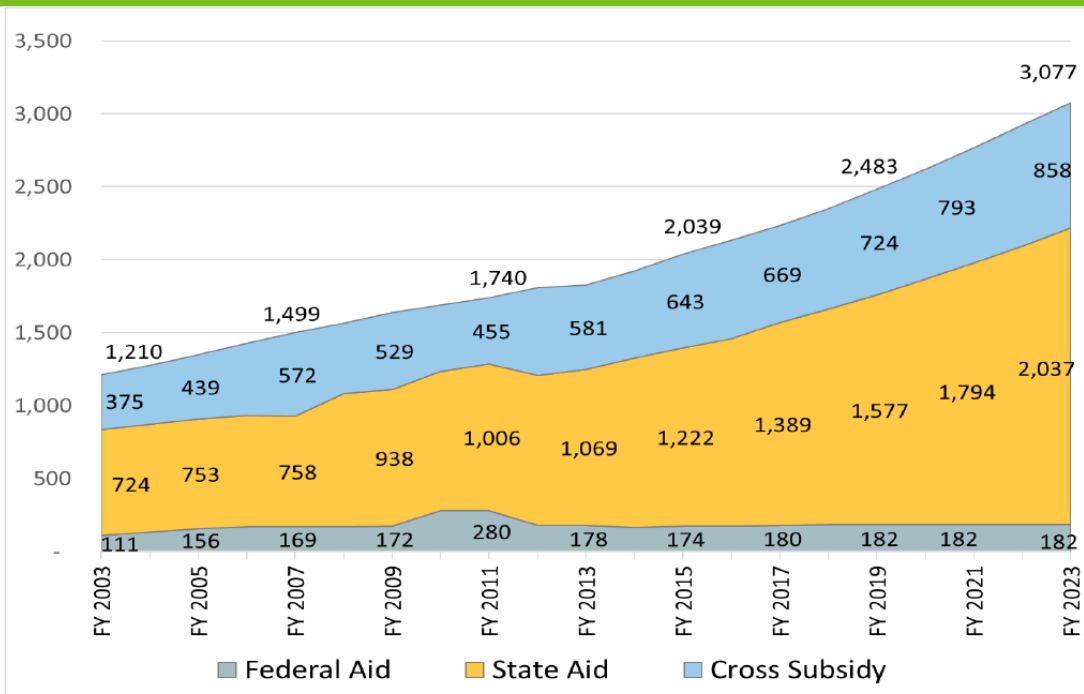
# Expenditures Eligible for State and Federal Special Education Aid Breakdown of Special Education Program, ADSIS and Transportation Costs (\$ in Millions FY 2006-FY 2018)



2/4/2019

16

# Special Education Funding Trends, FY 2003–FY 2023 Federal Aid, State Aid and Cross-Subsidy – Current \$ in Millions November 2018 Forecast



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23