



**SPECIAL EDUCATION FUNDING  
PAST, PRESENT, FUTURE  
JANUARY 2009**

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## GOALS FOR THE DAY

- Provide a future CBO with a very general overview of the language of special education.
- Provide a future CBO with a general perspective of the intricacies of special education funding.
- Provide a future CBO with the general knowledge base to analyze their current SELPA allocation plan and make some educated assumptions about the “fairness” of the plan.

# OUTLINE OF THE DAY

- General Overview
  - Legal
  - Statewide statistics
  - Income/Expenditure overview
  - Language of Special Education
- History Lesson and more detail
- Issues of the Day

## SPECIAL EDUCATION

### LEGAL BACKGROUND/KEY ELEMENTS

#### FEDERAL PL94-142/IDEA AND CALIFORNIA STATE LAW

- Child Find - Each public school system is responsible to find children with disabilities in its area
- Free Appropriate Public Education (FAPE) - Each public school system is responsible for ensuring that each child with disabilities is served appropriately, at no expense to the parent
- Least Restrictive Environment (LRE) - Each child is assured of his/her right of education with non-disabled peers to the maximum extent appropriate to the needs of both
- Due Process - The right of parent participation, and challenge, in all aspects of assessment, identification and placement is assured; involves mediation or administrative hearing procedures and complaint procedure in case of disputes
- Individualized Educational Planning (IEP) - The right of a child to an educational program designed to meet his/her individual needs and based on adequate assessment is assured. At age 14 to 16 this includes the development of an Individual Transition Plan (ITP) to provide for transition into the world of work.

# OVERVIEW

- California provides special education services to approximately 678,000 individuals, newborn through twenty-two years of age (2007-08 data).
- California provides specially designed instruction, at no cost to the parent, to meet the unique needs of each child with a disability. This instruction is provided in a variety of settings that allow infants and their families, preschoolers, students, and young adults to be educated with their peers as much as possible; that is, in the least restrictive environment (LRE). Special education services are available in a variety of settings that might include day care settings, preschool, a regular classroom, a classroom that emphasizes specially designed instruction, the community, and the work environment.

Special Education Enrollment by Disability			
Disability		December 2007	% of Total
Mental Retardation	(MR)	43,113	6.36%
Hard of Hearing	(HH)	8,481	1.25%
Deaf	(DEAF)	4,185	0.62%
Speech or Language Impairment	(SLI)	176,256	26.00%
Visual Impairment	(VI)	4,530	0.67%
Emotional Disturbance	(ED)	27,199	4.01%
Orthopedic Impairment	(OI)	15,294	2.26%
Other Health Impairment	(OHI)	47,232	6.97%
Specific Learning Disability	(SLD)	297,933	43.95%
Deaf- Blindness	(DB)	204	0.03%
Multiple Disability	(MD)	5,476	0.81%
Autism	(AUT)	46,196	6.81%
Traumatic Brain Injury	(TBI)	1,776	0.26%
Total		677,875	100.00%

# STUDENT RECEIVING SPECIAL EDUCATION SERVICES AS % OF GENERAL EDUCATION

General Education Enrollment and the Number of Students Receiving Special Education Services in California from 2003-04 to 2007-08

Year	General Education K-12 Population			Total # of students birth through age 22 receiving special education services
	All Students	Students Receiving special education services (ages 5 - 18)		
	Number	Number	Percent of all students	
2007-08	6,275,469	619,218	9.87%	677,875
2006-07	6,286,943	623,254	9.91%	679,648
2005-06	6,312,436	628,115	9.95%	683,178
2004-05	6,322,141	628,893	9.95%	681,969
2003-04	6,298,783	630,646	10.01%	681,980

# CHANGE IN POPULATION OVER TIME

Special Education Enrollment by Disability					
		December 2007	December 2000	Change	% change
Mental Retardation	(MR)	43,113	40,717	2,396	6%
Hard of Hearing	(HH)	8,481	6,261	2,220	35%
Deaf	(DEAF)	4,185	4,536	(351)	-8%
Speech or Language Impairment	(SLI)	176,256	165,496	10,760	7%
Visual Impairment	(VI)	4,530	4,616	(86)	-2%
Emotional Disturbance	(ED)	27,199	22,348	4,851	22%
Orthopedic Impairment	(OI)	15,294	14,583	711	5%
Other Health Impairment	(OHI)	47,232	21,025	26,207	125%
Specific Learning Disability	(SLD)	297,933	349,038	(51,105)	-15%
Deaf- Blindness	(DB)	204	198	6	3%
Multiple Disability	(MD)	5,476	6,526	(1,050)	-16%
Autism	(AUT)	46,196	14,039	32,157	229%
Traumatic Brain Injury	(TBI)	1,776	1,336	440	33%
<b>Total</b>		<b>677,875</b>	<b>650,719</b>	<b>27,156</b>	<b>4%</b>
<b>Total K-12 Enrollment</b>		<b>6,275,469</b>	<b>6,050,895</b>	<b>224,574</b>	<b>4%</b>

# SPECIAL EDUCATION INCOME BUDGETING

- As an LEA what amount should you budget for Special Education Income?

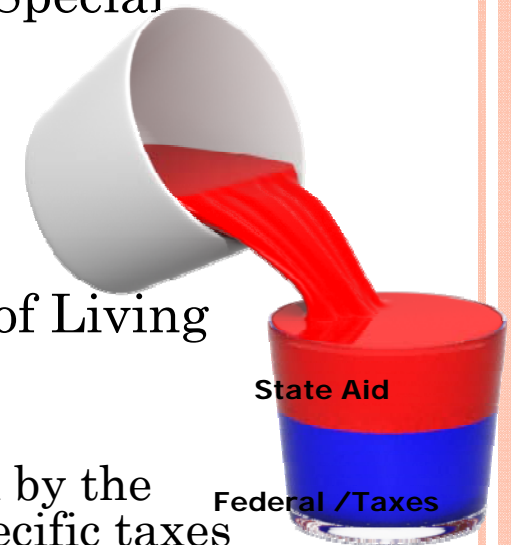
**Varies by each SELPA local allocation Plan.**

- Short version of SELPA funding

$\text{SELPA K-12 ADA} \times \text{unique SELPA rate} + \text{Cost of Living increase} + \text{Growth/Decline} = \text{Entitlement}$

Subtract from the Entitlement the amounts received by the SELPA from Federal IDEA/P194142 funds and specific taxes allocated to special education and you will arrive at the level of **State Aid**.

- What is highly likely is that it will NOT be sufficient to cover costs and you will have a significant local contribution.



# SOURCES OF FUNDING

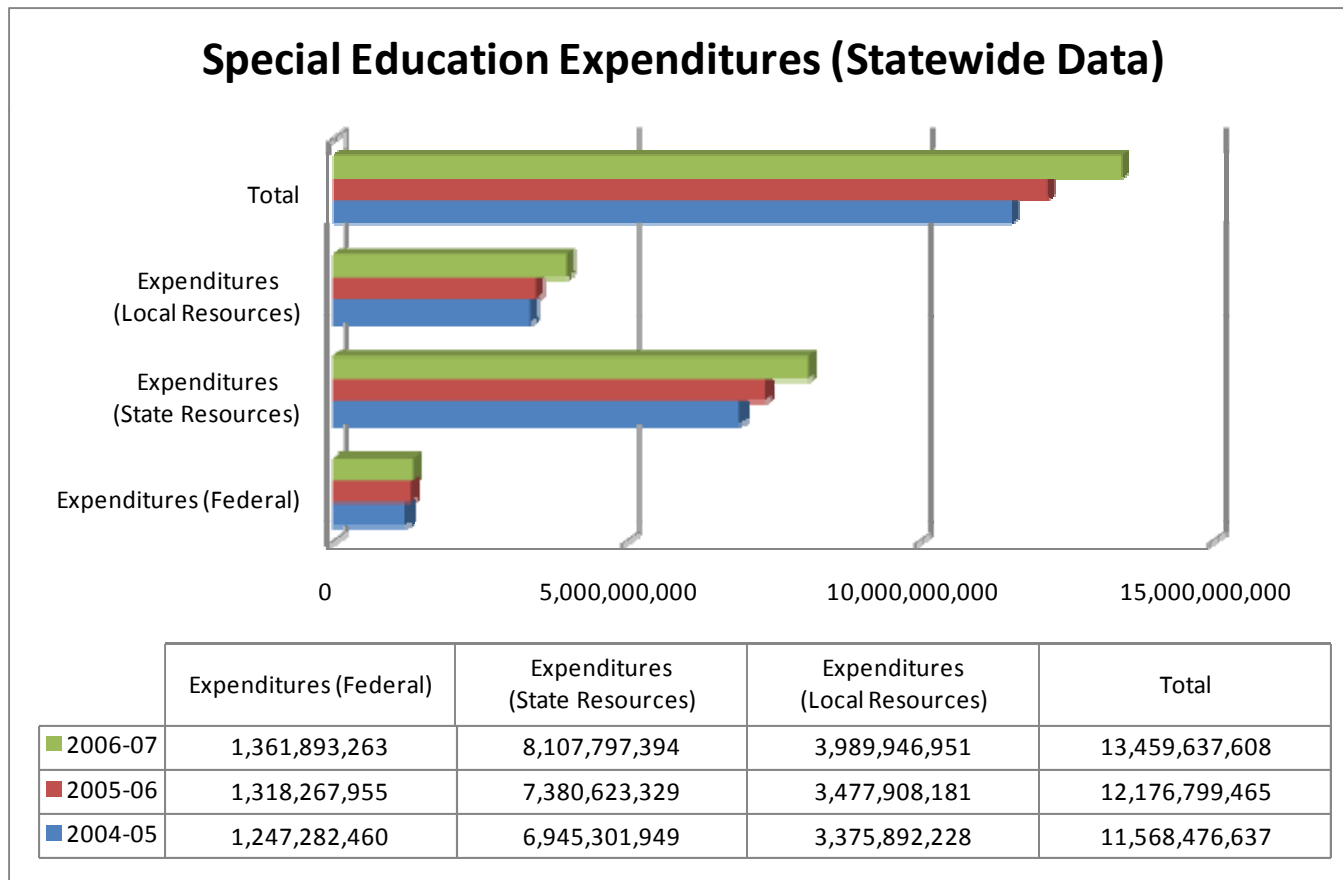
## STATE, FEDERAL, LOCAL CONTRIBUTION

SOURCE DATE – COUNTY SUPERINTENDENT SEPTEMBER 2008 WORKGROUP REPORT (RESTATED SACS DATA)

Federal average is about 10%.

Local contribution varies widely by LEA but state wide average is around 30%.

Expenditures include direct costs, allocated direct support, & indirect.



# MORE DETAIL ON THE “DEDUCTS” FEDERAL FUNDING FOR SPECIAL EDUCATION PROPERTY TAX

Federal funds (P194142/IDEA) allocated to your SELPA are treated as a deduction, similar to the relationship between Revenue Limit funding and property taxes. Some small federal special education grants are outside of this calculation.

Your unique SELPA allocation plan will typically have the same relationship, e.g. an increase in federal funds results in a reduction in state funds. Federal IDEA funds are allocated to the SELPA based on a complex statewide formula involving base year allocations, poverty counts, and pupil counts. Your SELPA will then have their own internal distribution.

Property Tax. County offices have a portion of their property taxes allocated to the SELPA in which they are a member. This is based on historical 1970 ratios. There are additional property tax allocations from “basic aid” counties that roll over into the special education calculation.

# SAMPLE FUNDING SUMMARY

## SACRAMENTO COUNTY SELPA 2007-08

### GROWING SELPA

#### AVERAGE RATE \$ 607 (LINE 1)

#### NOTE – GROWTH AT \$465 (LINE 4)

	Short Version	ADA	Rate		
1	Prior Year Base (note - average per PY ADA about \$607)	75,449.60	\$ 607.09		45,804,519.00
2	Supplement of the base	75,449.60		\$ 2.41	181,988
3	COLA = Prior year ADA x COLA rate (statewide factor)	75,449.60		\$ 20.17	1,521,873
4	Growth ( increase in ADA x statewide average)	807.77		\$ 465.44	375,969
5	Decline (decrease in PY ADA x SELPA rate)				
6	Subtotal (Entitlement)		Sum (1 - 5)		47,884,349
7	DEDUCTION Property Taxes/Federal Funds		13,821,854.00	12,428,164.00	26,250,018
8	Balance = State Aid		Line (6 - 7)		21,634,331
9	Program Specialist/Regionalized Services	76,257.37	15.30	1,167,070	
10	Low Incidence Materials and Equipment	602.00	389.10	234,236	
11	Out of Home Care			1,273,519	2,674,825
12	Total of State Funding		Sum (8 - 11)		24,309,156

CDE Sample Exhibit apportionment website  
<http://ias.cde.ca.gov/apportionment/>  
 matches summary on previous page

SELPA Special Education Funding Exhibit		
SELPA: 34-BJ Sacramento County Period: 2007-08 P2		
District: Sacramento Co. Office of Education CDS Code: 34 10348		
SECTION A: ADA and RATES		
SELPA total ADA	A-1	76,257.37
Prior Year SELPA total ADA	A-2	75,449.60
Prior Prior Year SELPA total ADA	A-3	75,163.12
SELPA funded ADA (Greater of A-1 or A-2)	A-4	76,257.37
Prior Year SELPA funded ADA (Greater of A-2 or A-3)	A-5	75,449.60
Prior Year Statewide Target Rate (STR) for Purposes of Special Disabilities Adjust	A-6	589.36
Prior Year Supplement to Base Rate (PY B-7)	A-7	8.37
Prior Year bifurcated STR (Excludes federal) (PY A-13)	A-8	436.90
Prior Year STR plus Prior Year Supplement to Base Rate (A-7 + A-8)	A-9	445.27
Current Year Cost of Living Adjustment (COLA) Factor	A-10	1.05
Current Year COLA Rate (A-9 * (A-10 - 1))	A-11	20.17
Current Year STR (A-9 + A-11)	A-12	465.44
Current Year STR for purposes of SDA Calculation (A-6 + A-7 + A-11)	A-13	617.90
SELPA Incidence Multiplier (IM)	A-14	-
SECTION - B - BASE - [E.C. 56836.10]		
Prior Year Base	B-1	43,214,655.67
Prior Year Supplement to Base	B-2	629,314.04
Prior Year COLA	B-3	1,835,387.08
Prior Year Growth or Declining ADA Adjustment	B-4	125,162.27
Prior Year Total (Sum of B-1 through B-4)	B-5	45,804,519.06
Base Rate (B-5 / A-5)	B-6	607.09
Supplement to Base Rate	B-7	2.41
Base Entitlement (A-5 * B-6)	B-8	45,804,519.06
Supplement to Base Entitlement (A-5 * B-7)	B-9	181,987.98
Local Special Education Property Taxes [E.C. 2572]	B-10	13,821,854.00
Federal IDEA, Part B, Local Assistance Grants	B-11	12,428,164.00
Applicable Excess ERAF	B-12	-
Total Deductions (Sum of B-10 through B-12)	B-13	26,250,018.00
Net Base Entitlement (If B-8 > B-13, B-8 - B-13; else 0)	B-14	19,554,501.06
Net Base Entitlement (If B-8 < B-13, B-8 - B-13; else 0)	B-15	-
Base Proration Factor	B-16	1.00
Base Apportionment (If B-14 > 0, then B-14 * B-16; else B-15)	B-17	19,554,501.06
SECTION C - COLA - [E.C. 56836.08 (d)]		
COLA Base Entitlement (A-2 * A-11)	C-1	1,521,872.62
COLA Incidence Multiplier (IM) Rate (A-11 * A-14)	C-2	-
COLA IM Entitlement (A-5 * C-2)	C-3	-
COLA Entitlement (C-1 + C-3)	C-4	1,521,872.62
COLA Proration Factor	C-5	1.00
COLA Apportionment (C-4 * C-5)	C-6	1,521,872.62
SECTION D - GROWTH - [E.C. 56836.15]		
Growth ADA (If A-4 > A-5, A-4 - A-5; else 0)	D-1	807.77
Growth Base Entitlement (A-12 * D-1)	D-2	375,968.82
STR Times Incidence Multiplier (IM) (A-12 * A-14)	D-3	-
Growth IM Entitlement (D-1 * D-3)	D-4	-
Growth Entitlement (D-2 + D-4)	D-5	375,968.82
Decline in Funded ADA (if A-4 < A-5, A-4 - A-5; else 0)	D-6	-
Declining ADA Adjustment (D-6 * Prior Year SELPA Base Rate (PY B-6))	D-7	-
Growth Proration Factor	D-8	1.00
Growth Apportionment ((D-5 * D-8) or D-7)	D-9	375,968.82

SECTION E - SPECIAL DISABILITIES ADJUSTMENT (SDA) - [E.C. 56836.155]		
Incidence Multiplier (IM) Rate (A-13 * (A-14 + 1))	E-1	617.90
COLA plus Base plus COLA IM Rates (A-11 + B-6 + C-2) minus 2001-02 Supplement	E-2	615.00
SDA Rate (If A-14 > 0, E-1 - Greater of A-13 or E-2; else 0)	E-3	-
SDA Entitlement (E-3 * Lesser of A-4 or A-5; If E-3 < 0, E-4 = 0)	E-4	-
SDA Proration Factor	E-5	1.00
SDA Apportionment (E-4 * E-5)	E-6	-
SECTION F - PROGRAM SPECIALIST/REGIONALIZED SERVICES (PS/RS) [E.C. 56836.24 (a)]		
Prior Year PS/RS Rate	F-1	14.64
PS/RS Rate (A-10 * F-1)	F-2	15.30
Necessary Small SELPA (NSS) PS/RS Apportionment		
NSS ADA Threshold	F-3	-
Qualifying NSS ADA Adjustment (If F-3 > A-1, F-3 - A-1; else 0)	F-4	-
NSS PS/RS Entitlement (F-2 * F-4)	F-5	-
NSS PS/RS Proration Factor	F-6	1.00
NSS PS/RS Apportionment (F-5 * F-6)	F-7	-
PS/RS Apportionment		
PS/RS Entitlement (A-1 * F-2)	F-8	1,167,070.10
PS/RS Proration Factor	F-9	1.00
PS/RS Apportionment (F-8 * F-9)	F-10	1,167,070.10
Total PS/RS Apportionment (F-7 + F-10)	F-11	1,167,070.10
SECTION G - LOW INCIDENCE MATERIALS AND EQUIPMENT [E.C. 56836.22]		
Low Incidence Disabilities PY December Pupil Count	G-1	602.00
Low Incidence Materials and Equipment Rate	G-2	389.10
Low Incidence Materials and Equipment Apportionment (G-1 * G-2)	G-3	234,236.49
SECTION H - OUT OF HOME CARE - [E.C. 56836.165]		
Out of Home Care Apportionment	H-1	1,273,519.00
SECTION I - NONPUBLIC NONSECTARIAN SCHOOLS (NPS) / LICENSED CHILDREN'S INSTITUTIONS (LCI) EXTRAORDINARY COST POOL [E.C. 56836.21]		
NPS/LCI Extraordinary Cost Pool Entitlement	I-1	-
NPS/LCI Extraordinary Cost Pool Proration Factor	I-2	-
NPS/LCI Extraordinary Cost Pool Apportionment (I-1 * I-2)	I-3	-
SECTION J - ADJUSTMENT FOR NSS WITH DECLINING ENROLLMENT - [E.C. 56213]		
Prior Year Funding, NSS with Declining ADA Only (PY J-2)	J-1	-
Current Year Funding, NSS with Declining ADA Only (B-13 + B-17 + C-6 + D-9)	J-2	47,702,360.50
Adjustment, NSS with Declining ADA Only (If J-1 > J-2, credit 40% of D-7)	J-3	-
SECTION K - APPORTIONMENT SUMMARY		
Base (B-17)	K-1	19,554,501.06
Supplement to Base ( B-9)	K-2	181,987.98
COLA (C-6)	K-3	1,521,872.62
Growth or Declining ADA Adjustment (D-9)	K-4	375,968.82
SDA (E-6)	K-5	-
SubTotal (Sum of K-1 through K-5)	K-6	21,634,330.48
Program Specialist/Regionalized Services (F-11)	K-7	1,167,070.10
Low Incidence Materials and Equipment (G-3)	K-8	234,236.49
Out of Home Care (H-1)	K-9	1,273,519.00
NPS/LCI ECP (I-3, Annual Only; else 0)	K-10	-
Adjustment for NSS with Declining Enrollment (J-3)	K-11	-
Total Apportionment (Sum of K-6 through K-11)	K-12	24,309,156.00

MENDOCINO COUNTY  
 DECLINING ADA SELPA  
 HIGH BASE RATE \$953 (LINE 1)  
 LOW INCIDENCE MULTIPLIER (LINE 3)  
 DECLINE AT \$917 (PRIOR YEAR UNIQUE RATE, LINE 5)

	Short Version				
1	Prior Year Base (note - average per PY ADA about \$953)	13,051.09	\$ 953.43		12,443,303.00
2	Supplement of the base (prior prior year ADA x rate)	13,051.09		\$ 2.41	31,480
3	COLA = Prior year ADA x COLA rate (statewide factor) x LOW incidence	12,648.80	\$ 20.17	\$ 22,000.93	277,136
4	Growth ( increase in ADA x statewide average)				
5	Decline (decrease in PY ADA x SELPA rate)	(402.29)		\$ 917.38	(369,052.67)
6	Subtotal (Entitlement)		Sum (1 - 5)		12,382,866
7	DEDUCTION Property Taxes/Federal Funds		1,461,683	2,574,816	4,036,499
8	Balance = State Aid		Line (6 - 7)		8,346,367
9	Program Specialist/Regionalized Services			234,838	
10	Low Incidence Materials and Equipment			37,353	
11	Out of Home Care			1,612,455	1,884,646
12	Total of State Funding		Sum (8 - 11)		10,231,013

# SAN MATEO

## RATE A LITTLE ABOVE AVERAGE AT \$663

### HIGH PROPERTY TAX BASE (LINE 7)

	Short Version				
1	Prior Year Base (note - average per PY ADA about \$953)	84,748.34	\$ 663.26		56,209,961.00
2	Supplement of the base (prior prior year ADA x rate)	84,748.34		\$ 2.41	204,417
3	COLA = Prior year ADA x COLA rate (statewide factor) x LOW incidence	84,748.34	\$ 20.17	\$ -	1,709,435
4	Growth ( increase in ADA x statewide average)	509.18	\$ 465.44		236,993
5	Decline (decrease in PY ADA x SELPA rate)	-			
6	Subtotal (Entitlement)		Sum (1 - 5)		58,360,806
7	DEDUCTION Property Taxes/Federal Funds		<b>44,333,043</b>	14,658,670	58,991,713
8	Balance = State Aid		Line (6 - 7)		(630,907)
9	Program Specialist/Regionalized Services			1,285,615	
10	Low Incidence Materials and Equipment			197,661	
11	Out of Home Care			1,671,326	3,154,602
12	Total of State Funding		Sum (8 - 11)		2,523,695

# HOW DIFFERENT IS SELPA FUNDING STATEWIDE?

- 2006-07 data (Unique SELPA Rate)
  - SELPAs come in varying sizes and configurations
  - Single LEA SELPA
  - Multi LEA SELPA
  - Rural SELPA
  - Small (Sierra County 500 ADA)
  - Large (LA Unified 658,000 ADA)
- Summary by SELPA
  - 120 SELPAs (+ 1 more, LA County Court School SELPA)
  - Unique Rate
  - 2006-07 ADA/2005-06 ADA
  - Growing/Declining

	SELPA	AU	Rate	2006-07 ADA	2005-06 ADA	Change	Growing	Declining
1	01-CL Oakland Unified	Oakland Unified	\$ 629.77	42,911	44,032	(1,121)	-	(1,121)
2	01-CR North Region	Albany City Unified	\$ 638.60	24,764	24,795	(31)	-	(31)
3	01-CS Mid-Alameda County	Castro Valley Unified	\$ 578.63	48,374	48,686	(313)	-	(313)
4	01-CT Mission Valley	Fremont Unified	\$ 579.03	50,267	50,487	(220)	-	(220)
5	01-CU Tri-Valley	Pleasanton Unified	\$ 574.10	34,896	33,951	946	946	-
6	03-MD Amador County	Amador Co. Office of Education	\$ 617.28	4,494	4,571	(77)	-	(77)
7	04-CE Butte County	Butte Co. Office of Education	\$ 645.41	30,848	31,201	(353)	-	(353)
8	05-CV Calaveras County	Calaveras Co. Office of Education	\$ 618.80	6,478	6,526	(48)	-	(48)
9	06-AD Colusa County	Colusa Co. Office of Education	\$ 576.34	4,358	4,304	55	55	-
10	07-AY Contra Costa	Acalanes Union High	\$ 638.24	94,182	92,880	1,302	1,302	-
11	07-AZ West Contra Costa Unified	West Contra Costa Unified	\$ 667.00	28,595	29,777	(1,182)	-	(1,182)
12	07-BA Mt. Diablo Unified	Mt. Diablo Unified	\$ 626.42	33,712	34,418	(705)	-	(705)
13	09-BU El Dorado County	El Dorado Co. Office of Education	\$ 576.97	26,329	23,724	2,605	2,605	-
14	09-CP Lake Tahoe USD/Alpine	Lake Tahoe Unified	\$ 586.84	4,203	4,369	(165)	-	(165)
15	10-BE Fresno County	Fresno Co. Office of Education	\$ 575.54	73,258	71,928	1,330	1,330	-
16	10-BQ Fresno Unified	Fresno Unified	\$ 581.06	71,980	73,412	(1,432)	-	(1,432)
17	10-FB Clovis Unified	Clovis Unified	\$ 568.93	35,668	35,019	649	649	-
18	11-CI Glenn County	Glenn Co. Office of Education	\$ 689.75	5,624	5,673	(49)	-	(49)
19	12-UU Humboldt/Del Norte	Humboldt Co. Office of Education	\$ 579.53	22,353	22,810	(457)	-	(457)
20	13-BZ Imperial County	Imperial Co. Office of Education	\$ 576.24	34,443	34,222	221	221	-
21	14-BF Inyo County	Inyo Co. Office of Education	\$ 593.93	2,877	2,933	(56)	-	(56)
22	15-AF Kern Union High	Kern Union High	\$ 568.89	33,132	31,995	1,137	1,137	-
23	15-AM Kern County	Kern Co. Office of Education	\$ 572.35	97,448	96,766	681	681	-
24	15-BB Bakersfield City Elementary	Bakersfield City Elementary	\$ 578.46	25,811	26,199	(388)	-	(388)
25	15-SI Sierra Sands Unified	Sierra Sands Unified	\$ 578.02	5,382	5,448	(66)	-	(66)
26	16-AC Kings County	Kings Co. Office of Education	\$ 577.13	26,342	25,761	580	580	-
27	17-CC Lake County	Lake Co. Office of Education	\$ 594.88	9,322	9,446	(124)	-	(124)
28	18-AL Lassen County	Lassen Co. Office of Education	\$ 797.28	4,863	5,321	(458)	-	(458)
29	19-BX Tri-City	Culver City Unified	\$ 603.02	22,830	23,233	(403)	-	(403)
30	19-BY Whittier Area Cooperative	Whittier Union High	\$ 582.19	49,361	50,026	(664)	-	(664)
31	19-CJ Los Angeles Unified	Los Angeles Unified	\$ 648.55	657,485	672,910	(15,425)	-	(15,425)
32	19-DA Antelope Valley	Palmdale Elementary	\$ 572.80	81,221	80,874	347	347	-
33	19-DC Mid-Cities	L.A.COE : Mid-Cities	\$ 578.91	73,561	76,542	(2,981)	-	(2,981)
34	19-DF Santa Clarita	Saugus Union Elementary	\$ 572.20	49,336	48,819	517	517	-
35	19-DG Southwest	L.A.COE : Southwest	\$ 582.80	103,796	104,643	(847)	-	(847)
36	19-DJ Foothill	Glendale Unified	\$ 580.83	46,167	46,598	(431)	-	(431)
37	19-DL Long Beach Unified	Long Beach Unified	\$ 578.79	86,427	88,605	(2,178)	-	(2,178)
38	19-DM Downey-Montebello	L.A.COE : Downey-Montebello	\$ 578.36	54,619	55,706	(1,086)	-	(1,086)
39	19-DN Pasadena Unified	Pasadena Unified	\$ 608.81	19,905	20,468	(564)	-	(564)
40	19-DP Los Angeles County Court School	L.A.COE : Los Angeles County Court School	\$ -	-	-	-	-	-

	SELPA	AU	Rate	2006-07 ADA	2005-06 ADA	Change	Growing	Declining
41	19-DU Norwalk-La Mirada/ABC	Norwalk-La Mirada Unified	\$ 580.34	41,636	42,513	(876)	-	(876)
42	19-DX East San Gabriel	L.A.COE : East San Gabriel	\$ 579.35	139,059	139,754	(694)	-	(694)
43	19-DY West San Gabriel	L.A.COE : West San Gabriel	\$ 578.79	98,355	99,429	(1,074)	-	(1,074)
44	19-DZ Puente Hills	Rowland Unified	\$ 580.13	38,690	39,748	(1,058)	-	(1,058)
45	20-AB Madera/Mariposa	Madera Co. Office of Education	\$ 575.06	29,822	29,075	747	747	-
46	21-AT Marin County	Marin Co. Office of Education	\$ 825.43	27,880	27,573	307	307	-
47	23-AQ Mendocino County	Mendocino Co. Office of Education	\$ 917.38	12,632	13,051	(419)	-	(419)
48	24-VV Merced County	Merced Co. Office of Education	\$ 600.53	54,152	53,576	576	576	-
49	25-CM Modoc County	Modoc Co. Office of Education	\$ 1,023.81	2,023	1,952	70	70	-
50	26-CB Mono County	Mono Co. Office of Education	\$ 721.81	2,245	2,227	18	18	-
51	27-AS Monterey County	Monterey Co. Office of Education	\$ 579.05	65,921	66,040	(118)	-	(118)
52	28-CF Napa County	Napa Co. Office of Education	\$ 625.07	18,990	18,857	133	133	-
53	29-NV Nevada County	Nevada Co. Office of Education	\$ 578.27	13,436	13,589	(153)	-	(153)
54	30-BI Northeast Orange	Placentia-Yorba Linda Unified	\$ 578.53	31,234	31,489	(255)	-	(255)
55	30-BK West Orange	Huntington Beach Union High	\$ 628.28	46,305	46,524	(219)	-	(219)
56	30-BL Newport-Mesa Unified	Newport-Mesa Unified	\$ 579.48	20,378	20,824	(446)	-	(446)
57	30-BM Orange Unified	Orange Unified	\$ 582.53	28,918	29,548	(630)	-	(630)
58	30-BN Santa Ana Unified	Santa Ana Unified	\$ 578.99	54,549	56,663	(2,114)	-	(2,114)
59	30-BO Garden Grove Unified	Garden Grove Unified	\$ 591.12	46,507	47,305	(799)	-	(799)
60	30-BP Irvine Unified	Irvine Unified	\$ 583.27	25,197	24,828	368	368	-
61	30-CO Capistrano Unified	Capistrano Unified	\$ 575.72	49,493	49,014	479	479	-
62	30-MA Greater Anaheim	Anaheim Union High	\$ 578.38	57,417	57,700	(283)	-	(283)
63	30-MB South Orange	Saddleback Valley Unified	\$ 578.50	35,315	35,773	(458)	-	(458)
64	30-MC Anaheim Elementary	Anaheim Elementary	\$ 579.48	19,065	19,686	(621)	-	(621)
65	30-MM North Orange	Orange COE : North Orange	\$ 578.13	52,519	53,261	(742)	-	(742)
66	30-YY Tustin Unified	Tustin Unified	\$ 574.06	19,727	19,461	267	267	-
67	31-PL Placer County	Placer Co. Office of Education	\$ 574.58	61,766	60,890	875	875	-
68	32-AA Plumas USD	Plumas Unified	\$ 580.44	2,572	2,747	(174)	-	(174)
69	33-AN Riverside County	Val Verde Unified	\$ 569.47	267,001	253,515	13,486	13,486	-
70	33-CH Riverside Unified	Riverside Unified	\$ 581.15	40,958	40,714	244	244	-
71	33-EN Corona-Norco Unified	Corona-Norco Unified	\$ 570.24	47,489	45,038	2,451	2,451	-
72	33-MV Moreno Valley Unified	Moreno Valley Unified	\$ 588.47	34,830	34,481	349	349	-
73	34-BJ Sacramento County	Sacramento Co. Office of Education	\$ 574.91	75,403	75,181	222	222	-
74	34-BS Sacramento City Unified	Sacramento City Unified	\$ 581.21	46,629	47,419	(790)	-	(790)
75	34-CN San Juan Unified	San Juan Unified	\$ 582.21	45,457	45,896	(439)	-	(439)
76	34-EG Elk Grove Unified	Elk Grove Unified	\$ 590.23	58,611	57,358	1,253	1,253	-
77	35-SB San Benito County	San Benito Co. Office of Education	\$ 578.22	10,902	10,959	(57)	-	(57)
78	36-FA Fontana Unified	Fontana Unified	\$ 577.49	39,561	39,361	200	200	-
79	36-RA Morongo Unified	Morongo Unified	\$ 594.55	8,901	8,932	(31)	-	(31)
80	36-RR Desert/Mountain	San Bernardino COE : Desert/Mountain	\$ 567.82	93,421	89,131	4,290	4,290	-

	SELPA	AU	Rate	2006-07 ADA	2005-06 ADA	Change	Growing	Declining
81	36-SS West End	San Bernardino COE : West End	\$ 577.90	121,424	123,039	(1,615)	-	(1,615)
82	36-TA San Bernardino City Unified	San Bernardino City Unified	\$ 577.53	52,661	53,670	(1,008)	-	(1,008)
83	36-TT East Valley	San Bernardino COE : East Valley	\$ 580.50	86,176	87,186	(1,010)	-	(1,010)
84	37-BW San Diego City Unified	San Diego City Unified	\$ 654.62	120,777	122,637	(1,861)	-	(1,861)
85	37-PA South County	San Diego COE : South County	\$ 581.27	91,127	90,646	481	481	-
86	37-PB North Inland	San Diego COE : North Inland	\$ 578.78	44,539	45,874	(1,335)	-	(1,335)
87	37-PC East County	San Diego COE : East County	\$ 584.69	71,580	72,413	(833)	-	(833)
88	37-PP North Coastal	San Diego COE : North Coastal	\$ 577.63	107,800	107,329	471	471	-
89	37-PW Poway Unified	Poway Unified	\$ 578.47	31,844	31,583	261	261	-
90	38-WW San Francisco County	San Francisco Co. Off. of Education	\$ 759.88	53,039	54,379	(1,341)	-	(1,341)
91	39-BD San Joaquin County	San Joaquin Co. Off. of Education	\$ 575.53	62,035	61,520	515	515	-
92	39-BR Stockton City Unified	Stockton City Unified	\$ 578.61	35,656	35,978	(322)	-	(322)
93	39-DQ Lodi Area	Lodi Unified	\$ 568.68	30,714	30,266	448	448	-
94	40-AJ San Luis Obispo County	San Luis Obispo Co. Off. of Education	\$ 578.94	33,531	33,722	(191)	-	(191)
95	41-CA San Mateo County	San Mateo Co. Off. of Education	\$ 630.72	84,751	84,411	340	340	-
96	42-AR Santa Barbara County	Goleta Union Elementary	\$ 578.48	63,211	63,769	(558)	-	(558)
97	43-NB Santa Clara COE III	Santa Clara COE : Area 3	\$ 756.79	34,780	34,818	(37)	-	(37)
98	43-NC Santa Clara COE IV	Santa Clara COE : Area 4	\$ 578.90	29,792	29,946	(154)	-	(154)
99	43-ND Mt. Pleasant Elementary	Mt. Pleasant Elementary	\$ 582.90	112,529	112,037	491	491	-
100	43-NF Santa Clara COE VII	Santa Clara COE : Area 7	\$ 601.68	13,526	13,491	35	35	-
101	43-NN Santa Clara 1	Santa Clara COE : Area 1	\$ 594.53	22,093	21,774	318	318	-
102	43-QQ Santa Clara COE II	Santa Clara COE : Area 2	\$ 575.67	32,446	31,833	613	613	-
103	44-PV Pajaro Valley	Pajaro Valley Joint Unified	\$ 618.31	18,060	18,017	43	43	-
104	44-SC North Santa Cruz County	Santa Cruz Co. Off. of Education	\$ 660.46	17,980	18,222	(242)	-	(242)
105	45-AO Shasta County	Shasta Co. Office of Education	\$ 621.39	27,218	27,605	(387)	-	(387)
106	46-AW Sierra County	Sierra Co. Office of Education	\$ 671.82	499	531	(31)	-	(31)
107	47-AU Siskiyou County	Siskiyou Co. Office of Education	\$ 741.55	5,956	6,078	(122)	-	(122)
108	48-BT Solano County	Solano Co. Office of Education	\$ 578.81	48,462	48,981	(519)	-	(519)
109	48-CD Vallejo City Unified	Vallejo City Unified	\$ 586.98	16,403	16,817	(414)	-	(414)
110	48-CD Vallejo City Unified	Vallejo City Unified	\$ 586.98	16,403	16,817	(414)	-	(414)
111	49-AV Sonoma County	Sonoma Co. Office of Education	\$ 662.07	67,493	68,088	(595)	-	(595)
112	50-ZZ Modesto City Schools	Modesto City High	\$ 578.96	30,080	30,713	(634)	-	(634)
113	50-XX Stanislaus County	Stanislaus Co. Office of Education	\$ 575.01	69,881	69,667	214	214	-
114	51-BV Sutter County	Sutter Co. Office of Education	\$ 573.10	18,186	16,921	1,265	1,265	-
115	52-AE Tehama County	Tehama Co. Office of Education	\$ 630.19	10,472	10,540	(68)	-	(68)
116	53-AH Trinity County	Trinity Co. Office of Education	\$ 892.65	1,810	1,885	(75)	-	(75)
117	54-CG Tulare County	Tulare Co. Office of Education	\$ 576.28	89,214	88,011	1,203	1,203	-
118	55-TU Tuolumne County	Tuolumne Co. Office of Education	\$ 617.93	6,994	7,244	(250)	-	(250)
119	56-AG Ventura County	Ventura Co. Office of Education	\$ 578.41	147,207	147,742	(535)	-	(535)
120	57-BH Yolo County	Yolo Co. Office of Education	\$ 579.89	27,820	27,685	134	134	-
121	58-BC Yuba County	Yuba Co. Office of Education	\$ 572.19	13,765	14,592	(828)	-	(828)

# SUMMARY OF ELEMENTS TO DATE

- Each SELPA different in terms of funding. Basically traces back to 1979-80 costs of special education reported for your SELPA and your LEA. More details to follow.
- Each SELPA will allocate funding in a different way based on local decision making that has evolved since 1998 to the present.
- Federal IDEA funding and Property taxes are deducted from my entitlement to arrive at state aid.
- If my SELPA gets around \$600 per student, should I expect to get \$600?
  - Probably NOT.
  - Remember that funding is for all services (severe/non-severe) ages 3-22
  - Separate allocation for 0-2 infant
  - A significant % comes off the “top” or on per pupil basis for serving students with intensive services/needs, often served on a regional basis.
  - E.g. emotionally disturbed, autism, deaf and hard of hearing.
- You can expect that your income from all sources for special education will be less than your expenditures (local contribution).

# SPECIAL EDUCATION EXPENDITURE BUDGETING (CSAM, CA STATE ACCOUNTING MANUAL EXCERPT)

*Education Code* Section 56205(b)(1) requires that a special education budget shall separately identify the following elements:

Apportionment received by the local educational agency (LEA) in accordance with the allocation plan adopted by the special education local plan area (SELPA). (The state funding is tracked in SACS in the resource field in combination with a specific revenue code in the object field.)

**Administrative costs** of the plan. (These costs are tracked in the function field.)

Costs of special education services to pupils **with severe disabilities and low-incidence disabilities**. (This population is identified by the goal field.)

Costs of special education services to pupils with **nonsevere disabilities**. (This population is identified by the goal field.)

**Costs of supplemental aids and services** provided to meet the individual needs of pupils placed in regular education classrooms and environments. (Costs of these aids and services, which may be provided to both severe and nonsevere students, are tracked in the function field.)

**Costs of regionalized operations and services** and direct instructional support by program specialists in accordance with Part 30, Chapter 7.2, Article 6, of the *Education Code, Program Specialists and Administration of Regionalized Operations and Services*. (These costs are tracked in the goal field for regionalized operations and in the function field for instructional services.)

**Use of property taxes allocated to the SELPA** pursuant to *Education Code* Section 2572. (Property taxes allocated to the SELPA are tracked in the resource field and identified by a specific revenue code in the object field.)

*Note: Costs are further delineated by source of funding, federal special education funds or state funding*

# SPECIAL EDUCATION EXPENDITURE BUDGETING (ACCOUNTING MANUAL EXCERPT)

## **Maintenance of Effort (MOE)**

Funds provided under Part B of the federal Individuals with Disabilities Education Act (IDEA) are subject to a maintenance of effort (MOE) requirement. This is stipulated in Section 1413 of Title 20 of the *United States Code*, Title 34, Section 300.203 of the *Code of Federal Regulations*, and *Education Code* Section 56205.

The MOE requirement is that Part B IDEA funds shall not be used, except in specified situations, to reduce the level of expenditures for the education of children with disabilities made by the LEA from state and local funds or from local funds only, below the prior year's level. This test must be met on either an aggregate or a per capita basis.

**Translation: You should spend each year at least what you spent last year.**

**You CAN reduce costs however.** If you reduce your special education budget (or expenditures) in a given year, you need to be careful to ensure that you have met the maintenance of effort requirement. This does not mean you can't reduce costs, but you must do so within the guidelines of federal maintenance of effort.

There are a series of tests to pass; e.g. fewer students, reduction due to a high cost placement going away or other similarly identified expenditures. Your SELPA must pass an overall MOE test and then your SELPA will have procedures in place to evaluate whether your LEA met MOE.

# MAINTENANCE OF EFFORT (MORE DETAIL)

An LEA may reduce the level of expenditures below the level of those expenditures for the preceding fiscal year if the reduction is attributable to the following:

- The voluntary departure, or departure for just cause, of special education or related service personnel, who are replaced by qualified, lower-salaried staff.
- A decrease in the enrollment of children with disabilities
- The termination of the obligation of the agency to provide a program of special education to a particular child with disability that is an exceptionally costly program because the child:
  - Has left the jurisdiction of the agency;
  - Has reached the age at which the obligation of the agency to provide FAPE to the child has terminated; or
  - No longer needs the program of special education.
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of school facilities.

(Ref: CFR Sec. 300.232)

# SPECIAL EDUCATION CBO LEADERSHIP ROLE

As a CBO you have many **leadership responsibilities** with regards to Special Education. These next slides will outline the history of special education funding that will help you carry out those leadership functions.

The work we do on the financial side IS **NOT all about the numbers**. It is about **relationships**. And to form those relationships, you need to speak the language and learn about the world of special education.

# RESOURCE GUIDE

## ADDITIONAL DOCUMENT PROVIDED TO YOU

**An understanding of the unique language of Special Education** is critical to developing strong communication ties between business and program. The student data collection system (and the related options) provides a starting point for becoming informed. The key data collection elements are:

- ❖ What LEA (Local Education agency) is the student enrolled in?
- ❖ What SELPA (Special Education Local Plan Area) does the LEA belong to?
- ❖ What school is the student enrolled in?
- ❖ Where does the student reside? (at home or other placement)
- ❖ What is the student disability? (may be more than one)
- ❖ What is the setting the student is placed in?
- ❖ What services are provided to the student?
- ❖ Who provides the service?
- ❖ Where is the location from which the service is provided?

# SELPA

Each district must belong to a SELPA.

*Special Education Local Plan Area*

District may be a single SELPA or a member of a multi district SELPA. Each SELPA looks different, but what they have in common is a LOCAL PLAN that determines how they provide services and an ALLOCATION PLAN that determines how they distribute funds.

A Special Education Local Plan Area (SELPA) is the service area covered by the local plan for providing special education services to individuals with disabilities in that area under the state and federal law (EC 56195.1).

# LANGUAGE OF SPECIAL EDUCATION

## Primary disability category of the student as identified in the IEP (individualized education program)

- Mental Retardation (MR)
- Hard of Hearing (HH)
- Deafness (DEAF)
- Speech or Language Impairment (SLI)
- Visual Impairment (VI)
- Emotional Disturbance (ED)
- Orthopedic Impairment (OI)
- Other Health Impairment (OHI)
- Specific Learning Disability (SLD)
- Deaf-Blindness (DB)
- Multiple Disability (MD)
- Autism (AUT)
- Traumatic Brain Injury (TBI)

## Student residential status

- Parent or legal guardian
- Licensed children's institution (LCI)
- Foster family home (FFH)
- Hospital
- Residential facility
- Incarcerated institution
- State hospital
- Developmental center
- Other

## Children with disabilities are served in a number of “settings”:

**Regular classroom/public day school:** A program setting that includes at least 50 percent nondisabled children

**Separate school:** This is a setting where children receive all of their special education and related services in educational programs for greater than fifty percent of the school day in public or private day schools specifically for children with disabilities.

**Residential facility:** Public and private residential facilities where students reside during the school week and receive special education and related services for greater than 50 percent of the school day.

**Homebound/Hospital:** This setting is where students receive special education programs and related services in homebound/hospital environment

**Correctional facility:** This setting includes students who received special education programs in correctional facilities. These data are intended to be a count of all children receiving special education in short-term detention facilities (community-based or residential), or correctional facilities

**Parentally placed in private school:** This setting is where students have been enrolled by their parents or guardians in regular parochial or other private schools and whose basic education is paid through private resources and who receive special education and related services at public expense from a local education agency or intermediate educational unit under a service plan. Include children whose parents chose to home-school them, but who receive special education and related services the public expense.

## Children with disabilities receive services

Specialized academic instruction

Intensive individual instruction

Individual and small group instruction

Language and speech

Adapted physical education

Health and nursing

Health and nursing – other services

Assistive technology services

Occupational therapy

Physical therapy

Individual counseling

Counseling and guidance

Parent counseling

Social work services

Psychological services

Behavior intervention services

Day treatment services

Residential treatment services

Specialized services for low incidence disabilities

Specialized deaf and hard of hearing services

Interpreter services

Audiological services

Specialized vision services

Orientation and mobility

Braille transcription

Specialized orthopedic services

Reading Services

Note taking services

Transcription Services

Recreation services, includes therapeutic recreation

College Awareness

Vocational assessment, counseling, guidance

Career awareness

Work experience education

Job Coaching

Mentoring

Agency linkages (referral and placement)

Travel Training (includes mobility training)

Other transition services

Other special education/related services

# SPECIAL EDUCATION ADMINISTRATIVE UNIT – FISCAL RESPONSIBILITIES

A SELPA has one LEA (district or COE) that serves in the capacity of Administrative Unit (AU). There are a number of financial functions handled by the administrative unit. Each AU operates differently but below are some key characteristics of a well operated AU:

- ❖ Strong understanding of special education funding (history and current issues)
- ❖ Proactive support for legislative changes when necessary
- ❖ Understanding of the impact of proposed legislation on the SELPA
- ❖ Early notification to SELPA members of future fiscal impacts
- ❖ SELPA allocation plan (funding) is well documented with a clearly defined governance approval process for updating
- ❖ Allocation plan numbers are updated on a regular basis (no surprises!)
- ❖ Program and business meet together to review the allocation plan data (some form of finance committee to review documentation on a regular basis)
- ❖ CASH flow is prepared and transferred on a consistent accurate basis
- ❖ Reconciliation of amount posted is done
- ❖ Prior year adjustments are carefully analyzed in a timely fashion and funding adjusted accordingly.

# SAMPLE SELPA SPECIAL EDUCATION FINANCE COMMITTEE TIMELINE AND CONTENT

- September/October
  - Review Prior year data and any adjustments (June CDE certification)
  - Current Year Cash flow Update
  - Update of Current Year projections
  - SELPA budget document preliminary discussion (includes GF contribution calculation for each LEA in the SELPA)
  - Preliminary Maintenance of Effort data review
  - Identification of any allocation plan amendments needed as a result of legislation or other changes
  
- January/February
  - Current Year review formula updated with P-1 ADA
  - Next year projections
  - Regional program growth requests for next year
  - Review of Pupil Counts/FTE data
  - Final distribution of PY SELPA budget document including maintenance of effort
  - Written Allocation Plan annual update
  
- May
  - Current year update (P2 ADA/other factors) and updated projections for the next year
  - Other prior year updates (February 28, CDE certification documents)

# SPECIAL EDUCATION CBO LEADERSHIP ROLE

A CBO typically has the responsibility of being a **participant in the SELPA finance committee**, representing their LEA (Local Education Agency) participating in a multi agency SELPA (Special Education Local Plan Area).

The names of the committee vary, but many SELPAs have some type of business group involved in the allocation plan formula and process. You will need to understand the intricacies of your specific local allocation plan and the dynamics of your SELPA to understand the level of funding you might receive.

All CBOs must have great **awareness of the impact of Special Education on the general fund budget**. Historically for most LEAs and SELPAs, expenditures far outweigh income and the gap is widening each year.

# HOW DO WE FUND THESE SERVICES?

Special Education has a long history of complex funding formulas that have one thing in common: not enough money.

Prior to 1980    Amount per student based on disability

1980's            Master Plan. Amount per "class"

1998             All the money goes to the SELPA and the SELPA develops their own distribution rules.

2000's            Challenges. Bifurcated Rates, Declining Enrollment, Out of Home Care, Deficits. No solutions yet.

# HISTORY OF SPECIAL EDUCATION FUNDING

Master Plan Implementation – 1980 (AB 4040/AB 1250/SB 1870). Change from **per-pupil funding** to “**class or unit**” funding based on actual costs specific to each LEA (local education agency) (1979-80 costs of actual operation)

**Problems** existed from the start. Significant **inequities in funding** combined with **shortfalls (deficits)** in promised levels of funding. But it took **18 years** to fix!

**Funding incentives** had an impact on program decisions.

Rigid funding requirements resulted in a **lack of flexibility** in service delivery.

Funding based on Units (Classes Operated) **assuming that 10%** of the K-12 population would be served in a SELPA (Special Education Local Plan Area).

AND... your funding today is based on this ancient history and explains why you may be receiving more or less than another district of similar size.

# Ancient History

## (more than you ever wanted to know)

- Significant inequity in funding existed from district to district prior to 1998
  - For example, combined unit rate and support rate for SDC (Special Day Class) funding ranged from \$31,000 to \$81,000 (from 1995-96 data, over \$50,000 difference)
  - Rates based upon **1979-80 base year reported expenditures. And that is primarily why significant inequities in funding still exist today among SELPAs and LEAs**

	1979-80 Costs		
	District A	District B	District C
Average Teacher Cost (Salary & Benefits)	27,000	30,000	35,000
Average Aide Cost (Salary & Benefits)	8,000	10,000	15,000
Subtotal	35,000	40,000	50,000
All other reported costs (direct, direct support, indirect)	8,000	20,000	60,000
Total Average cost per class reported	43,000	60,000	110,000
All other Costs as % of Salary/Benefits	0.23	0.50	1.20

# SPECIAL EDUCATION PUPIL COUNT

**Incentive in past formula** to identify students as requiring special education services

- Example (prior to AB 602)
- Identify 24 more RSP students
  - You qualified for an additional RSP “unit” in the following year (Resource Specialist Program)
    - If you were under 10% “cap”
    - If state funded growth ( no guarantees!)
    - If you also hired teacher/aide

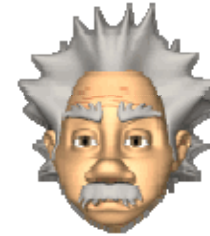
Financial Incentive in the past formula to operate RSP (Resource Specialist Program) instead of SDC (Special Day Class).

District program offerings may still reflect this former decision making.

## SIMPLIFIED J-50 FUNDING EXAMPLE

J-50 referred to the forms filed for funding

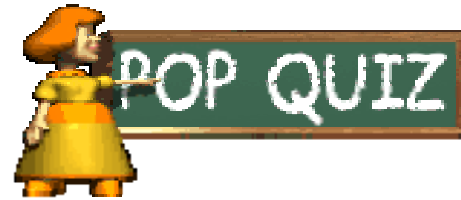
<b>ENTITLEMENT CALCULATION</b>			
A Units	B	C RATE	D UNITS X RATE (A X C)
1.00	SDC /1 AIDE (Special Day Class)	51,000	51,000
2.00	RSP /1 AIDE (Resource Specialist)	54,500	109,000
1.00	DIS (Designated Instruction & Services)	40,000	40,000
	<b>SUBTOTAL</b>		<b>\$ 200,000</b>
	SSR (Support Service Ratio)	0.5000	100,000
<b>TOTAL ENTITLEMENT</b>			<b>300,000</b>



<b>SOURCE OF FUNDS</b>	
P.L. 94-142 (Federal funds)	30,000
LGFC (Local General Fund Contribution)	25,000
Revenue Limit (SDC ADA x RL)	35,000
Subtotal Other Sources	90,000
State Aid	210,000
Deficit Rate	13%
Amount of Deficit	27,300
State aid less deficit	182,700

<b>RECAP OF FUNDING BY SOURCE</b>	
P.L. 94-142 (Federal funds)	30,000
Revenue Limit (SDC ADA x RL)	35,000
State Aid Net of Deficit	182,700
<b>Total</b>	<b>247,700</b>
<i>Entitlement</i>	<i>300,000</i>
<i>Less LGFC</i>	<i>25,000</i>
<i>Less Deficit</i>	<i>27,300</i>
<i>Total</i>	<i>247,700</i>

# QUIZ



1979-80 was the base EXPENDITURE YEAR that drove funding rates for over 18 years. If my special education teachers on staff in 1979-80 had, on average, only 2 years experience would you expect my unit rate to be above or below average?

Under the old model of funding, if my LEA was serving under 10% of my population, and I identified more special education students, started a class and hired a teacher, I could qualify for more funds?

- a) Probably YES
- b) Probably NO

... AND THE POINT IS?



All of this ancient history is still relevant because **many SELPA allocation plans reflect this history** as they moved from the old system of funding to a locally developed SELPA funding distribution model.

It explains why each **SELPA has a different rate per ADA** (average daily attendance) and why within a SELPA, **LEAs may have varying rates.**

As we look at our current Special Education funding problems and potential solutions, our **history** can be a **useful tool** to reflect on **what worked** and what did **not work** well.

# LEGISLATIVE TASK FORCE

## BASIC CONCEPTS BECAME ASSEMBLY BILL 602/1997

- Flexibility.....provide money to the SELPA and let a SELPA determine how to allocate resources to the wide range of services for the 0-22 population of students with special needs
- No Incentives ....A formula should move away from being driven by identified special education pupil counts and move to SELPA K-12 ADA as a basis for determining funding for the SELPA's.
- Underlying this was the faulty assumption that all SELPAs are created equal... but that's another story for another day.
- Funding to be based on K-12 ADA, not identified special education pupil count. 1997-98 funding became base for 1998-99 and future years.
- Phase I equalization by LEA to “level the playing field” and smooth out inequities created by previous formula. Phase 2 equalization by SELPA further dealt with some differences.
- Despite equalization efforts, there are still inequalities among SELPAs and among LEAs within SELPAs.

# AB 602 FUNDING MODEL

## STARTING POINT

Starting in 1998-99, Special Education funding comes to the SELPA as a **total \$ amount based** on SELPA K-12 ADA times the **unique SELPA rate**.

Funding from 1997-98 divided by 1997-98 K-12 P-2 ADA to determine a rate per ADA for the SELPA.  
Funding “rolled in”:

- Federal funds - PL 94-142
- Property taxes allocated to special education
- Net State Aid (Preschool-22 and net of deficit)
- Non Public School/Non Public Agency reimbursement dollars\*

SELPA develops an **allocation plan** to distribute the SELPA entitlement to LEA members.

\* 60% NPS/NPA reimbursement, the 100% reimbursed Licensed children's Institution/Foster Family Home not rolled in

# SOUNDS SIMPLE....DEVELOP AN ALLOCATION PLAN.....

Picture this:

- ✓ \$100 million dollars in special education **income** for the SELPA.
- ✓ \$150 million dollars in special education **expenditures** in the SELPA.
- ✓ 10 school districts with 10 **different sets of needs, wants, desires and perceptions.**
- ✓ Some have been on the **losing** end of the old formula for years...others on the **upper end** based on 1979-80 reported expenditures.
- ✓ **No rules.**
- ✓ Just all come together in a **collaborative fashion** to determine how to divide up \$100 million.
- No Allocation Plan is the same.

Allocation Plans are always a work in progress. They must adapt to changes in funding, unforeseen circumstances, and changing dynamics within a SELPA.

## BACK TO A FEW MORE DETAILS...

We talked about what was included in the new formula. A few things not included and funded separately:

- **NPS/A LCI/FFH 100%** funded (Non Public School/Agency, Licensed Childrens Institution, Foster Family Home) Note: became a new funding model in 2004-05 called **out of home care**)
- **Program Specialist/Regionalized Services** funding (goes to SELPA as separate allocation)
- **Infant Funding** (State and Federal 0-2 yrs.) still funded based on unit rates and identified students.
- **Low Incidence Funding.** Small funding allocation based on identified student needs.
- **Revenue Limit for Special Education ADA** is in addition to AB 602 SELPA revenues (small part of the funding puzzle).

## READY TO GO FORWARD? THE HISTORY LESSON IS OVER.

SELPAAs and LEAs have **different funding rates** because of **1979-80 expenditures** unique to each agency.

**Some differences have been smoothed** over by equalization funding and SELPA allocation plans. But **differences still exist.**

AB 602 SELPA funding gives **dollars to a SELPA.** SELPA develops allocation plan to determine how to **allocate insufficient resources** to meet the needs of **students with special needs age 0-22** throughout the SELPA.

# LOOKING FORWARD

The next slides will identify additional **parts of the formula** for special education funding and **identify some of the current issues/concerns** that surround them.

- Bifurcated Rate  
Impact on COLA and Growth
- Declining Enrollment formula for SELPA and allocation plan
- Non Public School funding and Out of Home Care funding
- Deficits
- Special Disabilities Adjustment
- Charters

# BIFURCATED SELPA PER ADA RATE. NEW IN 2005-06.

- We have discussed that a SELPA receive a rate per ADA that ranges from \$600 to \$1,000. Statewide average about \$600.
- In 2005-06, the Statewide average was divided into two parts (bifurcated); State portion/Federal portion.
- In the past, new federal dollars received by the state were used to pay for COLA/Growth. That became “problematic” from federal view point.
- By bifurcating, the state could use state dollars to pay for COLA/growth on the state portion and federal dollars to pay for COLA/Growth on federal portion.
- Problem solved....but lots of new problems created...primarily because there were limited new federal dollars.
- Legislation proposed BUT no solution yet.



# GROWTH/DECLINING ENROLLMENT

- SELPA Growth is based on **SELPA K-12 ADA** increases and funded at statewide average (@\$465). Special education pupil count does not affect growth.
- If your SELPA is declining, there is a safety net. Funding is based on greater of current year or prior year funded SELPA ADA. The problem is that you may have growing and declining districts. E.g. district A grows 100 students and district B declines 100 students. Growth money for SELPA? -0-. District A funding for the additional 100 students? Your allocation plan will define if the money is taken from District B or if District A receives NO increase.
- If growth is funded at \$465 then you would expect that declining enrollment adjustments to SELPA funding would be \$465? NO. Declines are funded at SELPA **unique rate** – from \$600 to \$1,000 per ADA. Your allocation plan must define how that impacts each LEA.
- Solutions. SELPA Funding should be based on greater of current or prior year ADA by LEA NOT by SELPA. Decline in ADA should be done at statewide average rate. Legislation proposed each year to correct but has not been successful yet.

## CHARTER COMPLICATION

SELPA declines by 200 ADA. District A declines by 100 and District B declines by 100. NO loss to District A & B because SELPA is funded on prior year ADA.

But what if a Charter joined the SELPA with 200 ADA. Total SELPA growth = 0. Money for growth = 0. How does the Charter get money for 200 ADA? Take away some amounts from District A and B? Allocation plan must addressed.

Additional note:

Charter joins SELPA at \$465 per ADA revenue to SELPA. Charter leaves SELPA? SELPA base is decreased at higher rate (\$600 to \$1,000).

# NON PUBLIC SCHOOLS HISTORY LESSON (BEFORE 1998-99)

Non Public School Placement **costs were soaring** throughout the state, with the state paying about 60%\* of the cost. **Solution.** Roll the state reimbursement cost into each SELPA AB 602 allocation. SELPA **allocation plan** will have **flexibility** to use the dollars to meet the needs of students.

## Funding formula prior to AB 602

- Total cost of placement
- Less ADA x Revenue Limit
- State Aid = balance times 70%
- State deficit on funding about 13%
- Therefore, state funded about 60% of the cost.

Cost of Placement		25,000
ADA x RL		4,000
Balance		21,000
State Aid	70%	14,700
State Deficit	13%	1,911
Amount of state aid (or about 60% true funding of balance)		12,789

**Current problem is there is typically not enough money.** The amount a SELPA receives currently is based on **60% of actual costs** from **1997-98**. Many SELPAs have experienced **significant increases** in placements since the base year.

\*Note – State paid 100% of costs for foster family home placements and licensed children institutions, but more on that later. 70% NPS/A funded, but deficits resulted in approximately 60% funding.

# NON PUBLIC SCHOOL FUNDING ALLOCATION PLAN

The **allocation plan** developed by a SELPA determined how the **1997-98** base amount dollars were shared.

**Options:** a) **Risk Pool** of some kind, b) Dollars **allocated to each LEA** based on 1997-98 costs, c) other SELPA **dollars from base rate** are used to cover increased costs, d) Other?

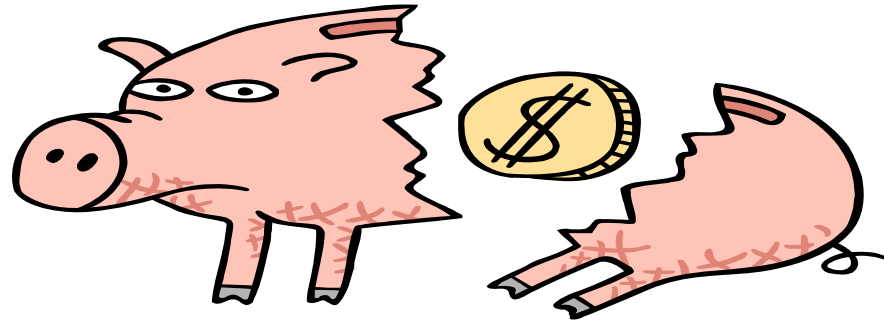
A Charter LEA joins a SELPA – how does an **allocation plan** address their **relationship** to the NPS issue?

## NPS 100%

### NOW OUT OF HOME CARE MODEL (2004-05)

- As noted before, the state continued after AB 602 to fund NPS placements for foster family homes (FFH) and licensed children's institutions (LCI) at 100% level.
- Money now comes to a SELPA based on a formula that counts FFH/LCI beds and students. Some hold harmless provisions exist in the formula. The SELPA allocation plan determines how the funds are used to meet SELPA needs.
- Winners and Losers in the formula statewide. Some SELPAs are experiencing increased costs of placements and decline in funding dollars. Other SELPA dollars may be used to address the shortfall based on the allocation plan decision.
- Varying legislation has been proposed (by those who lost on the formula) but has not been successful to date.

# DEFICIT DEFINED



- Special Education does not have an ongoing appropriation. If the state estimates the appropriation incorrectly (e.g. higher than expected K-12 ADA) and there are insufficient revenues it results in a deficit.
  - It takes appropriation clean up bill to fix. It also means that when a budget is late, cash flow does not occur until a budget is signed into law.
  - There were several years where this was an issue and we had deficits at the close of a year (some not restored). We have enjoyed several years of deficit free funding.
  - This differs from revenue limit funding, which has an ongoing appropriation.
  - Deficits are unique to each “pot”:
    - Base Amount
    - COLA
    - Equalization
    - Growth
    - Special Disabilities Adjustment
    - Program Specialist/Regionalized Services
    - Necessary Small SELPA
    - Low Incidence
    - NPS (100%) (now Out-of-Home Care)
    - NPS Extraordinary Cost Pool
    - Infant Funding
- Your allocation plan should have a methodology for dealing with potential deficits and how the impact is shared.**

# DEFICIT QUESTIONS INTO THE FUTURE

Will we have deficits as a result of estimation errors?  
How successful will we be in having clean up legislation passed in these uncertain budget times?

Will we have deficits as a result of legislative action?  
E.g. mid year reductions and proposed budget action.

How will the deficit be applied? In the past it has been applied to net state aid, which results in great inequities.

	District A	District B	District C
Base Funding	50,000,000	50,000,000	50,000,000
DEDUCTION Property Taxes/Federal Funds	25,000,000	37,500,000	50,000,000
Balance = State Aid	25,000,000	12,500,000	-
Reduction - example only	0.01	0.01	0.01
Reduction based on State Aid	250,000	125,000	-

# SPECIAL DISABILITIES ADJUSTMENT (SDA)

In 1998, as part of the AB 602 final budget discussions, SDA was born. The premise was that **not all SELPAs are equal** in terms of disabilities. The SDA was an attempt to measure “high incidence” beyond the average.

Incidence multiplier calculated for each SELPA based on **data prior to 1998-99** and has not been updated since. Currently a **limited** number of LEA’s qualify. If you had it in the base year, you still have it (see next slide with 2006-07 data). No new count has been done to see if others qualify. We thought a fix would occur in 2004-05...2005-06...2006-07....

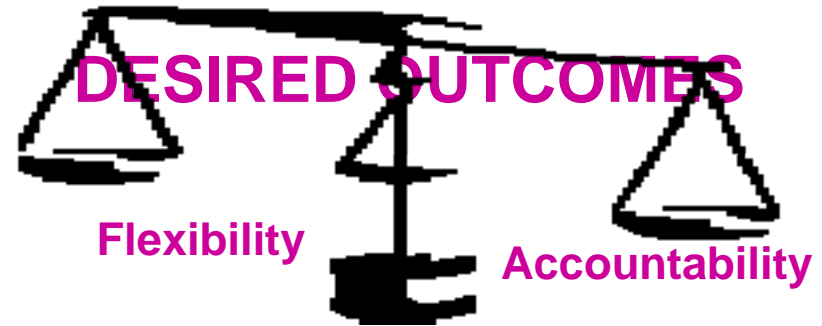
Lots of ideas....but any time you have **winners and losers** when you are proposing to change a long standing formula it is hard to get consensus on the solution. Stay tuned.

SELPA	AU	Rate	2006-07 ADA	SDA Adjust	Est. funding (ADA x SDA)
30-BO Garden Grove Unified	Garden Grove Unified	\$ 591.12	46,507	\$ 136.08	\$ 6,330,000
19-DN Pasadena Unified	Pasadena Unified	\$ 608.81	19,905	\$ 120.69	\$ 2,400,000
48-CD Vallejo City Unified	Vallejo City Unified	\$ 586.98	16,403	\$ 96.54	\$ 1,580,000
48-CD Vallejo City Unified	Vallejo City Unified	\$ 586.98	16,403	\$ 96.54	\$ 1,580,000
37-BW San Diego City Unified	San Diego City Unified	\$ 654.62	120,777	\$ 78.52	\$ 9,480,000
36-RA Morongo Unified	Morongo Unified	\$ 594.55	8,901	\$ 65.11	\$ 580,000
37-PC East County	San Diego COE : East County	\$ 584.69	71,580	\$ 64.74	\$ 4,630,000
07-BA Mt. Diablo Unified	Mt. Diablo Unified	\$ 626.42	33,712	\$ 64.19	\$ 2,160,000
44-PV Pajaro Valley	Pajaro Valley Joint Unified	\$ 618.31	18,060	\$ 60.65	\$ 1,100,000
30-BP Irvine Unified	Irvine Unified	\$ 583.27	25,197	\$ 58.31	\$ 1,470,000
19-BX Tri-City	Culver City Unified	\$ 603.02	22,830	\$ 57.28	\$ 1,310,000
28-CF Napa County	Napa Co. Office of Education	\$ 625.07	18,990	\$ 54.25	\$ 1,030,000
24-VV Merced County	Merced Co. Office of Education	\$ 600.53	54,152	\$ 46.21	\$ 2,500,000
09-CP Lake Tahoe USD/Alpine	Lake Tahoe Unified	\$ 586.84	4,203	\$ 45.52	\$ 190,000
30-BM Orange Unified	Orange Unified	\$ 582.53	28,918	\$ 44.24	\$ 1,280,000
19-CJ Los Angeles Unified	Los Angeles Unified	\$ 648.55	657,485	\$ 39.05	\$ 25,680,000
37-PA South County	San Diego COE : South County	\$ 581.27	91,127	\$ 38.58	\$ 3,520,000
19-BY Whittier Area Cooperative	Whittier Union High	\$ 582.19	49,361	\$ 34.44	\$ 1,700,000
33-CH Riverside Unified	Riverside Unified	\$ 581.15	40,958	\$ 32.60	\$ 1,340,000
10-BQ Fresno Unified	Fresno Unified	\$ 581.06	71,980	\$ 26.55	\$ 1,910,000
30-BK West Orange	Huntington Beach Union High	\$ 628.28	46,305	\$ 25.25	\$ 1,170,000
37-PB North Inland	San Diego COE : North Inland	\$ 578.78	44,539	\$ 22.89	\$ 1,020,000
19-DJ Foothill	Glendale Unified	\$ 580.83	46,167	\$ 20.54	\$ 950,000
36-TT East Valley	San Bernardino COE : East Valley	\$ 580.50	86,176	\$ 19.19	\$ 1,650,000
19-DU Norwalk-La Mirada/ABC	Norwalk-La Mirada Unified	\$ 580.34	41,636	\$ 15.97	\$ 660,000
34-BS Sacramento City Unified	Sacramento City Unified	\$ 581.21	46,629	\$ 14.72	\$ 690,000
01-CL Oakland Unified	Oakland Unified	\$ 629.77	42,911	\$ 14.27	\$ 610,000
19-DZ Puente Hills	Rowland Unified	\$ 580.13	38,690	\$ 10.48	\$ 410,000
19-DG Southwest	L.A.COE : Southwest	\$ 582.80	103,796	\$ 10.20	\$ 1,060,000
19-DX East San Gabriel	L.A.COE : East San Gabriel	\$ 579.35	139,059	\$ 7.65	\$ 1,060,000
01-CT Mission Valley	Fremont Unified	\$ 579.03	50,267	\$ 5.81	\$ 290,000
30-BL Newport-Mesa Unified	Newport-Mesa Unified	\$ 579.48	20,378	\$ 3.53	\$ 70,000
57-BH Yolo County	Yolo Co. Office of Education	\$ 579.89	27,820	\$ 2.56	\$ 70,000
30-BI Northeast Orange	Placentia-Yorba Linda Unified	\$ 578.53	31,234	\$ 1.76	\$ 50,000
19-DL Long Beach Unified	Long Beach Unified	\$ 578.79	86,427	\$ 0.22	\$ 20,000

# CHARTER SCHOOLS AS A SCHOOL OF THE AUTHORIZING LEA

- E.C. 47646 (b) ...each charter school ...receives an equitable share of special education funding....
  - E.C. 47646 (c) ...each charter school... also contributes an equitable share of its charter school block grant funding to support districtwide special education ...
- .....lots of SELPA discussion around these two code provisions.....

# THE ALLOCATION PLAN



- Funds go to LEAs within a SELPA in accordance with allocation plan
  - NO guidelines for what an Allocation Plan should look like
  - Based upon SELPA decision making that has evolved since 1998-99
  - Allocation Plan should also incorporate Charters
    - Charter may elect to be treated same as school within their sponsoring LEA
    - OR may elect to be separate LEA within the SELPA
    - No discrimination - treat equal to other LEAs IF they elect to become LEA
- Allocation Plans are varied
  - But some general statements could be made:
    - SELPAs tried to equalize dollars in some fashion
    - SELPA tried to move from disincentives
      - Examples:
        - Move to ADA/CBEDS (from identification of Special Education students)
        - Move from “units” to dollar allocation (e.g., SDC/RSP disincentive)

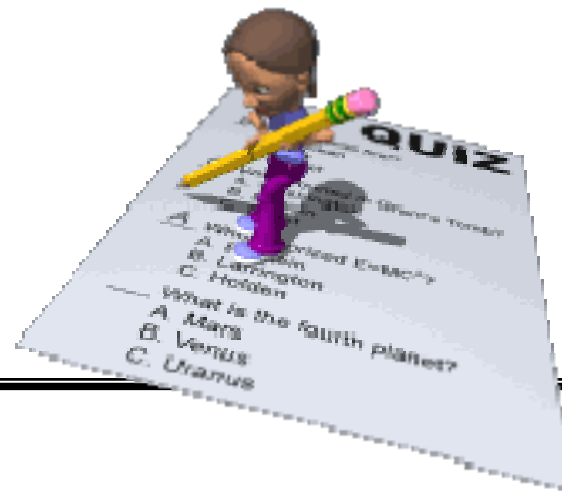
# ALLOCATION PLAN

## “NO TWO PLANS ALIKE”

- During development of a plan, many issues arise regarding basic “philosophies” of the plan:
  - Should the formula be adjusted for small districts?
  - Should the formula allocate differently between elementary and high school?
  - Are all LEAs deemed equal with regard to their special education needs?
  - Should the formula take into account poverty factors?
  - Should LEAs be held harmless at some level? (e.g., based on 1998-99 funding level)
  - Should funding be based on K-12 ADA per LEA with no incentives to identify students as special education?
  - Should funding be based on identified special education students?
  - Is the plan flexible enough to deal with special needs that may arise?
- How is SELPA growth funded?
  - What if no SELPA growth dollars because declines offset growth? How are new regional programs funded?
- How is equalization achieved among LEAS?
  - If equalization is received, how is it distributed? If no new dollars, how is equity achieved?
- How should regional programs be funded?
  - Allocate funds to LEAs – then each LEA “pays” based on students in programs
  - Prior to allocation of funds to LEAs – determine amount needed to fund regional programs and allocate that first.
- NPS/NPA Funding
  - Remember - No new state funding – amount in base is equal to 1997-98 funding level
  - Should SELPA NPS/NPA funding/costs be pooled?
  - Or allocate to each LEA based on 1997-98 funding level and they are responsible for their costs?

# QUIZ

- SELPA Allocation Plans are simple to develop if you just follow CDE guidelines:
  - a) True
  - b) False
- Since AB 602 funds flow to SELPA based on K-12 ADA, the allocation plan should distribute to LEAs based on K-12 ADA?
  - a) True
  - b) False



# LATE BREAKING NEWS POTENTIAL SETTLEMENT “HUGHES BILL” MANDATED COST CLAIM

Behavioral Intervention Plans [Hughes Bill] required LEAs to develop behavioral intervention plans for students. A mandated cost claim (filed by several agencies) was filed to reimburse schools for these activities. The result of the claims is a proposed negotiated settlement.

Requires 85% of LEAs (representing 92% of ADA) approve prior to March 1, 2009. Requires legislative action to appropriate funds in 2009-10 and place ongoing funding in statute.

Note: There is prior precedent for a similar action and settlement several years ago. Approved by LEAs and funds appropriated.

# LATE BREAKING NEWS

## POTENTIAL SETTLEMENT “HUGHES BILL”

### MANDATED COST CLAIM

- Settlement Terms if successful and IF funded:
  - \$65 million as a **permanent increase** to the AB 602 funding base effective 2009-10. Each SELPA’s funding rate will increase by about \$10.924857 per 2008-09 P-2 ADA. COLA and growth will be added in 2010-11 and thereafter, to the extent it is added to AB 602 generally.
- General fund reimbursement for **past special education (one time)** Hughes Bill costs and is allocated as follows:
  - \$510 million to school districts at \$85 million per year over 6 years commencing 2011-12 through 2016-17 based on 2007-08 P-2 ADA. This amount translates to about \$14.851782 per unit of 2007-08 P-2 ADA for each of the 6 years;
  - \$1.5 million to COEs in 2009-10 based on December, 2007 special education pupil count, with no COE receiving less than \$5,000. This amount translates to about \$35.056558 per county special education pupil according to the December 2007 pupil count;
  - \$6 million to SELPAs in 2009-10 based on December, 2007 special education pupil count, with no SELPA receiving less than \$10,000. This amount translates to about \$8.850014 per special education pupil according to the December 2007 pupil count;

## SELPA RELATIONSHIPS & THE “NUMBERS”

Successful SELPAs have **strong relationships and communication** among the LEA members. **Trust** is essential.

When LEA members don't trust the numbers, relationships fall apart. LEAs leave SELPAs. LEAs “take back” programs. Decisions are often focused on finances as opposed to what is best for students.

Your **support role in business is critical** to the success of the SELPA.

# CLOSING

Learn the language of special education.

Build relationships with your SELPA and your member LEAs.

Build relationships within your LEA with those who work to serve students with special needs.

Become knowledgeable about special education income within your SELPA and ensure that you are maximizing all opportunities for funding.

Be vigilant in monitoring special education expenditures as they have a significant impact on the fiscal health of your agency.

## APPENDIX 1 INFORMATION

### Allocation Plan survey data

**SURVEY RESULTS**  
**WHAT DO OTHER SELPAS DO? AB 602 FUNDING ALLOCATION SURVEY**  
**THANKS TO CCSESA (CA COUNTY SUPERINTENDENTS EDUCATIONAL SERVICES ASSOC.)**  
**ENORMOUS THANKS TO CARYL MILLER, RIVERSIDE COUNTY SELPA**  
**AND LAST BUT NOT LEAST, PAUL GOLDFINGER, SCHOOL SERVICES OF CA**  
**41 RESPONSES COMPILED**  
**MARCH 2003**

## Are funds taken off the “Top” for Regional Programs?

- 31 YES
- 20 NO

- County Regional programs 24
- District Regional programs 12
- Juvenile Court School 8
- Non Public Schools 16
- Non Public Agencies 8
- LCI (county) 8
- LCI (district) 7

## Special Provisions for Small Districts?

- 19 YES
- 19 NO
- Many variations
  - Direct Service (under 901)
  - Under 400 ADA
  - Guarantee of base level services
  - Emergency aid

## Fee for Service or Flat Rate for Regional Programs?

- 19 Yes
- 19 NO

### Many variations

- Cost of program less income
- Base rates established
- Amount per student based on services received
- Amount per student based on disability (e.g., NSH,SH, RSP)

## Balance of Allocation Formula – How is it Distributed?

- ADA 26
- Pupil Count 1
- Poverty Factor 1
- Combination:
  - 50% ADA/50% Utilization 1
  - 70% ADA/30% Utilization 1
  - 75% ADA/25% Pupil Count 1

### Others Options:

- Historical J50 units
- CBEDS
- Equalization formulas

## If You Use ADA – Is It Weighted?

- 6 YES
- 26 NO

### Notes:

- Small districts get 5% sparsity adjustment
- Growth and Equalization adjustments
- Weighted Needs factor for 25% and 75% on ADA
- Severe programs receive more

## Has Your Funding Been Equalized?

- 27 YES
- 8 NO

### Notes:

- Used COLA and growth dollars and new augmentation
- Use portion of COLA dollars
- Primarily from growth
- Recaptured from those above average
- Federal augmentation and mandated cost dollars

## How Do You Deal With Growth and Declining Enrollment?

### Comments:

- Hold Harmless Provisions
- Use of Prior Year ADA
- Use of Current Year ADA
  - Many noted this provision
- Same methodology as Revenue Limit – one year hold harmless
  - Many noted this provision
- Fund on Prior Year April pupil count

## Are School District Revenue Limits Factored Into the Formula?

- 9 Yes
- 27 NO

### Note:

- Misunderstanding of the question by some of the “yes” responses- they responded they used the RL to offset program costs
- Not typical to see Revenue Limits as part of allocation formula