

EXECUTIVE SUMMARY

Special education funding is very relevant and significant to a district's funding and its operations; therefore, it is crucial that a CBO of any district has a working knowledge of the AB 602 special education funding model. The AB 602 special education funding model became effective for the 1999 fiscal year. The new funding model was developed from a SELPA's 1997-1998 funding per ADA that was derived from the SELPA's J-50 funding model (Goldfinger, *Revenues* 99). This paper will concentrate on the fiscal aspects of calculating 2006-07 apportionment revenue for the Special Education Local Plan Area (SELPA) for Sacramento County. The primary purpose of a SELPA is to administer a special education local plan in order to ensure that all students with identified disabilities according to the Individuals with Disabilities Education Act receive a public education. The ten components that make up the apportionment revenue for the special education local plan area's (SELPA) are as follows:

- Section A: ADA and Rates (Component #1)
- Section B: Base (Component #2)
- Section C: COLA (Component #3)
- Section D: Growth (Component #4)
- Section E: Special Disabilities Adjustment (Component #5)
- Section F: Program Specialist/Regionalized Services (Component #6)
- Section G: Low Incidence Materials and Equipment (Component #7)
- Section H: Out of Home Care (Component #8)
- Section I: NPS Extraordinary Cost Pool (Component #9)
- Section J: Necessary Small SELPA Declining ADA Adjustment (Component #10)

As illustrated below, the Sacramento County SELPA does not encompass all ten components; therefore, other SELPAs were analyzed in order to gain a further understanding of the AB 602 special education funding model. Please note that additional areas of special education are not addressed in detail. For example, special education students of a Local Education Agency (LEA) generate revenue limit income. Their revenue limit income is based on their average daily attendance, calculated with the rest of the LEA's overall revenue limit, and transferred into the LEA's special education program. In addition, LEA's receive additional amounts of income relating to the transportation of special education students (Mangerich). However, the amount received is relatively fairly minor which usually requires a contribution from the unrestricted portion of the general fund.

Whether the SELPA is a sole district SELPA or a county SELPA with various member districts; the CBO, as a strong leader, must have a strong grasp of the funding model in order to ensure that all of the special education revenues are captured by the SELPA. The CBO of a local educational agency (LEA) must have a firm understanding of how the variables work within each component in order to anticipate any fiscal effects as a result of significant events occurring in the SELPA.

INTRODUCTION

Special education funding is very relevant and significant to a district's funding and its operations; therefore, it is crucial that a CBO of any district has a working knowledge of the AB 602 special education funding model. Due to the complexity and long history of special education funding, this research paper will focus less on the progression and development of the AB 602 funding model. Rather, this paper will concentrate on the fiscal aspects of calculating 2006-07 apportionment revenue for a special education local plan area (SELPA) for Sacramento County by examining the ten components that make up the apportionment revenue for each SELPA. For occasions when the Sacramento County SELPA does not encompass a specific component, or to illustrate an alternate scenario for component, additional SELPAs will be utilized in order to achieve a greater understanding.

AB 602 FUNDING MODEL ILLUSTRATION

The AB 602 special education funding model became effective for the 1999 fiscal year, which was developed from a SELPA's 1997-1998 funding per ADA that was derived from the SELPA's J-50 funding model (Goldfinger, *Revenues* 99). Each year the SELPA's apportionment begins with its prior year entitlements before any deficits or deductions, and receives amounts for a cost of living adjustment (COLA), growth, and additional adjustments. Illustrated below is a detailed description of each component of AB 602 funding model for 2006-2007.

Section A: ADA and Rates (Component #1)

The Sacramento County SELPA's average daily attendance (ADA) includes all participating school district's ADA, as well as, county office ADA, and the LEA's respective charter school's ADA. The SELPA's funded ADA is the greater of current ADA or prior year ADA. It is important to mention that all Adult Education and Regional Occupation Center and Program ADA are excluded when calculating a SELPA's special education apportionment under AB 602 (Goldfinger, *Special* 11).

SELPA total ADA	A-1	<u>76,185.30</u>
Prior Year SELPA total ADA	A-2	<u>75,188.76</u>
Prior Prior Year SELPA total ADA	A-3	<u>73,975.24</u>
SELPA funded ADA (Greater of A-1 or A-2)	A-4	<u>76,185.30</u>
Prior Year SELPA funded ADA (Greater of A-2 or A-3)	A-5	<u>75,188.76</u>

Illustrated below is the Sacramento City USD (SCUSD) SELPA that has declining ADA; note that this SELPA will be funded on the prior ADA rather than its current ADA.

SELPA total ADA	A-1	<u>47,184.91</u>
Prior Year SELPA total ADA	A-2	<u>47,448.97</u>
Prior Prior Year SELPA total ADA	A-3	<u>48,620.77</u>
SELPA funded ADA (Greater of A-1 or A-2)	A-4	<u>47,448.97</u>
Prior Year SELPA funded ADA (Greater of A-2 or A-3)	A-5	<u>48,620.77</u>

The statewide target rate (STR) of \$538.91 is the statewide average amount of funding per ADA in 1997-1998 and increased by annual statutory COLA percentages. The current year STR of \$436.89 is calculated by multiplying the sum of the prior year supplement base rate (explained below) and prior year bifurcated STR by the COLA multiplicative factor $[(\$9.67 + \$402.79) \times 1.0592]$. It is important to note that the bifurcated STR is used instead of the total prior year STR, due to the fact that the State COLA is applied only to the non-federal share of the STR (Goldfinger, *Revenues* 101). However, in 2005-2006 federal aid for special education purposes received a substantial increase, which allowed the State to allocate additional amounts to the SELPA units in the form of a supplemental base rate of 9.67 (Goldfinger, *Revenues* 102). For the purposes of calculating the STR for the special disabilities adjustment of 589.35, the full prior year STR is added to the current year COLA \$24.41 $[(\$9.67 + 402.79) \times .0592]$, prior year COLA, and supplement base rate $[538.91 + 24.41 + 16.34 + 9.67]$. Since the Sacramento County SELPA “need level” was no greater than the average, the amount for the SELPA incidence multiplier (IM) is zero.

Prior Year Statewide Target Rate (STR) for Purposes of Special Disabilities Adjustment Calculation (SDA) (PY A-6)	A-6	\$	<u>538.914838</u>
Prior Year Cost of Living Adjustment (COLA) Rate (PY A-9)	A-7	\$	<u>16.34680875</u>
Prior Year Supplement to Base Rate (PY B-7)	A-8	\$	<u>9.676004042</u>
Prior Year bifurcated STR (PY A-10)	A-9	\$	<u>402.7961882</u>
Prior Year STR Plus Prior Year Supplement to Base Rate(A-8 + A-9)	A-10	\$	<u>412.4721923</u>
Current Year Cost of Living Adjustment (COLA) %	A-11		<u>1.0592</u>
Current Year COLA Rate (A-10 * (A-11 - 1))	A-12	\$	<u>24.41835378</u>
Current Year STR (A-10 + A-12)	A-13	\$	<u>436.8905461</u>
Current Year STR for purposes of SDA (A-6 + A-7 + A-8 + A-12)	A-14	\$	<u>589.3560045</u>
SELPA Incidence Multiplier (IM)	A-15		<u>0</u>

However, since the SCUSD SELPA is a high needs SELPA, it does have an IM as illustrated below. The IM was based on the characteristics and services received by special education student. An IM of .0531 (illustrated below) indicates that the Sacramento City USD SELPA has a need which is 5.31% above the state average due to the disproportionate numbers of severe and/or high-cost students.

SELPA Incidence Multiplier (IM)	A-15	<u>0.053111506</u>
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Section B: Base (Component #2)

The calculation for the base apportionment begins with amounts calculated from the 2005-2006 entitlement that is comprised of the prior year base, prior year supplement to base rate, prior year COLA and prior year growth/decline. These amounts are carried forward without any deficits or deductions into the calculation for 2006-2007 (Goldfinger, *Revenues* 110). The SELPA’s base rate of \$574.88 is calculated by dividing the prior year total of \$43,224,965 by the funded ADA of 75,188.76. Although not applicable for the Sacramento County SELPA, this rate would have been used for the special disabilities adjustment in Section E. Next, the supplement to base rate (amount provided by the State) is multiplied by the funded SELPA ADA of 75,188.76 to arrive at a supplemental base to

entitlement of 629,615. Lastly, subtracting amounts for the special education property taxes and federal revenues amounting to \$25,245,861 from the base entitlement of \$43,224,965 results in the SELPA's base apportionment of \$17,979,104.

Prior Year Total	B-5	\$	<u>43,224,965.12</u>
Base Rate (B-5 / A-5)	B-6	\$	<u>574.8859952</u>
Supplement to Base Rate	B-7	\$	<u>8.373794961</u>
Base Entitlement (A-5 * B-6)	B-8	\$	<u>43,224,965.12</u>
Supplement to Base Entitlement (A-5 * B-7)	B-9	\$	<u>629,615.26</u>
Local Special Education Property Taxes [E.C. 2572]	B-10	\$	<u>13,090,857.00</u>
Federal IDEA, Part B, Local Assistance Grants	B-11	\$	<u>12,155,004.00</u>
Applicable Excess ERAF	B-12	\$	<u>0</u>
Total Deductions (Sum of B-10 through B-12)	B-13	\$	<u>25,245,861.00</u>
Net Base Entitlement (If B-8 > B-13, B-8 - B-13; else 0)	B-14	\$	<u>17,979,104.12</u>
Net Base Entitlement (If B-8 < B-13, B-8 - B-13; else 0)	B-15	\$	<u>0</u>
Base Proration Factor	B-16		<u>1</u>
Base Apportionment ((B-14 * B-16) or B-15)	B-17	\$	<u>17,979,104.12</u>

Section C: COLA (Component #3)

The COLA for the SCUSD SELPA of \$1,835,985 is calculated by multiplying the prior year SELPA total ADA of 75,188.76 by the statewide current base COLA of \$24.41 calculated above. It is important to mention that the prior year actual ADA is always used regardless of whether the current year ADA is greater than or less than the prior year ADA.

COLA Base Entitlement (A-2 * A-12)	C-1	\$	<u>1,835,985.74</u>
COLA Incidence Multiplier (IM) Rate (A-12 * A-15)	C-2		<u>0</u>
COLA IM Entitlement (A-5 * C-2)	C-3	\$	<u>0</u>
COLA Entitlement (C-1 + C-3)	C-4	\$	<u>1,835,985.74</u>
COLA Proration Factor	C-5		<u>1</u>
COLA Apportionment (C-4 * C-5)	C-6	\$	<u>1,835,985.74</u>

As mentioned above, the SCUSD SELPA has an IM due to its high needs. Its IM multiplier is factored into the SELPA's COLA calculation by multiplying its IM of .0531 by the statewide current year COLA rate of \$24.41 to arrive at an IM rate of 1.29, as illustrated below. Next, the IM rate is multiplied by the SELPA's funded prior year ADA rather than the prior year actual ADA when calculating the IM COLA entitlement (Goldfinger, *Revenues* 114). Lastly, the two COLA amounts are added together to arrive at a total COLA apportionment.

COLA Base Entitlement (A-2 * A-12)	C-1	\$	<u>1,158,625.74</u>
COLA Incidence Multiplier (IM) Rate (A-12 * A-15)	C-2		<u>1.296895548</u>
COLA IM Entitlement (A-5 * C-2)	C-3	\$	<u>63,056.06</u>
COLA Entitlement (C-1 + C-3)	C-4	\$	<u>1,221,681.80</u>
COLA Proration Factor	C-5		<u>1</u>
COLA Apportionment (C-4 * C-5)	C-6	\$	<u>1,221,681.80</u>

Section D: Growth (Component #4)

A SELPA receives additional funds for growth, as well as, reduced funds for decline. Sacramento County's situation has a growth of 996.54 which is calculated by subtracting the current year funded ADA from the prior year funded ADA. This amount is multiplied by the statewide target rate of 436.89 (calculated above).

Growth ADA (If A-4 > A-5, A-4 - A-5; else 0)	D-1	<u>996.54</u>
Growth Base Entitlement (A-13 * D-1)	D-2	\$ <u>435,378.90</u>
STR Times IM (A-13 * A-15)	D-3	\$ <u>0</u>
Growth IM Entitlement (D-1 * D-3)	D-4	\$ <u>0</u>
Growth Entitlement (D-2 + D-4)	D-5	\$ <u>435,378.90</u>
Decline in Funded ADA (If A-4 < A-5 , A-4 - A-5; else 0)	D-6	<u>0</u>
Declining ADA Adjustment (D-6 * Prior Year SELPA Base Rate)	D-7	\$ <u>0</u>
Growth Proration Factor	D-8	<u>1</u>
Growth Apportionment ((D-5 * D-8) or D-7)	D-9	\$ <u>435,378.90</u>

The SCUSD SELPA illustrates an example of a declining SELPA. Similar to calculating the growth of the Sacramento County SELPA, the decline of 1,171.80 is calculated by subtracting the current year funded ADA from the prior year funded ADA. This decline is multiplied by the SCUSD's prior year SELPA's base rate of \$554 that results in \$649,178.80 of reduced funding. Please note that the growth factor as it relates to the IM is not factored into the calculation since the SCUSD SELPA is in a decline. However, if the SCUD SELPA increased instead of declined by 1,171.80, the additional amount it would have received due to having extra needs would be approximately \$27,000; a fairly immaterial amount.

Growth ADA (If A-4 > A-5, A-4 - A-5; else 0)	D-1	<u>0</u>
Growth Base Entitlement (A-13 * D-1)	D-2	\$ <u>0</u>
STR Times IM (A-13 * A-15)	D-3	\$ <u>23.20391495</u>
Growth IM Entitlement (D-1 * D-3)	D-4	\$ <u>0</u>
Growth Entitlement (D-2 + D-4)	D-5	\$ <u>0</u>
Decline in Funded ADA (If A-4 < A-5 , A-4 - A-5; else 0)	D-6	<u>-1,171.80</u>
Declining ADA Adjustment (D-6 * Prior Year SELPA Base Rate)	D-7	\$ <u>-649,178.80</u>
Growth Proration Factor	D-8	<u>1</u>
Growth Apportionment ((D-5 * D-8) or D-7)	D-9	\$ <u>-649,178.80</u>

Section E: Special Disabilities Adjustment (Component #5)

The Special Disabilities Adjustment (SDA) compares the SELPA's adjusted target, which is equal to the statewide target rate for SDA purposes plus the SELPA's incidence multiplicative factor to the SELPA's current-year funding per ADA, equal to its prior year base funding plus the current-year regular COLA and IM COLA less the 2001-2002 Supplemental Equalization Aid per ADA (Goldfinger, *Revenues* 114). In Sacramento County's case, the SELPA does not receive any SDA funding since its incidence multiplier is zero.

The SCUSD SELPA serves as a better illustration of understanding the special disabilities adjustment, since it has an incidence multiplier (IM). First, current year statewide target (STR) rate for purposes of the special disabilities adjustment (SDA) in the amount of \$589.35 is multiplied by the IM multiplicative factor of 1.0531 in order to arrive an adjusted statewide target rate of 620.65. Next, SCUSD SELPA's funding rate per ADA is calculated by adding the SCUSD SELPA's base rate of \$581.21 with the statewide COLA of \$24.41 and IM rate (calculated above) of 1.29. Due to having an IM, the greater of the current year STR for purposes of the SDA of \$589.35 or the SELPA's funding rate per ADA of \$605.94 is subtracted from the adjusted STR to arrive at the SDA rate. In the case of the SCUSD SELPA the SELPA's funding rate per ADA of \$605.94 is greater which results in an SDA rate of 14.71. Lastly, the SDA rate is multiplied by the lesser of the SELPA's current or prior year ADA to arrive at the SELPA's SDA entitlement of \$698,329.

Incidence Multiplier (IM) Rate (A-14 * (A-15 + 1))	E-1	\$	<u>620.6575896</u>
COLA plus Base plus COLA IM Rates (A-12 + B-6 + C-2) minus 2001-02 Supplemental Equalization	E-2	\$	<u>605.9400943</u>
SDA Rate (If A-15 > 0; E-1 - Greater of (A-14 or E-2), else 0)	E-3	\$	<u>14.71749533</u>
SDA Entitlement (E-3 * Lesser of (A-4 or A-5), (If E-3 < 0, 0))	E-4	\$	<u>698,329.99</u>
SDA Proration Factor	E-5		<u>1</u>
SDA Apportionment (E-4 * E-5)	E-6	\$	<u>698,329.99</u>

Section F: Program Specialist/Regionalized Services (Component #6)

Revenue received during 1997-1998 for program specialist and regionalized services was converted into a SELPA rate per K-12 ADA (Goldfinger, *Revenues* 115). The prior year PS/RS base rate of \$13.82 is multiplied by the statutory COLA multiplier of 1.0592 to arrive at a current PS/RS rate of \$14.64. The base rate is then multiplied by current year ADA (regardless of whether it is greater or less than prior year ADA) of 76,185.30 to arrive at an apportionment of \$1,115,437.78. The same rate is used for calculating the necessary small SELPA PS/RS apportionment; however, Sacramento County SELPA does not qualify for such apportionment due its large ADA. SELPAs with less than 15,000 qualify as a Necessary Small SELPA and receive \$14.64 for each ADA, or portion thereof, under 15,000 ADA.

Prior Year PS/RS Rate	F-1	\$	<u>13.82</u>
PS/RS Rate (A-11 * F-1)	F-2	\$	<u>14.64</u>
Necessary Small SELPA (NSS) PS/RS Apportionment			
NSS ADA Threshold	F-3		<u>0</u>
Qualifying NSS ADA Adjustment (If F-3 > A-1, F-3 - A-1; else 0)	F-4		<u>0</u>
NSS PS/RS Entitlement (F-2 * F-4)	F-5	\$	<u>0</u>
NSS PS/RS Proration Factor	F-6		<u>1</u>
NSS PS/RS Apportionment (F-5 * F-6)	F-7	\$	<u>0</u>
PS/RS Apportionment			
PS/RS Entitlement (A-1 * F-2)	F-8	\$	<u>1,115,437.78</u>
PS/RS Proration Factor	F-9		<u>1</u>
PS/RS Apportionment (F-8 * F-9)	F-10	\$	<u>1,115,437.78</u>
Total PS/RS Apportionment (F-7 + F-10)	F-11	\$	<u>1,115,437.78</u>

Section G: Low Incidence Materials and Equipment (Component #7)

Per prior law, an allocation of state aid in the amount of \$225.655 is for books, materials, and equipment which are derived by multiplying the stated rate of \$395.88 and the SELPA's low incidence count of the prior year's December pupil count (Goldfinger, *Revenues* 115).

Low Incidence Disabilities PY December Pupil Count	G-1	<u>570</u>
Low Incidence Materials and Equipment Rate	G-2	\$ <u>395.8855175</u>
Low Incidence Materials and Equipment Apportionment (G-1 * G-2)	G-3	\$ <u>225,654.74</u>

Section H: Out of Home Care (Component #8)

Prior to fiscal year ending 2005, the state reimbursed 100% of non-public school and agency tuition for students in licensed children's institutions (LCI), as well as, foster family homes (FFH). However, in 2004, the State repealed the 100% reimbursement policy for students associated with LCIs and FFHs. Instead the State formulated a new funding model, the OOHCFunding Model, where each SELPA receives funding for the number of beds in each group home on April 1st of each year at that home's rate classification level (RCL) (Goldfinger, *Revenues* 116).

As illustrated below, Sacramento County is anticipated to earn \$1,493,146 based on a total bed count of 1,148 at RCL rates that range from \$523 to \$14,053. However, the amount received during 2002-2003 of \$961,408 for LCI funding is subtracted from the total amount earned. This difference amounts to \$531,738 which is multiplied by a proration factor and added back to the 2002-2003 LCI funding amount to arrive at a total funding of \$1,352,994.

Group Home Funding 12@\$5,682 6@\$6,130 21@\$9,867 29@\$14,053	A-1	\$ <u>719,708</u>
Foster Family Home Funding 214@\$523	A-2	\$ <u>111,922</u>
Small Family Home Funding 1@\$523	A-3	\$ <u>523</u>
Foster Family Agency Funding 820@\$636	A-4	\$ <u>521,520</u>
Skilled Nursing Facility Funding	A-5	\$ <u>0</u>
Intermediate Care Facility Funding 3@\$9,867	A-6	\$ <u>29,601</u>
Community Care Facility Funding 42@\$2,616	A-7	\$ <u>109,872</u>
Estimate of Out of Home Care Funding (Sum of A-1 to A-7)	A-8	\$ <u>1,493,146</u>
2002-03 Annual R-1 Nonpublic School/Licensed Children's Institution Apportionment	A-9	\$ <u>961,408.00</u>
Gain (A-8 - A-9, if < 0, then A-10 = 0)	A-10	\$ <u>531,738</u>
Hold Harmless (If A-9 > A-8, A-8 - A-9, 0)	A-11	\$ <u>0</u>
Proration Factor	A-12	\$ <u>0.736426699</u>
Prorated Gain Payment (If A-10 > 0, A-10 * A-12,0)	A-13	\$ <u>391,586</u>
Total Out of Home Care Funding (If A-13 > 0, A-9 + A-13, A-9)	A-14	\$ <u>1,352,994</u>

The Elk Grove SELPA serves as a perfect illustration of when a SELPA's earned revenue under the new OOHC Funding Model is less than amounts earned under the prior method that allowed for full reimbursement. In the case of the Elk Grove SELPA, the SELPA is held harmless of losing revenues as a result of the new OOHC Funding Model, and will receive \$751,121 more than earned.

Group Home Funding	6@\$2,616 18@\$ 5,682 31@\$6,130 38@\$9,867 12@\$14,053 24@\$20,930	A-1	\$	<u>1,353,904</u>
Foster Family Home Funding	239@\$523	A-2	\$	<u>124,997</u>
Small Family Home Funding	7@\$523	A-3	\$	<u>3,661</u>
Foster Family Agency Funding	715@\$636	A-4	\$	<u>454,740</u>
Skilled Nursing Facility Funding		A-5	\$	<u>0</u>
Intermediate Care Facility Funding		A-6	\$	<u>0</u>
Community Care Facility Funding	41@\$2,616	A-7	\$	<u>107,256</u>
Estimate of Out of Home Care Funding (Sum of A-1 to A-7)		A-8	\$	<u>2,044,558</u>
2002-03 Annual R-1 Nonpublic School/Licensed Children's Institution Apportionment		A-9	\$	<u>2,795,679.00</u>
Gain (A-8 - A-9, if < 0, then A-10 = 0)		A-10	\$	<u>0</u>
Hold Harmless (If A-9 > A-8, A-8 - A-9, 0)		A-11	\$	<u>-751,121</u>
Proration Factor		A-12	\$	<u>0.736426699</u>
Prorated Gain Payment (If A-10 > 0, A-10 * A-12,0)		A-13	\$	<u>0</u>
Total Out of Home Care Funding (If A-13 > 0, A-9 + A-13, A-9)		A-14	\$	<u>2,795,679</u>

However, this hold harmless provision will be phased out over a five year period for SELPAs that have an entitlement under the OOHC Funding Model as follows: During the first year of implementation, funding shall be the amount received in the prior year less 20% of the difference; during the second year of implementation, funding shall be the amount received in the first year less 25% of the difference; during the third year of implementation, funding shall be the amount received in the second year less 33% of the difference; during the fourth year of implementation, funding shall be the amount received in the third year less 50% of the difference; lastly, the fifth year of implementation, the hold harmless provision is no longer applicable.

Section I: NPS Extraordinary Cost Pool (Component #9)

Although the former 100% reimbursement for non-public school and agency (NPS/A) tuition for licensed children's institutions (LCI) and foster family homes (FFH) was repealed and replaced with the new OOHC Funding Model as discussed above, SELPAs may be reimbursed for the cost of new NPS/A placements for which tuition exceeds a threshold of \$70,065 for each occurrence, not for the aggregate costs (Goldfinger, *Revenues* 120). This threshold is adjusted annually by the statutory COLA. It is important to note that SELPAs receive the amount *over* threshold; therefore the amount received is usually zero or quite small. The Sacramento County SELPA has no anticipated revenue for this component.

Section J: Necessary Small SELPA Declining ADA Adjustment (Component #10)

As mentioned above, a SELPA that has less than 15,000 ADA qualifies as a necessary small SELPA. If the necessary small SELPA experiences a decline in ADA, the SELPA will receive additional funding equal to 40% of the loss calculated in Section D: Growth (Component #4) (Goldfinger, *Revenues* 121). Similar to amounts that a SELPA can receive for extraordinary NPS/A costs, the amount available is quit immaterial. For example purposes, if the Sacramento City USD (SCUSD) SELPA was eligible and qualified to receive such amount, *for which it is neither qualified nor eligible*, the amount that the SCUSD SELPA would recapture would amount to \$259,671 (\$649,178 X 40%), which would have been immaterial as compared to the whole SELPA budget. In addition, this component is not applicable since the Sacramento County SELPA is neither a necessary small SELPA nor experiencing a decline in ADA.

Summary

Illustrated below is the sum of the ten components which make up the Sacramento County SELPA. Please note that the sum of the Sacramento City USD and Elk Grove SELPAs are not illustrated, since those two SELPAs were only used as examples to further understand various components, which did not pertain to the Sacramento County SELPA.

Base (B-17)	K-1	\$	<u>17,979,104.12</u>
Supplement to Base (B-9)	K-2	\$	<u>629,615.26</u>
COLA (C-6)	K-3	\$	<u>1,835,985.74</u>
Growth or Declining ADA Adjustment (D-9)	K-4	\$	<u>435,378.90</u>
SDA (E-6)	K-5	\$	<u>0</u>
SubTotal (Sum of K-1 through K-5)	K-6	\$	<u>20,880,084.02</u>
Total PS/RS (F-11)	K-7	\$	<u>1,115,437.78</u>
Low Incidence Materials and Equipment (G-3)	K-8	\$	<u>225,654.74</u>
Out of Home Care (H-1)	K-9	\$	<u>1,352,994.00</u>
NPS ECP (I-3, Annual Only; else 0)	K-10	\$	<u>0</u>
Adjustment for NSS with Declining Enrollment (J-3)	K-11	\$	<u>0</u>
Total Apportionment (Sum of K-6 through K-11)	K-12	\$	<u>23,574,171.00</u>

As illustrated above, the world of special education funding under the AB 602 funding model is very complex. As explained above in the executive summary, there are additional items not addressed that also relate to special education revenue that a CBO must have a strong grasp. It is important to note that funding out of a SELPA to individual districts is not automatic, since the funding to individual districts is determined by the governing board of the particular SELPA (Mangerich). In addition, since the sum of special education revenues are rarely enough to cover special education costs, significant contributions from the general fund are required that “encroach” on unrestricted programs and departments. Although the calculation is automated, a CBO must have firm understanding of the many variables that comprise of the funding model, and ensure that the amounts used for the calculation are accurate. Only having a firm understanding of the funding model will a CBO be able to accurately project and estimate future revenues and better estimate any fiscal effects due to changes in the SELPA environment.

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