



Special Education

Electronic Individualized Education Program (IEP) System

Fiscal Year 2017

Report to the Legislature

As required by Minnesota Statutes,

Section 125A.085

COMMISSIONER:

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Cost of Report Preparation

The total cost for the Minnesota Department of Education (MDE) to prepare this report was approximately \$250. Most of these costs involved staff time in analyzing data from surveys and preparing the written report. Incidental costs include paper, copying and other office supplies.

Estimated costs are provided in accordance with Minnesota Statutes 2011, section 3.197, which requires that at the beginning of a report to the Legislature, the cost of preparing the report must be provided.

The purpose of this report is to comply with the requirements under Minnesota Statutes, section 125A.085. This law requires the Minnesota Department of Education (MDE) commissioner, by February 1, to annually submit to the Legislature a report on the status, recent changes, and sustainability of the online system for Individualized Education Programs (IEPs) for students with disabilities needing special education services.

Legislative History and Background

In 2013, the Minnesota Legislature appropriated \$1.763M for Fiscal Year 2014 to create a statewide system for special education paperwork.¹ In 2014, the Legislature greatly expanded the requirements of the system but did not appropriate additional resources to maintain ongoing operation of the system. The 2014 legislation codified the system in statute and made the system mandatory for all public schools starting in the 2018-19 school year.² The 2015 Legislature further amended the statute to remove the mandatory requirement and make the system purely voluntary for public school use.³

Based on MDE concerns that resources beyond the first year were not appropriated to sustain ongoing operation of the statewide system and because of the 2015 statutory amendments, implementation of Minnesota Statutes, section 125A.085 has been carried out in two phases:

1. A 2014-15 Request for Proposal (2015 RFP) for a system that would be used by all public schools in the state by 2018-19 school year, as required by the 2014 legislation;
2. A 2015-16 RFP which reflects the voluntary nature of the system, as required by the 2015 legislation.

The following is a summary of the action taken by MDE to fulfill the requirements in the law:

In 2014, the commissioner established a work group which included the representatives from the stakeholders the law required to be consulted.⁴ The work group met a total of four times. Information from the following tasks was instrumental in developing the RFP:

- Review of IEP forms used by North Dakota, Wisconsin, Minnesota, and the U.S. Office of Special Education.
- Demonstration from Colorado and Maryland Departments of Education on their statewide electronic IEP system.
- Conference calls with the Oklahoma and North Carolina Departments of Education, which were making major changes to their existing statewide electronic systems.
- Feedback from the work group on the forms and various systems that were reviewed and presented.

¹ 2013 Minn. Laws, Ch. 116, Art. 5, Sec 31, Subd. 8.

² 2014 Minn. Laws, Ch. 312, Art. 17, Sec. 11. Minn. Stat. § 125A.085 (2014).

³ 2015, 1st Spec. Sess. Minn. Laws, Ch. 3, Art. 5, Sec. 14. Minn. Stat. § 125A.085 (2015).

⁴ Minn. Stat. § 125A.085, para. (b) (2015).

- Identification by the work group of the top 10 features that needed to be included in a statewide system for Minnesota if the system was to meet the intent of the law.
- A vision for a comprehensive system for Minnesota that would simplify the process for teachers; be user friendly; would be easily accessible, effective, and efficiently transmit the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities among others; and would avoid fragmented services delivery.

2015 Request for Proposal Process

Based on the recommendations of the work group, MDE and Minnesota Information Technology Services (MN.IT) staff developed an RFP that complied with the 2014 legislative language which required all districts to participate in the system by the 2018-19 school year. After publishing the RFP and receiving and reviewing proposals, a respondent was selected (2015 Top Vendor).

Sustainability of the Online System

MDE was informed by the 2015 Top Vendor that the ongoing cost of maintaining the statewide system as a free resource for all districts would be approximately \$1.5M per year. The initial funding from 2013 covered start-up and launch of the system and possibly some of the funding needed for FY16 (i.e. license fees). But MDE was informed it would not cover ongoing costs to maintain operation of the system beyond initial startup and launch. At that juncture, MDE felt that it would not be fiscally responsible to enter into a contractual agreement with the 2015 Top Vendor until a source of ongoing funding for system was identified. Consequently MDE and MN.IT paused the contract negotiation process. MDE recommended amending §125A.085 to delay implementation in order to give the Legislature and MDE time to explore sources of ongoing funding to sustain the system. The initial 2013 appropriation was transferred to MN.IT's Odyssey Fund for future use on the project.

2016 Request for Proposal Process

During the 2015 Legislative session, Minn. Stat. §125A.085 was amended to eliminate the mandatory participation of all districts. Because the system was no longer mandatory and would likely not be used by all public schools in the state, MDE was informed by MN.IT and the Department of Administration that the terms of the 2015 RFP had been substantially changed and a new RFP would need to be issued. In December 2015, MDE issued a new RFP which was posted in the State Register from December 24, 2015 until January 21, 2016. During the second RFP process, the 2015 Top Vendor did not apply. The selected 2016 Vendor was the only vendor whose proposal fully addressed the scope of work needed. The 2016 Vendor provided a demonstration to the MDE and MN.IT RFP reviewers of its current online system designed for Minnesota. The 2016 Vendor's proposed online system met the vision of the 2014 work group. It simplified the process to complete documents and included an easy to use third-party billing system. Because the 2016 Vendor has already put significant work into producing Minnesota online due process documents, the cost to implement the 2016 Vendor system was less than MDE anticipated and less than what was needed for the 2015 Vendor system. MDE worked with the 2016 Vendor in order to reach agreement on a contract. Prior to issuance of the contract the 2016 Legislature canceled the FY14 funds allocated for the online due process system held in

the MN.IT Odyssey Fund. As a result of the fund cancellation, MDE had no funding source for the online system and, as a result, was unable to execute the contract with the 2016 Vendor. The 2016 Vendor and MDE are able to move forward with the project if funding is restored.

2017 Legislative Session

In the event that sufficient funding is appropriated during the 2017 Legislative session, including funding for ongoing maintenance costs, MDE will consult with MN.IT and the Department of Administration if an additional RFP would be required. If a new RFP would not be required, MDE will move forward to execute the contract and collaborate with the 2016 Vendor to design and implement the state's voluntary online due process system. If funding is restored, the goal would be to have pilot districts use the online system during the 2017-18 school year and then roll out the system statewide during the 2018-19 school year for school districts that wish to participate. The funding would be used for training, implementation, and maintenance costs. The maintenance costs include vendor hosting, upgrades, and releases. Annual maintenance and training costs will be approximately \$750,000, half the amount the 2015 Vendor proposed for ongoing annual maintenance costs.

In the event that funding is not appropriated for the voluntary state online due process system, MDE will continue to be unable to create the system described in Minnesota Statutes, section 125A.085.