

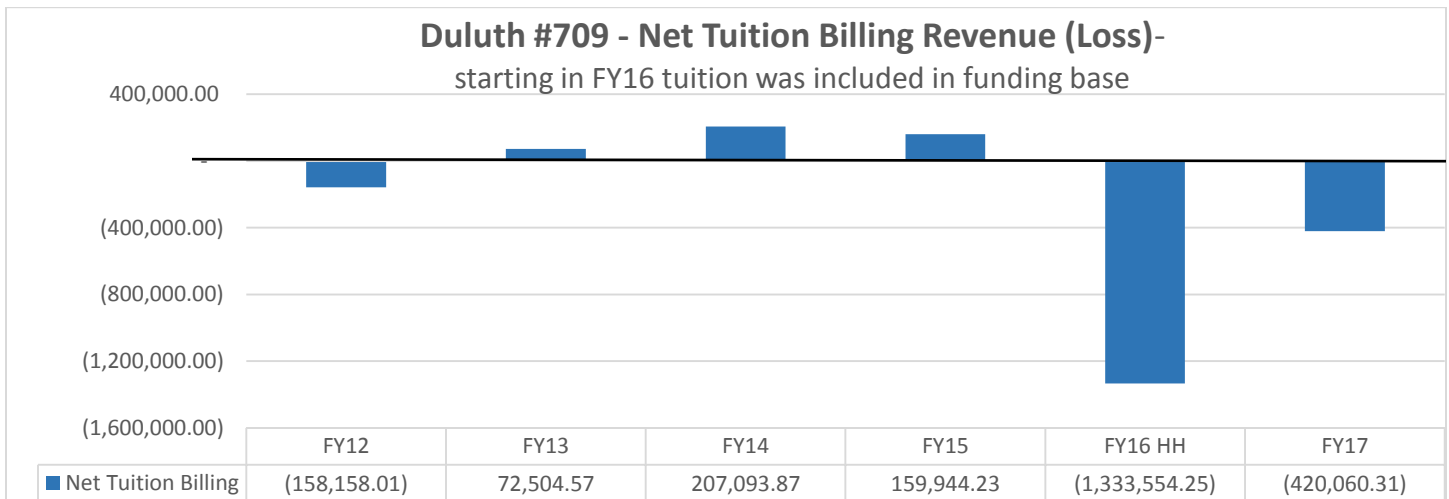
# 2025 Legislative Priorities

## Special Education Funding Correction

# Duluth Public Schools

Duluth Public Schools continues to seek a formula adjustment and a one-time payment to correct an artificially low State Special Education revenue base.

- Charter school tuition billing changes during the base year of the new Special Education funding formula in FY16 resulted in Duluth Public Schools losing access to critical special education funding



- The low base has resulted in lost revenue of over \$4.3 million in 4 fiscal years using FY15 as an alternate base

### Formula used for FY16 Special Education Base Revenue (Hold Harmless) – Duluth Public Schools

- 67A REG SPED AID FOR SFY 2016, LAWS 2012 10,151,568.48
- 68 EXCESS COST SPED AID SFY 2016, LAWS 2012 1,589,191.15
- 69 TUITION ADJUST FOR SFY 2016, LAWS 2012 **1,333,554.25-**
- 70 TOTAL OLD LAW SPED AID FOR SFY 2016 10,407,205.28

### MDE COMPREHENSIVE AID REPORT 9/19/17 – FISCAL YEAR 2016

- IF FISCAL YEAR 2015 DATA HAD BEEN USED FOR BASE:**
- 67A REG SPED AID FOR SFY 2015, LAWS 2012 10,159,514.78
- 68 EXCESS COST SPED AID SFY 2015, LAWS 2012 1,184,000.21
- 69 TUITION ADJUST FOR SFY 2015, LAWS 2012 **159,944.23**
- 70 TOTAL OLD LAW SPED AID FOR SFY 2015 11,503,459.22

### MDE AID ENTITLEMENT SUMMARY 6/23/16 – FISCAL YEAR 2015

\*FY15 Special Education Revenue included Cross Subsidy Aid not included above

Correction Calculation:

- Adjusted Base: \$1,096,253.94** Applied to 4 fiscal years (FY16—FY19): **\$4,385,015.76**

## District impact of FY16 special education funding formula changes:

- Spent limited district fund balance reserves resulting in a negative unreserved fund balance at the end of FY17
- Special Education reductions including staff and critical programming

## Proposed Legislation includes:

- A one-time payment of \$1 million to reimburse for a state formula error in FY16-FY19 which resulted in a \$5.8 million funding gap, ensuring fair funding for students with diverse learning needs.
- The bill number is SF 1594 and is authored by Sen. McEwen and co-authored by Sen. Hauschild

## In addition, Duluth Public Schools proposed changes in charter school billing calculations to create a more equitable billing rate

- Proposed billing rates were limited to resident districts with more than 80% of enrolled students in a charter school
- Billing rates would be adjusted to the average of the calculated district-wide rate of the resident district and charter school

	Duluth	Edison Charter		
FY17	\$18,222,246.34	\$5,982,085.85	Total Expenses	<b>DULUTH SPED CHILD COUNT:</b> FY17: 1557 FY18: 1636 <b>5.07%</b>
	\$11,703.43	\$23,928.34	Average Per Student	
FY18	\$19,362,133.20	\$7,304,594.92	Total Expenses	<b>EDISON SPED CHILD COUNT:</b> FY17: 250 FY18: 272 <b>8.80%</b>
	6.26%	22.11%	% Change Expenses	
	\$11,835.04	\$26,855.13	Average Cost Per Student	
	1.12%	12.23%	% Change Avg Cost per Student	

The cross subsidy gap for Duluth Public Schools in FY17 was over \$1,069 per student, and while our district will show a decrease in FY18, this is the direct result of forced reductions due to the formula funding gap rather than increased funding from the State.

Duluth Public Schools is committed to working with Legislators and the Department of Education to create equitable Special Education funding for all districts in the State.

**Duluth**  
Public Schools

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