

HOW INTERMEDIATE DISTRICTS ARE FUNDED

Intermediate districts operate on a fee-for-service basis. Revenue to fund student services is generated by tuition billing. Below are all that is available to intermediates by state law or federal grants.



Revenues billed to school districts

Access fees

State law allows the intermediates to charge non-members a fee to participate in its programs. The access fee covers the non member districts' proportional share of overhead costs, including those funded by member district levies, for services provided to their resident special education students.

M.S. 125A.11, Subd. 1 (c)

Membership fee

An intermediate district may charge a membership fee to support the overhead of the district.

M.S. 125A.11, Subd. 1 (c)

Long-term facilities maintenance revenue

This is a combination of state aid and levies generated through member districts to support facilities maintenance and repair.

M.S. 123B.595

Safe schools levy

Member districts levy up to \$15 per pupil unit for safe school activities in intermediate districts. This funding allows school districts to levy for costs associated with student and staff safety.

M.S. 126C.44

Building lease levy

Member districts may levy up to \$65 per pupil unit for leasing space and building new special education facilities.

M.S. 126C.40, subds. 1, 2, and 6

Career and technical education

Intermediates receive funding through tuition payments from member districts. Members use general education aid and levy dollars they receive for the students as funding sources for this need.

M.S. 124D.4531, Subd. 2

Special education funding

Intermediates receive payment for services through special education aid and the state tuition billing system. The state determines the tuition rates based on the costs and services provided by the intermediate district. Intermediates also receive payments for covered evaluations and special education services for students eligible for medical assistance through third party billing.

M.S. 125A.11; 125A.75-125A.79; 126C.10; M.S. 125A.74

Educational programming in care & treatment

A member district that is required to provide the educational services to all students in a care & treatment program located in their district may contract with their intermediate to provide those services. The intermediate sends tuition bills to the students' resident districts for the cost of providing the educational services.

M.S. 125A.51

Key  = Minnesota Department of Education
 = Minnesota Department of Human Services

Revenue from other sources

Compensatory education revenue

School districts receive compensatory revenue to meet the needs of students whose progress toward meeting state or local standards is below grade level. This revenue also goes to the intermediates for the special education and ALC students they serve.

M.S. 126C.10, Subd. 3 & 126C.15, Subd. 2

Online learning aid

Intermediates are able to access online learning aid, like its member districts, for students enrolled in online learning programs offered by the intermediates.

M.S. 124D.096

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Borrowing authority

Certificates of participation (COPs) for debt

Intermediates may use COPs to sell debt for a building project. This financing tool uses building lease levies from our member districts to fund large facility projects. Member school boards must approve this funding each year.

M.S. 126C.51 & 126C.52, Subd. 3

Certificates of participation (COPs) for cash flow

Intermediates may sell COPs for necessary cash flow purposes. This is similar to the authority allowed to other school districts.

M.S. 126C.51 & 126C.52, Subd. 3

Bonding authority

Intermediates may issue bonds for long-term facilities maintenance projects. They may also issue bonds for debt if voter approval is provided through concurrent elections in all the member districts of that intermediate school district.

M.S. 136D.741

Federal grants

Perkins

This funding helps school districts develop the academic, career, and technical skills of secondary and postsecondary students who elect to enroll in career and technical education programs.

Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV)

Title II

This funding helps school districts improve teacher and leader quality and increase student success.

ESSA Title II, Part A

State grants

Intermediate school innovation grants

This funding is provided to intermediate school districts and qualified contractors for initiatives to improve outcomes for students in federal setting IV special education programs. The intermediates have developed innovative models to help address students' mental health needs in these programs. The goal is to help students to return to their home school district and to the least restrictive education environment, reverse the disproportionate impact on students of color moved into these programs, and to provide support and training for school staff and parents.

Expires: June 30, 2020

2017 Session Law, Chapter 5, Article 2, Sec. 56

Staff development grants

This grant is available to the intermediate school districts to provide professional development for school staff to help address the mental health needs for students in federal setting IV special education programs.

Expires: June 30, 2019

2016 Session Law, Chapter 189, Article 24, Sec. 22

Grow your own

This funding supports programs that will increase the racial diversity of the teacher workforce in the state of Minnesota. Currently only one intermediate participates due to lack of funding.

Current grant cycle expires: June 30, 2019

1st Special Session, 2017, Chapter 5, Article 2, Sec. 57, Subd. 23

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