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Lifespan of Minnesota, Inc. v. Minneapolis Public Schools Independent School Dist. No. 1

Court of Appeals of Minnesota - January 13, 2014 - N.W.2d - 2014 WL 103450

Lifespan of Minnesota, Inc., sued public schools for breach of contract based on the school districts' alleged failure to pay for educational services that Lifespan provided to student-attendees of its day treatment program.

The district court dismissed Lifespan's claims with prejudice, holding that the court lacked subject-matter jurisdiction over the breach-of-contract claims and that the statutory claims lacked merit.

The court of appeals held that Lifespan's claims based on the districts' breach of their obligation to pay for education services provided before the contracts' specified termination dates would not require the district court to scrutinize the school districts' reasoning or second-guess their policy decisions. The district court therefore had subject-matter jurisdiction over those ordinary contract nonpayment claims and the court remanded the case so that those claims could be litigated.

To the extent that the contract claims also alleged that the school districts were bound to continue the relationship and to pay for services beyond the periods specified by contract, however, the district court correctly decided that it lacked subject-matter jurisdiction. The district court did not err by dismissing Lifespan's statutory claims.