

# Fact Sheet: Third-Party Reports for New or Reorganized Administrative Units (AUs)

## Purpose

This fact sheet outlines the requirements and timeline for third-party reports as mandated by Section 3.01(3)-(4) of the Exceptional Children’s Educational Act (ECEA) Rules. These reports provide an independent analysis of the financial, programming, and personnel impacts of forming or reorganizing an Administrative Unit (AU).

**Pre-Filing Conferral Process**

### Pre-Filing Conferral Process

* Before applying, the prospective applicant must meet and confer with impacted entities (e.g., the existing AU and its members) to discuss the applicant district’s intent to apply.
* During this process, the applicant district will confirm whether any impacted entities request a third-party review of the application.
* If an impacted party requests a third-party report during the pre-filing conferral process, the parties should select an agreed-upon independent, third party to complete the report.
* If an impacted party requests a third-party report during the pre-filing conferral process, the report must be sent with the application of a new or reorganized AU.
* Conferral conversations should begin early enough to ensure completion of the third-party report by the required deadline.

## Application & Review Timeline

* Standard Application Deadline: Applications for a new or reorganized AU must be sent by June 1 (or the next business day if June 1 falls on a weekend).
* *2025 Application Year Exception*: Applicants must notify impacted parties of their intent to file by June 1, but the application and third-party report will not be due until August 1, 2025.
* Review Process: The Department will begin reviewing applications on September 1 to allow for additional conferrals and/or mediation over the summer.
* Revisions: If mediation or conferrals result in the need for modifications, the applicant may send a revised application and/or third-party report by September 1.
* Additional Information Submission: Applicants have until September 29 (or the next business day, if September 29 falls on a weekend) to provide any additional requested information or to resubmit applications jointly.
* Incomplete Applications: If an applicant does not send a complete application with all required documentation and information by the deadline, the application will be deemed incomplete and denied.
* Decision Timeline: This process ensures that all parties have adequate time to review budgetary and operational impacts, with the goal of issuing a decision early enough to support budget planning and staffing needs for the upcoming school year.

## Key Requirements for Third-Party Reports

### Analysis Components

The third-party report must address:

1. Financial Impact
	* Projected revenues and expenditures for the newly formed/reorganized AU(s) and any existing AUs.
2. Programmatic Impact
	* Effects on special education services for the newly formed/reorganized AU and existing administrative units.
3. Personnel Considerations
	* Potential impact on recruiting and retaining qualified special education teachers and service providers.
4. Service Disruptions & Mitigation
	* Identification of potential negative impacts on services for eligible special education students and proposed strategies to mitigate them.
5. Student Outcomes
	* Evaluation of whether the newly formed/reorganized AU will enhance academic and functional outcomes through efficient and effective service delivery.

### Submission Requirements

* If requested during the pre-filing conferral process, the third-party report must be sent with the application for a new/reorganized AU.
* The applicant is responsible for covering the cost of the third-party report.

### Third-Party Expertise

The independent third-party analyst must have expertise in:

* Accounting
* Special education budget development and projection
* Special education fiscal requirements
* Delivery of special education services

### Technical Assistance

* The Department offers technical assistance upon request to support the completion of third-party reports.