



SPECIAL EDUCATION AID RECOMMENDATIONS

03/07/2019

Aid Category	Recommendation	Impact
<p>1. Cross subsidy reduction aid</p>	<ul style="list-style-type: none"> • FY 20 - 2.16 percent • FY 21 - 5.42 percent • FY 22 & Later - 5.5 percent 	<ul style="list-style-type: none"> • Increases aid for all districts by a percent of the prior year cross subsidy. • \$18.2 M aid increase FY 20, \$47.7 M aid increase FY 21 • Charters excluded (they have very little cross subsidy)*
<p>2. Growth cap</p>	<ul style="list-style-type: none"> • FY 20 & FY 21 - greater of the current calculation or the sum of 54.3 percent of current year special education program costs plus 95 percent of current year special transportation costs, plus the current year tuition adjustment. • FY 22 & later - Percent of program costs increased to 56.3 percent 	<ul style="list-style-type: none"> • Increases aid for districts where the current cap limits total aid before tuition adjustments to less than 54.3% of current program costs plus 95% of current transportation costs • Helps districts where FY 16 (the base for the cap) was a low year or where costs have increased rapidly since FY 16 • \$2.8 M aid increase FY 20, \$1.9 M aid increase FY 21
<p>3. Hold Harmless</p>	<ul style="list-style-type: none"> • Minimum aid guarantee limited to the sum of 80 percent in FY 2020, 75 percent in FY 2021 and 70 percent in FY 2022 and later of special education program costs plus 100 percent of special transportation costs, plus the tuition adjustment. • Annual inflation adjustment reduced by 0.2 percent per year, from the current 4.6 percent until the inflation adjustment reaches 2.0 percent. 	<ul style="list-style-type: none"> • Limits hold harmless aid to districts where the current hold harmless results in the district receiving more than the sum of 80% in FY 20 or 75% in FY 21 of current year program costs plus 100% of current transportation costs. • Reduces windfall for districts where FY 16 (the base for the hold harmless) was a high year or where costs have fallen or risen very slowly since FY 16 • \$3.4 M aid reduction FY 20, \$5.9 M aid reduction FY 21
<p>4. Tuition Billing</p>	<ul style="list-style-type: none"> • Rate paid by the resident district for open enrolled students reduced from 90 percent to 85 percent of the unfunded costs for FY 2020 and to 80 percent for FY 2021 and later. Charter schools would receive additional special education aid from the state to offset the impact of the tuition billing change. 	<ul style="list-style-type: none"> • Benefits districts with high tuition costs for special education students enrolling to charters or other districts. • Districts with a lot more open enrollment of special education students into the district than out lose 5% - 10% of tuition • Charters are held harmless for the tuition loss • \$4.1 M aid increase FY 20; \$9.1 M aid increase FY 21