Blue Ribbon Commission

October 2025 - 2026

**slides are a summary based on presentations from MDE and Wilder*

Blue Ribbon Commission

In accordance with 2025 state legislation (Laws of Minnesota 2025, 1st Spec. Sess. chapter 10, article 7, subdivision 7), MDE is convening a Blue Ribbon Commission on Special Education to advise and assist the legislature and governor in transforming special education services. The purpose of the commission is to develop and present to the legislature and the governor an action plan for transforming special education services while maintaining a free appropriate public education for students with disabilities by October 1, 2026.

Membership

- Commissioner’s Designee – Daron Korte, Assistant Commissioner of the Office of Student Support Services.
- Legislative Appointments
  - House Floor Leader Appointment – Rep. Kim Hicks
  - House Speaker Appointment – Dan Armagost
  - Senate Majority Appointment – Sen. Bonnie Westlin
  - Senate Minority Appointment – Sen. Julia Coleman
- Governor’s Appointments
  - John Carlson – Rochester Public Schools
  - Krista Dillman – ISD 742, St Cloud
  - Marcy Doud – Intermediate 287
  - Laura Jean – PACER Center
  - Justin Killian – Education Minnesota
  - Melanie Kray – Southwest West Central Service Cooperative
  - Erin Lavery – Indigo Education
  - Cory McIntyre – Anoka-Hennepin School District
  - Delia Samuel – Multicultural Autism Action Network
  - Ramona Springis-Doss – ISD 196, Rosemount-Eagan-Apple Valley (retired)
  - Stacie Stanley – Saint Paul Public Schools
  - Scott Brown - EdFinMN

The Commission’s Charge

- Cut $250 million in the state special education budget or the cross-subsidy will be reduced by that amount
- Need to follow Individuals with Disabilities Education Act (IDEA) and provide a Free Appropriate Public Education (FAPE)

Commission Goals

Goal 1

Increase administrative **efficiencies** and improve program **collaboration** to promote **shared services**, including a multi-tiered system of supports (MTSS) to **reduce over-reliance on special education**

Provide supports and early intervention programs to **reduce the need for more intensive special education services**

Use assistive technology and expand access to teletherapy and remote evaluations to **address provider shortages**

Goal 2

Reduce special education expenditures, including identifying strategies for addressing the significant cost drivers of state spending on special education, such as special education transportation, tuition billing, specialized placements, legal and administrative costs, and personnel costs

Goal 3

Reduce paperwork, using **data** to drive individualized education programs, **increasing access** to qualified personnel, and **eliminating gaps in early identification and early intervention**

Goal 4

Reform special education funding formulas to **incentivize efficient, inclusive practices, increase flexibility** in how special education funds are used, align third-party billing practices to maximize reimbursements, and **streamline reporting** burdens that add value

Goal 5

Slow cost growth in special education services while maintaining a free appropriate public education

Subcommittees

Focus 1: Special Education Implementation (3 groups)

Goal 1

Increase administrative **efficiencies** and improve program **collaboration** to promote **shared services**, including a multitiered system of supports (MTSS) to **reduce overreliance on special education**

Provide supports and early intervention programs to **reduce the need for more intensive special education services**

Use assistive technology and expand access to teletherapy and remote evaluations to **address provider shortages**

Goal 3

Reduce paperwork, using **data** to drive individualized education programs, **increasing access** to qualified personnel, and **eliminating gaps in early identification and early intervention**

Focus 2: Special Education Financing (3 groups)

Goal 2

Reduce special education expenditures, including identifying strategies for addressing the significant cost drivers of state spending on special education, such as special education transportation, tuition billing, specialized placements, legal and administrative costs, and personnel costs

Goal 5

Slow cost growth in special education services while maintaining a free appropriate public education

Focus 1 — Implementation Goals 1 & 3

A
- Bonnie Westlin
- Krista M. Dillman
- Delia Samuel
- Melanie Kray

B
- Stacie Stanley
- Mona Springis-Doss
- Daron Korte
- Erin Lavery

Focus 2 — Finance Goals 2 & 5

D
- Scott Brown
- Marcy Doud
- John Carlson

E
- Kim Hicks
- Justin Killian
- Dan Armagost

F
- Cory McIntyre
- Kimberly Baker
- Laura Jean

Recommendation Considerations

To ensure the obligation of IDEA, FAPE, and Maintenance of Effort (MOE), the committee prioritized budget items in the formula that fund general education programs verses special education programs.

Special Ed. Financial Sub Group Recommended Areas

Transportation
- FIN 728 - Transportation for Homeless, Care and Treatment, and Section 504
- FIN 723 - Special Education

Alternative Delivery of Specialized Instructional Services (ADSIS) - *MN Statute 125A.50*
- Direct instructional services to K-12 pupils who need additional academic or behavioral support to and may eventually qualify for special education or related services if the intervention services were not available.

Hold Harmless
- Enacted in 2016 to hold districts harmless when the special education state funding formula changed

Tuition Billing
- Charter Schools - currently the state covers 10% of charter school’s unreimbursed tuition costs
- General education billing in cross subsidy

Estimated Cost Reductions: Transportation

Recommendation	SFY28	SFY29
Remove non-special education transportation costs (FIN 728) from the special education funding formula - No new appropriate created	105,246,083	114,192,000
Establish FIN 728 as a separate funding stream with $60M annually, reimbursed at 60%, with clearer statewide eligibility guidance and/or increased MDE audit oversight	45,246,083	54,192,000
Reduce FIN 728 aid rate match the cross-subsidy reimbursement percentage (50%)	10,411,489	6,170,617
FIN 723 from 90% to 85% to encourage cost control	22,350,699	13,269,336

Estimated Cost Reductions: ADSIS

Recommendation	SFY28	SFY29
Remove ADSIS from the special education funding formula - no new appropriation created	101,917,498	108,608,898
Shift ADSIS funding to an ADM/ per pupil allocation model for ALL school districts and charter schools - Using 10% of enrollment, $500 per pupil, with a minimum of $20,000 and a maximum of $500,000	61,917,498	68,608,898
Remove ADSIS from the special education funding formula and create a separate capped appropriation with total funding of $70 million annually. A separate formula will need to be created.	31,917,498	38,608,898

Estimated Cost Reductions: Hold Harmless

Recommendation	SFY28	SFY29
Eliminate the Hold Harmless provision in the special education funding formula	6,147,739	4,108,539
Sunset Hold Harmless provision after four consecutive years of decreased investment	5,247,275	554,180

Estimated Cost Reductions: Tuition Billing

Recommendation	SFY28	SFY29
Eliminate charter tuition aid from the special education formula. Currently the state covers 10% of charter schools unreimbursed tuition costs	7,337,533	7,723,492
Eliminate general education billing through cross-subsidy ● General education funds ● Appeal rate	43,400,000	45,300,000

Special Education Implementation Efficiencies and Long Term Recommendations

- Reductions and Simplifications of Special Education Paperwork
- Increase and Expand Teacher Preparation, Licensure, and Workforce Development
- Increase Local Education Agencies (LEA) and Interagency collaboration
- Process Improvements for Early Identification, Related Services, Program models
- Require all LEAs, Charter Schools, Cooperatives to Third Party Bill
- Review/Study Legal and Administrative Costs
- Review FAPE for non-public Schools
- Address Charter School Tuition Billing Rates
- Invest in Interventions/ Multi-Tiered System of Supports
- Reevaluate Entrance Criteria for Special Education
- Address Health Care Affordability and Access

The Commission’s Final Recommendations

Based on a majority voting process on August 6.

Approved Recommendations

Recommendation	Reduction
Establish FIN 728 as a separate funding stream with $60M annually, reimbursed at 60%, with clearer statewide eligibility guidance and increased MDE audit oversight	$99,438,083
Shift ADSIS funding to an ADM/ per pupil allocation model for **ALL** school districts and charter schools - Using 10% of enrollment, $500 per pupil, with a minimum of $20,000 and a maximum of $500,000	$130,526,396
Eliminate charter tuition aid from the special education formula. Currently the state covers 10% of charter schools unreimbursed tuition costs	$15,061,025
Eliminate the Hold Harmless provision in the special education funding formula	$10,256,278
Total	**$255,281,699**

Approved Recommendations

- ➢ Legislation should support PELSB's efforts, including the legislative committee's recommendation to improve special education teacher recruitment and reduce barriers to licensure.
- ➢ Legislation should review and evaluate paperwork reduction recommendations from the Legislative Auditor, MASE, and Ed MN.

Approved Recommendations

- ➢ Increase use of Full Service Community School and Education Partnership grants.
- ➢ Increase efforts in Early Childhood identification, screening, and services.
- ➢ MDE/DHS work with districts and charter schools to identify and minimize barriers to third party billing.
- ➢ Continue investment, outside of special education funding, for MTSS and intervention.

Approved Recommendations

- ➢ Expand Grow Your Own grants to include all direct service providers, such as, related service providers.
- ➢ MDE develop a committee to review dispute resolution data and develop proactive ways to reduce legal and administrative costs.

Commission’s Opinion

The commission unanimously agreed to add language on the impact and harm that will occur regarding these decisions,

That the commission was forced to make reductions that impact some of our most marginalized students and,

We would ask that this legislation be repealed.

Timeline

August 21

Wilder will draft report with final recommendations

September 11

Commission members will review report draft and send feedback to Wilder

September 25

Wilder will review report to reflect the feedback from Commission members

October 1

MDE leadership will review report and share with legislature, as required

Questions