

Special Education

Update to 2013 Evaluation Report

Problems Identified

- **Excessive Reliance on General Education Funding.** School districts have diverted a substantial portion of their general education revenues and their local operating levies to pay for special education services. In fiscal year 2011, this so-called “cross subsidy” for special education (excluding federal funding) was \$571.5 million. Cross subsidies reduce the general education revenues available for purposes other than special education.
- **Confusing Compliance Process.** The Department of Education has comprehensive monitoring practices to ensure local compliance with special education requirements. But its process has been confusing to some teachers and directors who noted inconsistencies.
- **State Requirements Exceeded Federal Requirements.** About 42 percent of Minnesota statutes specific to special education, and nearly 75 percent of such administrative rules, exceeded federal requirements. The state did not have analyses of the costs and educational benefits of its requirements. Teachers faced large administrative burdens because of requirements. Language in some state rules conflicted with that in state statutes.

Changes Implemented

- **Reformed Funding Formula.** The 2013 Legislature changed the formula to base special education aid on enrollment and demographic factors related to special education costs. It also increased amounts of aid for special education to reduce future cross subsidies.
- **Examined Administrative Rules.** The department led a task force to review caseloads for special education teachers and special education rules that did not align with statutes.
- **Worked to Streamline Paperwork.** The department took steps toward implementing an online system designed to offer electronic forms required in special education. The system is intended to increase efficiency for teachers completing the required forms.

Action Needed

- **Identify Cost Controls.** The department should work with school districts to identify feasible cost controls in special education.
- **Monitor Efforts Toward Improvement.** The department’s online forms should be monitored to determine whether they (1) achieve efficiencies and (2) should be expanded. The department should also work with local education agency staff to make its monitoring process more understandable to teachers.
- **Update Administrative Rules.** Legislation pending in 2014 would authorize the department to change rules that have been identified as inconsistent with statutes.