


Special Education SELPA Issues of the Day December 2010



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Outline

◆ Student Population

- Special Education Statistics

◆ SELPA Income

- Unique SELPA funding characteristics
- History of funding
- Issues of the Day
- Allocation Plan

◆ SELPA Expenditures

- Maintenance of Effort

Student Population

California provides special education services to approximately 680,000 individuals, newborn through twenty-two years of age (2009-10).

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.

(from CDE website)

Special Education Pupil Count (December 2009 Data)		Statewide Special Education 0-22 Pupil Count Dec 09
Intellectual Disability	(MR) (ID)	42,897
Hard of Hearing	(HH)	9,301
Deaf	(DEAF)	4,154
Speech or Language Impairment	(SLI)	168,046
Visual Impairment	(VI)	4,465
Emotional Disturbance	(ED)	27,314
Orthopedic Impairment	(OI)	15,394
Other Health Impairment	(OHI)	53,936
Specific Learning Disability	(SLD)	287,773
Deaf- Blindness	(DB)	162
Multiple Disability	(MD)	5,201
Autism	(AUT)	59,690
Traumatic Brain Injury	(TBI)	1,831
Total		680,164

Student Population

Have you compared your special education population statistics to statewide averages?

Neighboring SELPAs?

Data through December 2009 posted at Data Quest website.

<http://data1.cde.ca.gov/dataquest/dataquest.asp>

Student Population

Students Receiving Special Education Services as a % of General Education What is your SELPA %?

General Education Enrollment and the Number of Students Receiving Special Education Services in California from 2003-04 to 2009-10

Year	General Education K-12 Population			Total # of students birth through age 22 receiving special education services	Percent of all students (0-22)
	All Students	Students Receiving special education services (K-12)			
	CBEDS Number	SpEd Pupil Count Number	Percent of all students (K-12)		
2003-04	6,298,783	621,635	9.87%	681,980	10.83%
2004-05	6,322,141	625,174	9.89%	681,969	10.79%
2005-06	6,312,436	625,067	9.90%	683,178	10.82%
2006-07	6,286,943	619,982	9.86%	679,648	10.81%
2007-08	6,275,469	616,364	9.82%	677,875	10.80%
2008-09	6,252,031	613,833	9.82%	678,105	10.85%
2009-10	6,191,655	614,031	9.92%	680,164	10.99%
<i>2009-10 ADA</i>	<i>5,929,190</i>	<i>614,031</i>	<i>10.36%</i>	<i>680,164</i>	<i>11.47%</i>
ADA as % of CBEDS	96%	Note: Use CBEDS or ADA to compute local statistics. SpEd Pupil Count as a % of CBEDS or ADA is provided for 2009.			

Student Population

Statewide Statistics by Grade Level Ages 0-22 as % of CBEDS

	2009	2009	
Grade level	Statewide SpEd Pupil Count	Statewide CBEDS Count	SpEd Pupil Count as % of Total K-12 Population
K-3	161,179	1,860,988	8.66%
4-6	156,674	1,387,487	11.29%
7-8	100,457	939,749	10.69%
9-12	195,721	1,997,064	9.80%
Ungraded CBEDS		6,367	
Subtotal	614,031	6,191,655	9.92%
Infant/Preschool	49,484		
Ungraded k-12	3,687		
age 18 - 22	12,962		
Subtotal	66,133	6,191,655	1.07%
Total	680,164	6,191,655	10.99%

Student Population

How Do You Compare? El Dorado SELPA compared to neighboring SELPAs and Statewide Averages

Summary of Select 2009 Special Education Pupil Count Data	K-12 P-2 ADA *	Special Education Pupil Count (All)	Ungraded SpEd Pupil Count	Special Education Pupil Count K-12	SpEd Pupil Count as % of P-2 ADA	K-12 SpEd Pupil Count as % of P-2 ADA
a	b	c	d	e	f	g
				c-d	c/b	e/b
Statewide	5,929,190	680,164	66,133	614,031	11.47%	10.36%
El Dorado	23,086	2,811	349	2,462	12.18%	10.66%
Placer	64,816	7,041	715	6,326	10.86%	9.76%
Sacramento SELPA	57,979	7,466	812	6,654	12.88%	11.48%
<i>*AB602 ADA used for special education funding formula</i>						

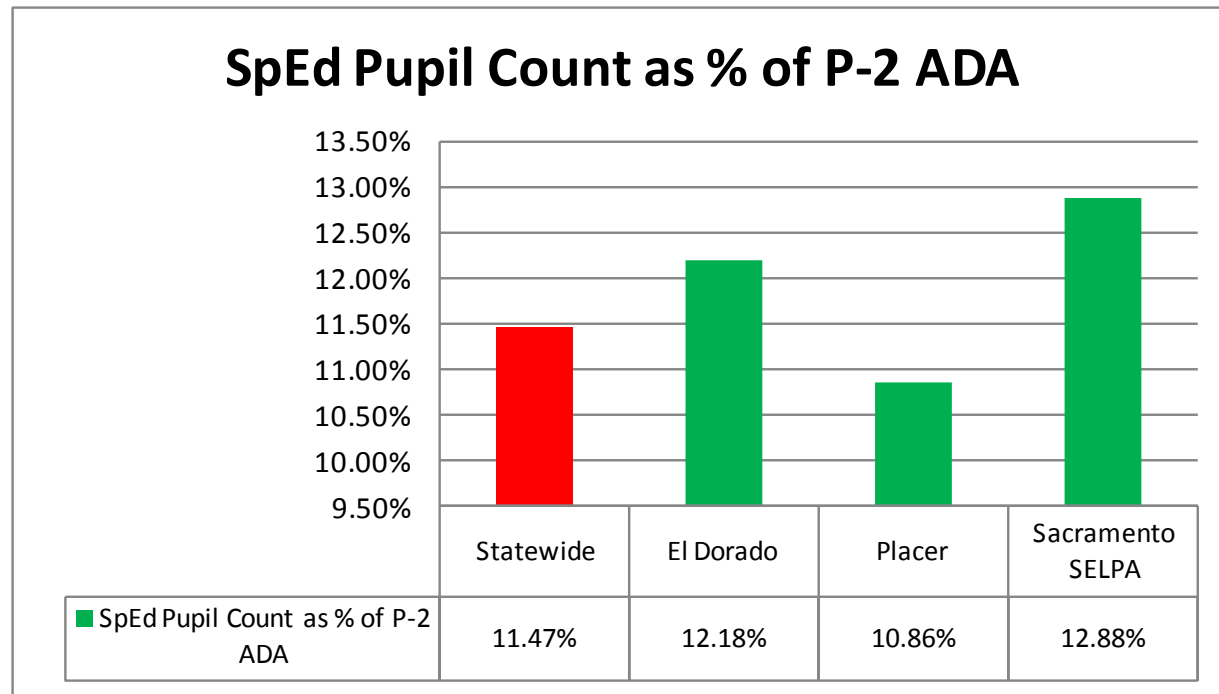
** AB602 P-2 ADA was used instead of CBEDS because it is a readily available statistic compiled on a SELPA level.*

Comparison Data

Beginning of a Conversation

Data is the beginning of a conversation for El Dorado SELPA.

- ◆ Why are we higher than statewide average?
- ◆ What is occurring in neighboring Placer county that makes them lower than statewide average?



Enrollment % by Disability

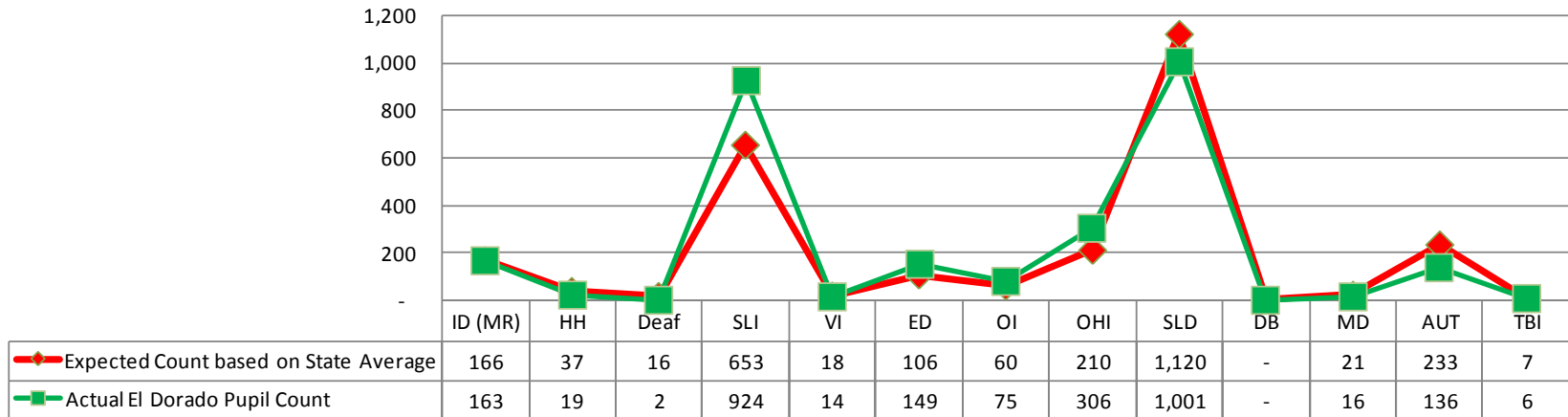
How does your population compare?

Graphical Representation

Using statewide average%, how many student would we expect to see compared to how many we have.

El Dorado SELPA is significantly above statewide average in SLI counts

El Dorado SELPA Counts Compared to an Expected Count based on State Averages



Enrollment % by Disability

Change in Statewide Population Over Time

Special Education population grew 4.52% since 2000
 K-12 General Education Population grew 2.33%

Special Education Enrollment by Disability		December 2009	December 2000	Change	% Change
Intellectual Disability (was MR)	(ID)	42,897	40,717	2,180	5%
Hard of Hearing	(HH)	9,301	6,261	3,040	49%
Deaf	(DEAF)	4,154	4,536	(382)	-8%
Speech or Language Impairment	(SLI)	168,046	165,496	2,550	2%
Visual Impairment	(VI)	4,465	4,616	(151)	-3%
Emotional Disturbance	(ED)	27,314	22,348	4,966	22%
Orthopedic Impairment	(OI)	15,394	14,583	811	6%
Other Health Impairment	(OHI)	53,936	21,025	32,911	157%
Specific Learning Disability	(SLD)	287,773	349,038	(61,265)	-18%
Deaf- Blindness	(DB)	162	198	(36)	-18%
Multiple Disability	(MD)	5,201	6,526	(1,325)	-20%
Autism	(AUT)	59,690	14,039	45,651	325%
Traumatic Brain Injury	(TBI)	1,831	1,336	495	37%
Total (December Special Ed Pupil Count)		680,164	650,719	29,445	4.52%
CBEDS		6,191,655	6,050,895	140,760	2.33%

Special Education Income Each SELPA is unique



Special Education Income

Short version of SELPA funding

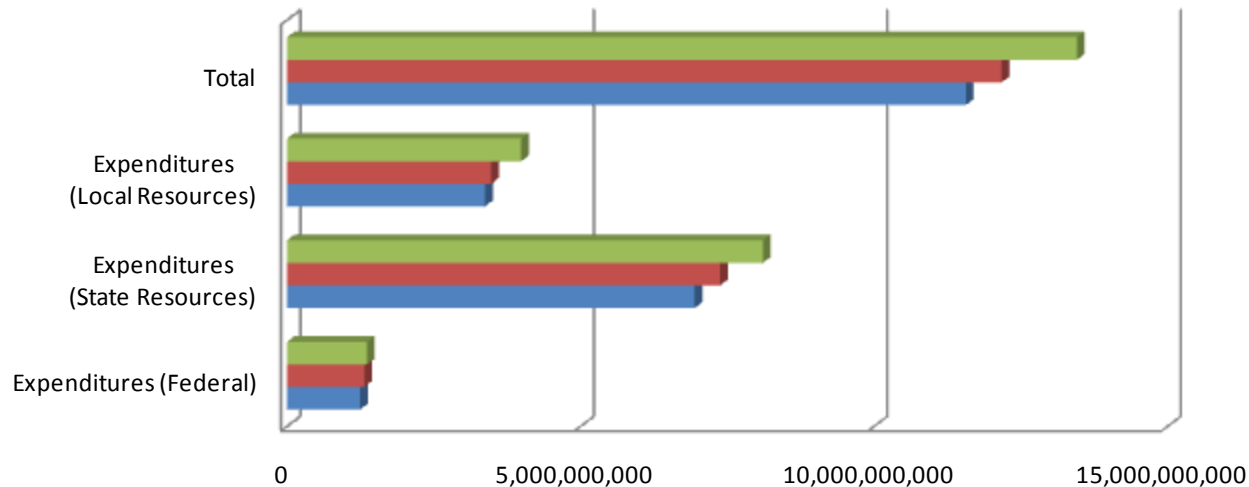
- ◆ **Prior Year BASE (function of ADA/unique SELPA rate) + Cost of Living increase + Growth/Decline + a few more things = Entitlement**
 - Subtract from the Entitlement the amounts received by the SELPA from Federal IDEA/Pl94142 funds and specific taxes allocated to special education and you will arrive at the level of State Aid.
- ◆ **While each SELPA is unique in terms of funding levels, but special education expenditures will still typically exceed funding from state and federal sources by 30%.**

Sources of Funding
State, Federal, Local Contribution

Source date – County Superintendent September 2008 workgroup report (restated SACS data)

- ◆ Federal funding covers about 10% of costs.
- ◆ State funding (including property taxes) covers about 60% of costs.
- ◆ Local contribution varies widely by LEA but the state wide average is around 30%.
- ◆ Expenditures include direct costs, allocated direct support, & indirect.

Special Education Expenditures (Statewide Data)



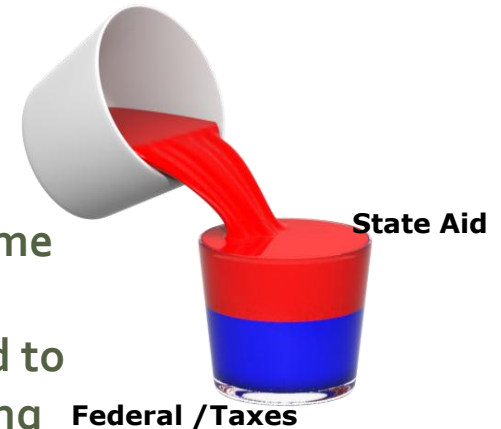
	Expenditures (Federal)	Expenditures (State Resources)	Expenditures (Local Resources)	Total
■ 2006-07	1,361,893,263	8,107,797,394	3,989,946,951	13,459,637,608
■ 2005-06	1,318,267,955	7,380,623,329	3,477,908,181	12,176,799,465
■ 2004-05	1,247,282,460	6,945,301,949	3,375,892,228	11,568,476,637

More detail on the “Deducts” Federal Funding for Special Education & Property Tax

Federal funds (Pl94142/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 CBEDS counts. Each 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.



SELPA funding

- ◆ To find your SELPA funding
- ◆ CDE website

The screenshot shows a web browser window with the URL <http://ias.cde.ca.gov/apportionment/ias.aspx?schoolyearid=2008&RptType=P2&CertType=Non>. The page header includes the California Department of Education logo and a search bar. A navigation menu contains the following items: Curriculum & Instruction, Testing & Accountability, Professional Development, Finance & Grants, Data & Statistics, Learning Support, and Specialized Programs. The breadcrumb trail reads: Home » Finance & Grant » Principal Apportionment. The main heading is "Second Principal Apportionment (P-2) Fiscal Year 2008-09". Below this, there are four dropdown menus: "Period" (2008-09 P-2), "Entity" (SELPA Admin Unit), "Program" (SELPA Special Education Funding Exhibit), and "Name and Code" (34-BJ Sacramento County). A "Preview Report" button is located below the dropdowns. At the bottom of the page, contact information for the California Department of Education is provided: 1430 N Street, Sacramento, CA 95814. A footer contains the text "Questions: Office of Principal Apportionment and Special Education | Office of Charter Apportionments and District Reorganization | 916-324-4541" and "Contact Us | FAQ | Web Policy".

Basic Formula

Basic formula (with a few more details)

◆ Prior Year BASE amount

- A function of K-12 P-2 ADA and SELPA unique rate
- Adjusted for decline in ADA – loss at SELPA unique prior year rate (\$600 to \$1,000 depending on SELPA rate)
- Declining enrollment guarantee (greater of CY or PY ADA)
- Adjusted for Growth in ADA - \$465.44 (State Target Rate)

◆ Statewide Target Rate is \$617.90 but divided into a state and federal component.

Statewide Average (Target Rate)	\$	617.90
State Portion	\$	465.44
Federal Portion	\$	152.46

Other details

- ◆ **BASE, COLA, Growth**
- ◆ **Supplemental funds**
 - Varies by year based on budget appropriation
 - Intended to replace losses from bifurcated rate (details to follow). \$7.71 in 2009-10. -0- in 2010-11
- ◆ **Special Disabilities Adjustment (incidence multiplier)**
 - Based on pre 1998 data – no adjustment since then
- ◆ **Program Specialist/Regionalized Services**
 - Current Year ADA x @ \$15 per ADA
- ◆ **Low Incidence Materials & Equipment**
 - Specific Pupil Count x @\$353
- ◆ **Out of Home Care**
 - Formula based on LCI/FFH beds/student counts

And even more details....

There are a few more parts of the AB602 formula that are not as commonly used:

NPS excess cost pool

- Claims in excess of \$73,329 (and new since 1997-98)
- SELPA less than 15,000, 1% of AB602 state aid
- Pro-rated to claims, \$3m. appropriation

Extra declining enrollment protection for small SELPAs (less than 15,000 ADA) e.c. 56213

- If a necessary small SELPA has a decline in AB602 funding, they receive additional funding (40% of the decline)

Sample - Growth SELPA

◆ Below average funding (line 1 - \$612)

- Prior to 2005-06, this SELPA was at statewide average
- Significant growth in Charter ADA in past 5 years
- All new ADA funded at \$465 (see line 4)
- Question – does your allocation plan make an adjustment for growth being funded at lesser amount?

	2009-10 (June CDE Certification - P2 ADA)	ADA		Rate	Total
1	Prior Year Base	19,002.90		\$ 612.16	11,632,871.65
2	Supplement to the base <small>(new federal money, in lieu of bifurcated COLA/Gro</small>	19,002.90		\$ 7.71	146,508.00
3	COLA = Prior year ADA x COLA rate (statewide factor)	19,002.90			-
4	Growth (increase in ADA x statewide average)	390.48		465.44	181,745.00
5	Decline (decrease in PY ADA x SELPA rate)				
6	Subtotal (Entitlement)		Sum (1 - 5)		11,961,124.65
7	DEDUCTION Property Taxes/Federal Funds		461,551	3,207,606	3,669,157.00
8	Balance = State Aid		Line (6 - 7)		8,291,967.65
9	Program Specialist/Regionalized Services (Current Year AD	19,393.38	15.4397	299,428.00	
10	Low Incidence Materials and Equipment	139.00	352.8954	49,052.00	
11	Out of Home Care			168,131.00	516,611.00
12	Total of State Funding		Sum (8 - 11)		8,808,578.65
13	Total from all sources (state, federal, property taxes)				12,477,735.65

More Detail

◆ More detail

◆ 2009-10 base is a function of:

- 2008-09 Base
- 2008-09 supplemental funding (varies each year based on state/federal appropriation)
- 2008-09 Growth/Decline

Prior Year Base	B-1	11,338,438.5300
Prior Year Supplement to Base	B-2	36,942.1600
Prior Year COLA	B-3	-
Prior Year Growth or Declining ADA Adjustment	B-4	257,490.9600
Prior Year Total (Sum of B-1 through B-4)	B-5	11,632,871.6500

More Detail

- ◆ If your allocation plan does not differentiate funding for growth ADA (district growth or charter growth), you are probably redistributing base funding, e.g. taking money from other LEAs and redistributing to those who are growing.
- ◆ Further complication:
 - A charter joins your SELPA and brings 1,000 ADA growth at \$465.
 - The charter leaves your SELPA and your SELPA declines in ADA by 1,000 ADA. Decline however is at your SELPA rate of over \$600.

Declining Enrollment SELPA

◆ El Dorado SELPA 2009-10

◆ Decline

- Loss from 2007-08 to 2008-09 (impact in 2009-10)
- 178 ADA loss at @\$634 (line 5)

	2009-10 (June CDE Certification - P2 ADA)	ADA		Rate	Total
1	Prior Year Base/prior year SELPA funded ADA (prior prior year)	23,792.66	Prior Prior YR ADA	\$ 633.84	15,080,825.78
2	Supplement to the base <small>(new federal money, in lieu of bifurcated COLA/Growth)</small>	23,792.66	PY funded	\$ 7.71	183,398.00
	Prior Year ADA	23,613.71			
3	COLA = Prior year ADA x COLA rate (statewide factor)				-
4	Growth (increase in ADA x statewide average)	-			
5	Decline (decrease in PY ADA x SELPA rate)	(178.95)		\$ 633.84	(113,426.00)
6	Subtotal (Entitlement)		Sum (1 - 5)		15,150,797.78
7	DEDUCTION Property Taxes/Federal Funds		1,786,659	3,820,369.00	5,607,028.00
8	Balance = State Aid		Line (6 - 7)		9,543,769.78
9	Program Specialist/Regionalized Services (Current Year ADA)	23,086.45		\$ 15.03	347,012.00
10	Low Incidence Materials and Equipment				40,935.87
11	Out of Home Care				1,057,403.00
12	Total of State Funding		Sum (8 - 11)		10,989,120.65
13	Total from all sources (state, federal, property taxes)				16,596,148.65

Declining Enrollment SELPA

2009-10

85 SELPAs in decline

(page 1)

	SELPA	2009-10 AB602 CY P2 ADA	2008-09 AB602 CY P2 ADA	Growth or Decline	Base Rate (2008-09)
1	19-CJ Los Angeles Unified	637,213.84	648,949.28	(11,735.44)	\$ 718.09
2	37-BW San Diego City Unified	116,770.52	120,479.18	(3,708.66)	\$ 726.83
3	37-PB North Inland	43,617.26	45,152.05	(1,534.79)	\$ 637.88
4	19-DC Mid-Cities	70,411.85	71,835.96	(1,424.11)	\$ 639.54
5	19-DY West San Gabriel	94,987.88	96,341.34	(1,353.46)	\$ 637.44
6	36-TT East Valley	82,651.99	83,899.61	(1,247.62)	\$ 640.54
7	30-MM North Orange	50,304.45	51,543.22	(1,238.77)	\$ 636.20
8	19-DL Long Beach Unified	82,605.48	83,807.29	(1,201.81)	\$ 638.90
9	19-DZ Puente Hills	36,383.53	37,572.29	(1,188.76)	\$ 641.67
10	48-BT Solano County	47,030.86	48,067.81	(1,036.95)	\$ 637.11
11	19-DE Pomona Unified	28,004.76	29,034.88	(1,030.12)	\$ 638.23
12	19-BY Whittier Area Cooperative	47,983.76	48,963.12	(979.36)	\$ 644.15
13	19-DX East San Gabriel	107,944.19	108,869.38	(925.19)	\$ 638.23
14	19-DA Antelope Valley	77,489.03	78,409.89	(920.86)	\$ 629.81
15	36-SS West End	119,858.34	120,658.46	(800.12)	\$ 636.05
16	10-BQ Fresno Unified	70,790.67	71,561.15	(770.48)	\$ 643.17
17	43-NC Santa Clara COE IV	31,427.77	32,102.41	(674.64)	\$ 625.29
18	30-MB South Orange	33,865.34	34,537.72	(672.38)	\$ 636.90
19	48-CD Vallejo City Unified	14,904.62	15,538.35	(633.73)	\$ 656.36
20	34-BS Sacramento City Unified	45,063.44	45,654.32	(590.88)	\$ 643.03
21	37-PP North Coastal	109,078.94	109,661.95	(583.01)	\$ 631.40
22	33-CH Riverside Unified	40,411.68	40,992.91	(581.23)	\$ 639.76
23	50-ZZ Modesto City Schools	28,382.77	28,960.59	(577.82)	\$ 638.33
24	19-DU Norwalk-La Mirada/ABC	39,972.69	40,535.58	(562.89)	\$ 641.26
25	45-AO Shasta County	26,131.59	26,693.04	(561.45)	\$ 679.93
26	07-BA Mt. Diablo Unified	32,789.52	33,324.12	(534.60)	\$ 694.96
27	09-BU El Dorado County	23,086.45	23,613.71	(527.26)	\$ 633.84
28	30-MA Greater Anaheim	57,308.55	57,828.03	(519.48)	\$ 635.48
29	01-CS Mid-Alameda County	48,121.55	48,640.17	(518.62)	\$ 636.01
30	04-CE Butte County	29,682.94	30,182.78	(499.84)	\$ 703.47
31	12-UU Humboldt/Del Norte	21,180.65	21,678.83	(498.18)	\$ 639.16
32	36-TA San Bernardino City Unified	50,229.73	50,692.43	(462.70)	\$ 636.45
33	01-CU Tri-Valley	34,551.99	34,965.96	(413.97)	\$ 624.76
34	49-AV Sonoma County	67,317.99	67,729.58	(411.59)	\$ 719.44
35	56-AG Ventura County	146,026.36	146,427.18	(400.82)	\$ 636.36
36	43-ND Mt. Pleasant Elementary	114,353.71	114,738.39	(384.68)	\$ 636.17
37	19-DN Pasadena Unified	19,080.91	19,465.02	(384.11)	\$ 682.91
38	07-AZ West Contra Costa Unified	28,301.04	28,681.08	(380.04)	\$ 732.82
39	34-CN San Juan Unified	43,965.76	44,333.45	(367.69)	\$ 642.03

Declining Enrollment SELPAs in 2009-10 (page 2)

	SELPA	2009-10 AB602 CY P2 ADA	2008-09 AB602 CY P2 ADA	Growth or Decline	Base Rate (2008-09)
40	30-BN Santa Ana Unified	54,954.53	55,309.79	(355.26)	\$ 636.77
41	19-DM Downey-Montebello	53,709.97	54,056.04	(346.07)	\$ 637.57
42	01-CL Oakland Unified	41,678.89	41,992.71	(313.82)	\$ 696.57
43	17-CC Lake County	8,659.53	8,943.97	(284.44)	\$ 653.69
44	23-AQ Mendocino County	12,162.48	12,444.55	(282.07)	\$ 980.86
45	30-BI Northeast Orange	30,583.14	30,857.96	(274.82)	\$ 636.65
46	55-TU Tuolumne County	6,357.33	6,626.09	(268.76)	\$ 679.07
47	37-PA South County	91,276.61	91,525.51	(248.90)	\$ 640.73
48	40-AJ San Luis Obispo County	32,817.03	33,060.15	(243.12)	\$ 637.14
49	42-AR Santa Barbara County	62,733.37	62,972.31	(238.94)	\$ 636.39
50	24-VV Merced County	53,280.71	53,515.31	(234.60)	\$ 662.63
51	15-BB Bakersfield City Eleme	25,576.97	25,792.72	(215.75)	\$ 636.83
52	19-DJ Foothill	45,315.85	45,529.47	(213.62)	\$ 641.29
53	25-CM Modoc County	1,524.72	1,722.88	(198.16)	\$ 1,077.78
54	36-RA Morongo Unified	8,859.11	9,048.13	(189.02)	\$ 657.82
55	58-BC Yuba County	14,718.80	14,903.08	(184.28)	\$ 624.88
56	34-BJ Sacramento County	57,979.03	58,162.59	(183.56)	\$ 629.70
57	03-MD Amador County	4,193.78	4,375.68	(181.90)	\$ 677.34
58	57-BH Yolo County	27,930.78	28,108.82	(178.04)	\$ 636.59
59	05-CV Calaveras County	6,016.46	6,191.56	(175.10)	\$ 678.38
60	47-AU Siskiyou County	5,709.90	5,872.02	(162.12)	\$ 808.52
61	39-BR Stockton City Unified	35,218.52	35,377.66	(159.14)	\$ 636.70
62	52-AE Tehama County	10,290.68	10,445.54	(154.86)	\$ 687.81
63	09-CP Lake Tahoe USD/Alpine	3,835.95	3,985.93	(149.98)	\$ 653.41
64	32-AA Plumas USD	2,228.51	2,367.42	(138.91)	\$ 644.15
65	30-BO Garden Grove Unified	46,479.86	46,614.88	(135.02)	\$ 662.26
66	13-BZ Imperial County	34,523.31	34,655.45	(132.14)	\$ 631.49
67	07-AY Contra Costa	70,866.90	70,998.54	(131.64)	\$ 691.70
68	11-CI Glenn County	5,470.23	5,590.59	(120.36)	\$ 747.59
69	30-BM Orange Unified	28,972.64	29,085.32	(112.68)	\$ 644.85
70	53-AH Trinity County	1,582.27	1,687.61	(105.34)	\$ 952.85
71	15-SI Sierra Sands Unified	5,073.72	5,177.13	(103.41)	\$ 636.64
72	29-NV Nevada County	12,526.57	12,613.64	(87.07)	\$ 637.29
73	01-CT Mission Valley	50,367.86	50,449.51	(81.65)	\$ 636.63
74	35-SB San Benito County	10,772.36	10,849.75	(77.39)	\$ 636.27
75	01-CR North Region	25,158.32	25,230.13	(71.81)	\$ 696.81
76	36-FA Fontana Unified	38,982.07	39,034.51	(52.44)	\$ 634.42
77	39-DQ Lodi Area	31,255.44	31,306.84	(51.40)	\$ 619.71
78	19-BX Tri-City	22,371.87	22,421.97	(50.10)	\$ 669.61
79	50-XX Stanislaus County	70,553.98	70,598.17	(44.19)	\$ 630.10
80	44-PV Pajaro Valley	18,503.60	18,547.45	(43.85)	\$ 681.78
81	06-AD Colusa County	4,273.80	4,314.56	(40.76)	\$ 631.48
82	26-CB Mono County	1,562.18	1,597.97	(35.79)	\$ 784.71
83	46-AW Sierra County	438.84	471.40	(32.56)	\$ 736.44
84	19-DG Southwest	102,315.09	102,345.97	(30.88)	\$ 643.51
85	30-MC Anaheim Elementary	18,584.36	18,603.48	(19.12)	\$ 639.74

Growing SELPAs

- ◆ 2009-10 Growth SELPAs
- ◆ 37 in growth mode

2009-10 SELPAs:

- ◆ 85 decline
- ◆ 37 growth
- ◆ 1 Charter SELPA
- ◆ 1 LA court schools

124 total SELPA

	SELPA	2009-10 AB602 CY P2 ADA	2008-09 AB602 CY P2 ADA	Growth or Decline	Base Rate (2008-09)
1	34-FC Folsom-Cordova Unified	18,350.81	18,303.17	47.64	\$ 628.80
2	19-DF Santa Clarita	50,939.47	50,888.83	50.64	\$ 622.89
3	20-AB Madera/Mariposa	30,108.69	30,048.04	60.65	\$ 626.94
4	18-AL Lassen County	4,781.19	4,702.79	78.40	\$ 859.52
5	15-AM Kern County	99,550.48	99,451.29	99.19	\$ 625.29
6	15-AF Kern Union High	34,780.62	34,674.28	106.34	\$ 613.76
7	34-EG Elk Grove Unified	59,028.51	58,915.44	113.07	\$ 642.74
8	16-AC Kings County	26,997.32	26,874.55	122.77	\$ 627.45
9	30-BL Newport-Mesa Unified	20,736.37	20,610.43	125.94	\$ 637.87
10	30-BK West Orange	46,841.86	46,708.08	133.78	\$ 691.72
11	28-CF Napa County	19,489.51	19,346.36	143.15	\$ 688.10
12	43-NF Santa Clara COE VII	14,323.67	14,167.11	156.56	\$ 649.83
13	33-MV Moreno Valley Unified	34,174.56	33,982.91	191.65	\$ 645.61
14	37-PW Poway Unified	32,574.82	32,364.95	209.87	\$ 632.71
15	54-CG Tulare County	91,677.27	91,450.87	226.40	\$ 627.29
16	30-CO Capistrano Unified	50,984.83	50,749.59	235.24	\$ 627.35
17	10-FB Clovis Unified	36,141.62	35,898.22	243.40	\$ 622.31
18	44-SC North Santa Cruz County	18,340.30	18,078.44	261.86	\$ 717.00
19	31-PL Placer County	64,815.54	64,515.96	299.58	\$ 622.59
20	30-BP Irvine Unified	26,165.07	25,860.81	304.26	\$ 640.88
21	51-BV Sutter County	19,307.90	19,002.90	305.00	\$ 612.16
22	10-BE Fresno County	75,831.10	75,474.00	357.10	\$ 625.00
23	43-QQ Santa Clara COE II	33,766.73	33,406.96	359.77	\$ 625.10
24	43-NB Santa Clara COE III	35,964.33	35,589.66	374.67	\$ 818.23
25	14-BF Inyo County	3,224.60	2,840.61	383.99	\$ 653.86
26	27-AS Monterey County	67,179.31	66,778.32	400.99	\$ 635.27
27	21-AT Marin County	28,739.59	28,337.48	402.11	\$ 871.50
28	43-NN Santa Clara 1	23,349.11	22,921.58	427.53	\$ 642.56
29	38-WW San Francisco County	53,045.63	52,579.49	466.14	\$ 827.62
30	39-BD San Joaquin County	62,920.82	62,421.83	498.99	\$ 630.46
31	41-CA San Mateo County	87,413.91	86,863.29	550.62	\$ 682.24
32	33-EN Corona-Norco Unified	50,549.27	49,946.98	602.29	\$ 611.54
33	30-YY Tustin Unified	21,600.69	20,928.56	672.13	\$ 619.78
34	07-SR San Ramon Valley Unified	27,112.59	26,221.88	890.71	\$ 675.09
35	37-PC East County	72,464.58	71,195.40	1,269.18	\$ 649.39
36	36-RR Desert/Mountain	98,305.35	96,663.91	1,641.44	\$ 612.62
37	33-AN Riverside County	276,379.31	274,009.72	2,369.59	\$ 614.61

How different is SELPA funding statewide?

◆ 2009-10 (Unique SELPA Rate)

- SELPAs come in varying sizes and configurations
- Single LEA SELPA
- Multi LEA SELPA
- Rural SELPA
- Small (Sierra County 438 ADA)
- Large (LA Unified 637,000 ADA)
- Charter SELPA (different funding formula)
 - El Dorado 13,700 ADA in 2009-10
 - LA COE Charter SELPA new in 2010-11)
- LA Court School SELPA (different funding formula)

Sorted by Base Rate (high to low)

SELPA's with base rate over \$700

17 SELPA's

	SELPA	2009-10 AB602 CY P2 ADA	Base Rate (2008-09)
1	25-CM Modoc County	1,524.72	1,077.78
2	23-AQ Mendocino County	12,162.48	980.86
3	53-AH Trinity County	1,582.27	952.85
4	21-AT Marin County	28,739.59	871.50
5	18-AL Lassen County	4,781.19	859.52
6	38-WW San Francisco County	53,045.63	827.62
7	43-NB Santa Clara COE III	35,964.33	818.23
8	47-AU Siskiyou County	5,709.90	808.52
9	26-CB Mono County	1,562.18	784.71
10	11-CI Glenn County	5,470.23	747.59
11	46-AW Sierra County	438.84	736.44
12	07-AZ West Contra Costa Unified	28,301.04	732.82
13	37-BW San Diego City Unified	116,770.52	726.83
14	49-AV Sonoma County	67,317.99	719.44
15	19-CJ Los Angeles Unified	637,213.84	718.09
16	44-SC North Santa Cruz County	18,340.30	717.00
17	04-CE Butte County	29,682.94	703.47

Sorted by Base Rate (high to low)

**SELPAs with base
rate greater
than \$650
but less than \$700**

23 SELPAs

1	01-CR North Region	25,158.32	696.81
2	01-CL Oakland Unified	41,678.89	696.57
3	07-BA Mt. Diablo Unified	32,789.52	694.96
4	30-BK West Orange	46,841.86	691.72
5	07-AY Contra Costa	70,866.90	691.70
6	28-CF Napa County	19,489.51	688.10
7	52-AE Tehama County	10,290.68	687.81
8	19-DN Pasadena Unified	19,080.91	682.91
9	41-CA San Mateo County	87,413.91	682.24
10	44-PV Pajaro Valley	18,503.60	681.78
11	45-AO Shasta County	26,131.59	679.93
12	55-TU Tuolumne County	6,357.33	679.07
13	05-CV Calaveras County	6,016.46	678.38
14	03-MD Amador County	4,193.78	677.34
15	07-SR San Ramon Valley Unified	27,112.59	675.09
16	19-BX Tri-City	22,371.87	669.61
17	24-VV Merced County	53,280.71	662.63
18	30-BO Garden Grove Unified	46,479.86	662.26
19	36-RA Morongo Unified	8,859.11	657.82
20	48-CD Vallejo City Unified	14,904.62	656.36
21	14-BF Inyo County	3,224.60	653.86
22	17-CC Lake County	8,659.53	653.69
23	09-CP Lake Tahoe USD/Alpine	3,835.95	653.41

Sorted by Base Rate (high to low)

SELPAs with base rate
less than \$650
but
greater than \$625

66 SELPAs

1	43-NF Santa Clara COE VII	14,323.67	649.83
2	37-PC East County	72,464.58	649.39
3	33-MV Moreno Valley Unified	34,174.56	645.61
4	30-BM Orange Unified	28,972.64	644.85
5	19-BY Whittier Area Cooperative	47,983.76	644.15
6	32-AA Plumas USD	2,228.51	644.15
7	19-DG Southwest	102,315.09	643.51
8	10-BQ Fresno Unified	70,790.67	643.17
9	34-BS Sacramento City Unified	45,063.44	643.03
10	34-EG Elk Grove Unified	59,028.51	642.74
11	43-NN Santa Clara 1	23,349.11	642.56
12	34-CN San Juan Unified	43,965.76	642.03
13	19-DZ Puente Hills	36,383.53	641.67
14	19-DJ Foothill	45,315.85	641.29
15	19-DU Norwalk-La Mirada/ABC	39,972.69	641.26
16	30-BP Irvine Unified	26,165.07	640.88
17	37-PA South County	91,276.61	640.73
18	36-TT East Valley	82,651.99	640.54
19	33-CH Riverside Unified	40,411.68	639.76
20	30-MC Anaheim Elementary	18,584.36	639.74
21	19-DC Mid-Cities	70,411.85	639.54
22	12-UU Humboldt/Del Norte	21,180.65	639.16
23	19-DL Long Beach Unified	82,605.48	638.90
24	50-ZZ Modesto City Schools	28,382.77	638.33
25	19-DE Pomona Unified	28,004.76	638.23
26	19-DX East San Gabriel	107,944.19	638.23
27	37-PB North Inland	43,617.26	637.88
28	30-BL Newport-Mesa Unified	20,736.37	637.87
29	19-DM Downey-Montebello	53,709.97	637.57
30	19-DY West San Gabriel	94,987.88	637.44
31	29-NV Nevada County	12,526.57	637.29
32	40-AJ San Luis Obispo County	32,817.03	637.14
33	48-BT Solano County	47,030.86	637.11
34	30-MB South Orange	33,865.34	636.90
35	15-BB Bakersfield City Elementary	25,576.97	636.83
36	30-BN Santa Ana Unified	54,954.53	636.77
37	39-BR Stockton City Unified	35,218.52	636.70
38	30-BI Northeast Orange	30,583.14	636.65
39	15-SI Sierra Sands Unified	5,073.72	636.64
40	01-CT Mission Valley	50,367.86	636.63
41	57-BH Yolo County	27,930.78	636.59
42	36-TA San Bernardino City Unified	50,229.73	636.45
43	42-AR Santa Barbara County	62,733.37	636.39
44	56-AG Ventura County	146,026.36	636.36
45	35-SB San Benito County	10,772.36	636.27
46	30-MM North Orange	50,304.45	636.20
47	43-ND Mt. Pleasant Elementary	114,353.71	636.17
48	36-SS West End	119,858.34	636.05
49	01-CS Mid-Alameda County	48,121.55	636.01
50	30-MA Greater Anaheim	57,308.55	635.48
51	27-AS Monterey County	67,179.31	635.27
52	36-FA Fontana Unified	38,982.07	634.42
53	09-BU El Dorado County	23,086.45	633.84
54	37-PW Poway Unified	32,574.82	632.71
55	13-BZ Imperial County	34,523.31	631.49
56	06-AD Colusa County	4,273.80	631.48
57	37-PP North Coastal	109,078.94	631.40
58	39-BD San Joaquin County	62,920.82	630.46
59	50-XX Stanislaus County	70,553.98	630.10
60	19-DA Antelope Valley	77,489.03	629.81
61	34-BJ Sacramento County	57,979.03	629.70
62	34-FC Folsom-Cordova Unified	18,350.81	628.80
63	16-AC Kings County	26,997.32	627.45
64	30-CO Capistrano Unified	50,984.83	627.35
65	54-CG Tulare County	91,677.27	627.29
66	20-AB Madera/Mariposa	30,108.69	626.94

Sorted by Base Rate (high to low)

**SELPAs with base
rate less than
\$625**

16 SELPAs

1	43-NC Santa Clara COE IV	31,427.77	625.29
2	15-AM Kern County	99,550.48	625.29
3	43-QQ Santa Clara COE II	33,766.73	625.10
4	10-BE Fresno County	75,831.10	625.00
5	58-BC Yuba County	14,718.80	624.88
6	01-CU Tri-Valley	34,551.99	624.76
7	19-DF Santa Clarita	50,939.47	622.89
8	31-PL Placer County	64,815.54	622.59
9	10-FB Clovis Unified	36,141.62	622.31
10	30-YY Tustin Unified	21,600.69	619.78
11	39-DQ Lodi Area	31,255.44	619.71
12	33-AN Riverside County	276,379.31	614.61
13	15-AF Kern Union High	34,780.62	613.76
14	36-RR Desert/Mountain	98,305.35	612.62
15	51-BV Sutter County	19,307.90	612.16
16	33-EN Corona-Norco Unified	50,549.27	611.54

**Why is each SELPA funding
unique?
Requires a look back in time**



History of Funding

Special Education has a 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 funds go to the SELPA & the SELPA decides how to distribute to LEAs

2000's Challenges. Bifurcated Rates, Declining Enrollment, Special Disabilities Adjustment, Out of Home Care, Charter Schools

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.

◆ 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 was 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 Entitlement

J-50 referred to the forms
filed for funding

	A	B	C	D	E
	Units	Class	Description	Unit Rate	Units x Rate (a x d)
1	1.00	SDC/1 aide	Special Day Class (SDC)	51,000	51,000
2	2.00	RSP/ 1 aide	Resource Specialist Program (RSP)	54,500	109,000
3	1.00	DIS	Designated Instruction & Services (DIS)	40,000	40,000
4			Subtotal (line 1,2, 3)		200,000
5		SSR (Support Services Ratio)		0.50	100,000
6			(line 4 + 5)		300,000

Simplified J-50 Funding Example Source of Funds

7	Entitlement (from above)				300,000
8	IDEA/PI 94-142 (federal funds)			(30,000)	
9	Required Local General Fund contribution			(25,000)	
10	Revenue Limit (SDC ADA x Revenue Limit)			(35,000)	
11	Subtotal other sources (line 8 + 9 + 10)				(90,000)
12	Entitlement less other sources = State Aid (line 7 - line 11)				210,000
13	Deficit (line 12 x deficit rate)		210,000	-13%	(27,300)
14	State Aid (less deficit) line 12 - line 13				182,700

RECAP

15	IDEA/PI 94-142 (federal funds)				30,000
16	Revenue Limit (SDC ADA x Revenue Limit)				35,000
17	State Aid (less deficit) line 12 - line 13				182,700
18	Total all sources (line 15,16,17)				247,700
19	Entitlement			300,000	
20	less LGFC			(25,000)	
21	less deficit			(27,300)	
22	Total Funding			247,700	

... 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 IncentivesA 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.**

Legislative Task Force

Basic concepts became Assembly Bill 602/1997

- ◆ 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
- ◆ Declining Enrollment
- ◆ Special Disabilities Adjustment
- ◆ Couple more details (if time permits)
 - Non public schools
 - Out of home care
 - Deficits
 - Charter Schools
 - Hughes Bill

Bifurcated Rate

New in 2005-06.

- ◆ We have discussed that a SELPA receives a rate per ADA that ranges from \$617 to \$1,000. In 2005-06, the Statewide Target Rate 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 the federal view point. By bifurcating the rate, 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...

Bifurcated Rate – Example

Example below of COLA/Growth Calculation – before/after (using 2007-08 Data)

See line 6– COLA declines almost \$7 per ADA

See Line 7 – Growth Rate per ADA declines \$159

See line 8 – Effective COLA is 3.37% NOT 4.53%

Sample SELPA (100,000 ADA) loss of \$1.5 million

Example using 2007-08 Statewide target data		Current	Calculation Prior to 2005-06	Change
Prior Year Statewide Target Rate (STR) State and Federal	1	589.36	589.36	
Prior Year Supplement to Base Rate	2	8.37	8.37	
Prior Year bifurcated STR (Excludes federal)	3	436.90	589.36	
Prior Year STR plus Prior Year Supplement to Base Rate (line 2 +3)	4	445.27	597.73	
Current Year Cost of Living Adjustment (COLA) Factor	5	0.0453	0.0453	
Current Year COLA Rate (line 4 x 5)	6	20.17	27.08	6.91
Current Year STR (line 4 + 5)	7	465.44	624.81	159.37
Effective COLA (\$20.17/ \$597.73)	8	3.37%		
	Loss per ADA	ADA	Loss of funding in one year	
SELPA of 100,000 ADA, growing at 5%				
COLA loss	6.91	100,000	691,000	
Growth ADA loss	159.37	5,000	796,850	
Total			1,487,850	

Bifurcated Rate – An Equity Issue

◆ Cost of Living Increase

- COLA for all SELPAs based on statewide average
- But since 2005-06, it is calculated on the State Target portion
- Therefore a 5% COLA translates to 3.76%

1	Statewide target rate	State	\$ 465.44	\$ 23.25	5.00%
2	Statewide target rate	Federal	\$ 152.46		
3	COLA as % of Total Rate		\$ 617.90	\$ 23.25	3.76%

◆ Growth

- Growing districts (and growth charter schools) are tremendously disadvantaged because growth is funded at \$465 – not \$617.90

Declining Enrollment - An Equity Issue

- ◆ 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? -o-. 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.

Declining Enrollment - An Equity Issue

- ◆ 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.
- ◆ **Equity 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.

Declining Enrollment - 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 address this issue.**

Additional note:

**A Charter joins the SELPA and generates \$465 per ADA revenue for the SELPA. Charter leaves the SELPA?
SELPA base is decreased at the unique SELPA rate (\$600 to \$1,000).**

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.

An Incidence multiplier was calculated for each SELPA based on a single year of data (American Institutes for Research (AIR) 1998 Report)

44 SELPAs had incidence multipliers above 1.0, although 10 eligible SELPAs did not receive an adjustment due to revenues that canceled out the estimated cost of high cost students. Of the remaining 34, only 31 were estimated to receive funding in 2009-10 (based on February 2010 data – may increase based on final June recertification)

EC 56836.155

Estimated SDA in 2009-10

- ◆ Estimated 2009-10 SDA apportionment (February 2010)
- ◆ Based on greater of CY or PY ADA (for this example only used PY ADA for all)
- ◆ Final detail for 2009-10 not available yet
- ◆ Additional adjustments on growth/decline calculation
- ◆ @ \$70 million
- ◆ @35% of ADA eligible

2009-10 Estimated SDA Apportionment based on February 2010 CDE apportionment (Line E6 on apportionment*)				
SELPA	2008-09 AB 602 ADA	Incidence Multiplier Rate	Estimated SDA February 2010	SDA Divided by PY ADA
1 30-BO Garden Grove Unified	46,614.88	0.279768797	6,186,979	\$ 132.73
2 19-DN Pasadena Unified	19,465.02	0.291282571	2,237,967	\$ 114.97
3 48-CD Vallejo City Unified	15,538.35	0.19231967	1,403,355	\$ 90.32
4 37-BW San Diego City Unified	120,381.45	0.297733498	9,033,287	\$ 75.04
5 36-RA Morongo Unified	9,048.13	0.167675393	576,202	\$ 63.68
6 44-PV Pajaro Valley	18,547.45	0.201819943	1,128,107	\$ 60.82
7 07-BA Mt. Diablo Unified	33,324.12	0.222448805	2,012,374	\$ 60.39
8 30-BP Irvine Unified	25,860.81	0.118520763	1,550,237	\$ 59.95
9 37-PC East County	71,195.40	0.129652787	4,262,533	\$ 59.87
10 28-CF Napa County	19,346.36	0.202458881	1,062,079	\$ 54.90
11 19-BX Tri-City	22,421.97	0.168799177	1,180,302	\$ 52.64
12 24-VV Merced County	53,516.26	0.144800034	2,402,741	\$ 44.90
13 30-BM Orange Unified	29,085.32	0.093032291	1,157,815	\$ 39.81
14 09-CP Lake Tahoe USD/Alpine	3,985.93	0.09969868	148,250	\$ 37.19
15 37-PA South County	91,485.20	0.077622192	3,305,223	\$ 36.13
16 19-CJ Los Angeles Unified	648,949.46	0.217134943	22,051,831	\$ 33.98
17 33-CH Riverside Unified	40,992.91	0.065698775	1,247,385	\$ 30.43
18 19-BY Whittier Area Cooperative	48,963.25	0.076358912	1,443,629	\$ 29.48
19 30-BK West Orange	46,708.08	0.156827243	1,078,289	\$ 23.09
20 10-BQ Fresno Unified	71,522.38	0.053523639	1,445,933	\$ 20.22
21 37-PB North Inland	45,143.17	0.042894475	857,595	\$ 19.00
22 19-DJ Foothill	45,529.47	0.041894546	694,712	\$ 15.26
23 36-TT East Valley	83,873.17	0.03866545	1,187,624	\$ 14.16
24 19-DU Norwalk-La Mirada/ABC	40,535.58	0.032513103	394,523	\$ 9.73
25 34-BS Sacramento City Unified	45,654.32	0.053111506	395,796	\$ 8.67
26 01-CL Oakland Unified	41,990.32	0.140016778	329,715	\$ 7.85
27 19-DG Southwest	102,243.02	0.0496733	517,035	\$ 5.06
28 19-DZ Puente Hills	37,572.41	0.021956488	115,292	\$ 3.07
29 19-DX East San Gabriel	108,870.09	0.01467743	272,327	\$ 2.50
30 01-CT Mission Valley	50,449.51	0.012255911	91,776	\$ 1.82
31 57-BH Yolo County	28,108.82	0.030144063	11,647	\$ 0.41
Total	2,066,923		69,782,557	
Total SELPA PY ADA	5,950,280			
% of ADA eligible for SDA		35%		
* Note: further adjustments for SDA on growth/decline calculation				
32 19-DL Long Beach Unified		revenues canceled out SDA		
33 30-BI Northeast Orange		revenues canceled out SDA		
34 30-BL Newport-Mesa Unified		revenues canceled out SDA		

AIR 1998 Study Results*

AIR found that severe and/or high cost students were not randomly distributed throughout the state. **In other words, SELPAs experienced significant differences in special education severity that were greater than chance alone.** Accordingly, AIR created a “severity service multiplier” for each SELPA in the state based on the services received by its special education students. These multipliers identified SELPAs with responsibilities for disproportionate numbers of severe and/or high cost students in comparison to the statewide average.

A supplemental funding allowance was proposed for SELPAs based on their severity service multiplier in relation to their overall AB 602 average daily attendance funded rate and other factors. **These multipliers were incorporated into the AB 602 funding model by SB 1564** (Chapter 330, Statutes of 1998). This legislation required that the funding model be adjusted for severity through 2002-03, at which time a new study would be conducted to review the incidence multiplier and the necessity of continuing to adjust for severity.

** Taken from 2004 AIR study report when summarizing 1998 study*

Special Disabilities Adjustment (SDA)

New study – done in 2002 and finalized in 2004 (AIR).

Result:

In summary, the primary recommendation from this study is that the revised severity service model presented in this report be used as the basis for subsequent severity adjustments to the state's special education funding formula. Using updated multipliers, the statewide severity adjustment fund is projected at \$103.2 million. As mentioned, 38 SELPAs have a positive severity multiplier, of which 30 are eligible to receive adjustments under the revised model. We recommend that the state gradually phase-out SELPAs that have been receiving adjustment funds for the prior five years and provide full and immediate funding to SELPAs identified as responsible for a disproportionate number of high cost students. As the supplemental funds will support immediate needs, we believe that SELPAs should be provided with their funds as soon as reasonable to offset their high cost students. Although there is added cost to the state for a phase-out for SELPAs no longer eligible to receive funds under the revised model, it is believed that time will be needed to adjust to these reductions in revenue. With a two-year phase-out, overall estimated cost in the first year of implementation would be \$115.3 million—\$103.2 for the revised multipliers and \$12.1 million for the phase-out process. As the state has already invested nearly \$80.6 million in the severity fund in 2002-03, the marginal cost for implementing the revised multipliers with a two-year phase-out would be \$34.7 million in the first year.

SDA 2002/2004 Study -Short Answer

- ◆ Study had “winners” and “losers”
- ◆ 2002 study provided a base multiplier and an adjusted multiplier
 - Adjusted multiplier excluded school-aged LCI, FFH, residential facility students
- ◆ Study not implemented.
- ◆ Significant discussion over time about other ways to distribute SDA, but no action has been forthcoming.

2002/2004 AIR Findings

◆ Newly qualified SELPAs identified in the AIR study

SELPA	Original factor 1998 Study AB602	2002 Study	2002 Study adjusted
Did not qualify in 1998 Study but did qualify in 2002 Study			
Colusa COE	1	1.277	1.266
Elk Grove USD	1	1.139	1.144
Glenn COE	1	1.482	1.478
Marin COE	1	1.033	1.028
Mid-Alameda County (Castro Valley USD)	1	1.069	1.073
North Coastal (San Diego COE)	1	1.006	1.009
Poway CUSD	1	1.058	1.058
San Bernardino CUSD	1	1.026	1.032
Sonoma COE	1	1.026	1.025
South Orange (Orange COE)	1	1.001	1.003
Tehama COE	1	1.294	1.259
Tri-Valley (Pleasanton USD)	1	1.062	1.073
Tustin USD	1	1.042	1.032
Ventura COE	1	1.018	1.014

2002/2004 AIR Findings

◆ Qualified in 1998 but not in 2002 (AIR Study)

- *means they qualified but their revenue canceled out the SDA adjustment – therefore they have not been receiving a benefit*
- *This may change based on current data*

SELPA	Original factor 1998 Study AB602	2002 Study	2002 Study adjusted
Qualified in 1998 study but did not qualify in 2002 study			
Long Beach USD *	1.0004	1	1
Antelope Valley (Palmdale USD)*	1.003	1	1
Mission Valley (Fremont USD)	1.012	1	1
LACOE: East San Gabriel	1.015	1	1
LACOE: Puente Hills	1.022	1	1
Contra Costa (Acalanes UHSD)*	1.03	1	1
Moreno Valley USD*	1.03	1	1
Norwalk-La Mirada/ABC	1.033	1	1
East Valley (San Bernardino COE)	1.039	1	1
North Inland (San Diego COE)	1.043	1	1
Riverside USD	1.066	1	1
South County (San Diego COE)	1.078	1	1
Lake Tahoe USD/Alpine	1.1	1	1
Siskiyou COE*	1.135	1	1
Merced COE	1.145	1	1
San Francisco COE/USD*	1.186	1	1
Napa COE	1.202	1	1
Pajaro Valley USD	1.202	1	1
Santa Clara III*	1.216	1	1
Garden Grove USD	1.28	1	1

2002/2004 AIR Findings

◆ Qualified in 1998 and again in 2002 with a Revised Factor (AIR Study)

SELPA	Original factor 1998 Study AB602	2002 Study	2002 Study adjusted
Qualified in 1998 study and revised factor in 2002			
Northeast Orange (Placentia-Yorba Linda L	1.003	1.014	1.012
Newport-Mesa USD	1.025	1.118	1.077
Yolo COE	1.03	1.083	1.093
Tri-County (Tuolumne COE)*	1.033	1.025	1.019
Foothill (Glendale USD)	1.042	1.134	1.134
LACOE: Southwest	1.05	1.033	1.036
Sacramento CUSD	1.053	1.256	1.252
Fresno USD	1.054	1.097	1.084
Whittier Area (Whittier UHSD)	1.076	1.326	1.32
Mendocino COE*	1.084	1.25	1.233
North Region (Alameda City USD)*	1.091	1.384	1.383
Orange USD	1.093	1.015	1.001
Irvine USD	1.119	1.172	1.165
East County (San Diego COE)	1.13	1.12	1.121
West Contra Costa USD*	1.139	1.212	1.203
Oakland City USD	1.14	1.168	1.165
West Orange (Huntington Beach UHSD)	1.157	1.033	1.039
Morongo USD	1.168	1.016	1.015
Tri-Cities (Beverly Hills USD)	1.169	1.061	1.063
Vallejo CUSD	1.192	1.25	1.241
Los Angeles USD	1.217	1.258	1.254
Mt. Diablo USD	1.222	1.023	1.026
Pasadena USD	1.291	1.054	1.057
San Diego CUSD	1.298	1.145	1.148

SDA Current Saga continues

◆ 2009-10

- February 2010 CDE certifies apportionment with a footnote. EC Section 56836.155, which authorizes the use of incidence multipliers and special disabilities adjustment funding in the AB 602 calculation, was not extended to the 2009-10 fiscal year. **Our understanding is that this was an oversight and that clean-up legislation is pending.** As such, the CDE has included these adjustments in its P-1 estimate of 2009-10 funding. However, be advised that the CDE will not include incidence multipliers or special disabilities adjustment funding in its P-2 calculation if the statute is not extended.
- June 2010 – no solution. No funding distributed.
- October 2010. Funding distributed in special apportionment. This special apportionment, in the amount of \$69,000,511 is made from Section A of the State School Fund under Item 6110-161-0001 of the Budget Act of 2009 as amended by Assembly Bill 1 (Chapter 1, Statutes of 2009).authorized by Assembly Bill 184 (Chapter 403, Statute of 2010).

SDA AB 184

◆ Saved by last minute legislation...AB 184, Block.

From the bill intent language:

Existing law adjusts funding for individuals with exceptional needs based on an incidence multiplier, as defined, for each special education local plan area. This bill would continue the current special education incidence factor formula through the 2010-11 fiscal year. The bill would make the adjustment inoperative on July 1, 2011, and repeal it on January 1, 2012. This bill would declare that it is to take effect immediately as an urgency statute.

Stay tuned... a solution is needed for 2011-12.

**A few more details
(if time permits)**

A decorative graphic consisting of a long blue arrow pointing left, with a smaller green arrow pointing left nested inside its tail.

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.

NPS Funding Prior to AB 602	
Cost of Placement	25,000
ADA x Revenue Limit	5,000
Balance	20,000
State Aid (70% less 13% deficit)	12,000

- ◆ 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 still continued to pay 100% of costs for foster family home placements and licensed children institutions but revised this in 2004 with “Out of Home Care” formula.

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?

“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 until 2004-05.
- ◆ Starting in 2004-05, funds come to a SELPA based on a formula that counts FFH/LCI beds and students. Some hold harmless provisions exist in the formula (33% in 2008-09, 50% in 2009-10, and -0- in 2010-11). The SELPA allocation plan determines how the funds are used to meet SELPA needs.

Out of Home Care – hold harmless phased out in 2010-11

- ◆ (4) For the 2009-10 fiscal year, the total amount apportioned to a special education local plan area pursuant to the formula established in paragraph (1) shall be as follows: (A) If the out-of-home care funding amount calculated for a special education local plan area for the 2009-10 fiscal year is less than or equal to the amount a special education local plan area received for the 2008-09 fiscal year, the special education local plan area shall receive the same amount it received for the 2008-09 fiscal year less 50 percent of the difference between the amount received for the 2008-09 fiscal year and the out-of-home care funding amount computed for the 2009-10 fiscal year. (B) For special education local plan areas other than those funded through subparagraph (A), special education local plan areas shall receive the amount received for the 2008-09 fiscal year. (C) For special education local plan areas other than those funded through subparagraph (A), each special education local plan area shall also receive the difference between the out-of-home care funding amount for that special education local plan area and the amount received for the 2008-09 fiscal year for that special education local plan area divided by the sum of the difference between the out-of-home care funding amount and the amount received in the 2008-09 fiscal year for all special education local plan areas times the amount of funds provided for Section 56836.165 in the annual Budget Act that has not been allocated in subparagraph (A) or (B). (5) Beginning in the 2010-11 fiscal year, the total amount apportioned to a special education local plan area pursuant to the formula established in paragraph (1) shall be equal to the amount calculated pursuant to Section 56836.165. If the sum of the amounts calculated pursuant to Section 56836.165 for all special education local plan areas exceeds the Budget Act appropriation for this purpose, the department shall apply proportionate reductions to all special education local plan areas.

Deficits

- ◆ 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.

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.....

And adding to the mix, there are additional options based on pilot projects operating in the state:

- ◆ All Charter SELPA (El Dorado County is the AU)
- ◆ Charters as a “subset” of existing SELPAs (several pilots)

Potential Future Funding “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 negotiated settlement. Required 85% of LEAs (representing 92% of ADA) to approve prior to March 1, 2009 (done).

- ◆ However requires an appropriation to fund.
- ◆ NO funding in 2009-10 or 2010-11. 2011-12?

Potential settlement “Hughes Bill”

Mandated Cost Claim – estimated funding

Settlement Terms IF funded:

- ◆ \$65 million as a permanent increase to the AB 602 funding. Each SELPA’s funding rate would increase by about \$10.924857 per P-2 ADA.
- ◆ 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 based on P-2 ADA. This amount translates to about \$14.851782 per unit of P-2 ADA for each of the 6 years;
 - \$1.5 million to COEs based on December special education pupil count, with no COE receiving less than \$5,000. This amount translates to about \$35.056558 per county special education pupil count.
 - \$6 million to SELPAs based on December special education pupil count, with no SELPA receiving less than \$10,000. This amount translates to about \$8.850014 per special education pupil.

Allocation Plan



The Allocation Plan

- ◆ **Funds go to LEAs within a SELPA in accordance with the locally developed 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

The Allocation Plan

◆ Allocation Plans are varied

- But some general statements can 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?

Allocation Plan

“No Two Plans Alike”

- ◆ **How is SELPA growth funded?**
 - What if no SELPA growth dollars because declines offset growth? How are new regional programs funded?
 - Is the growth funding rate differentiated?
- ◆ **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.

Allocation Plan

“No Two Plans Alike”

◆ NPS/NPA Funding

- 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?

◆ Out of Home Care Funding

- How is funding distributed?

◆ Charter Schools

- How are they addressed in your allocation plan?

◆ Deficits

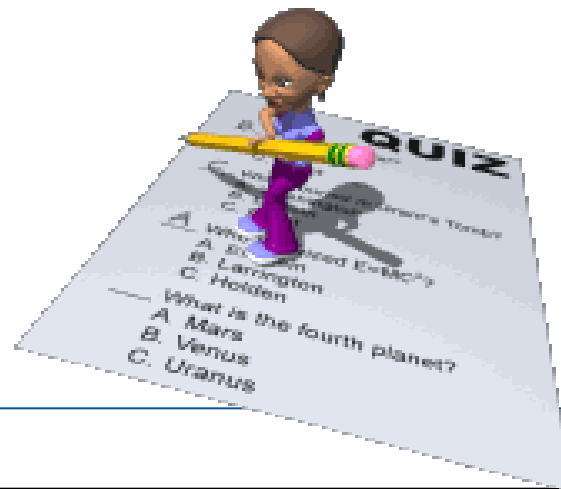
- If the state has a deficit in funding – how does your allocation plan address?

◆ Cash Flow (new item)

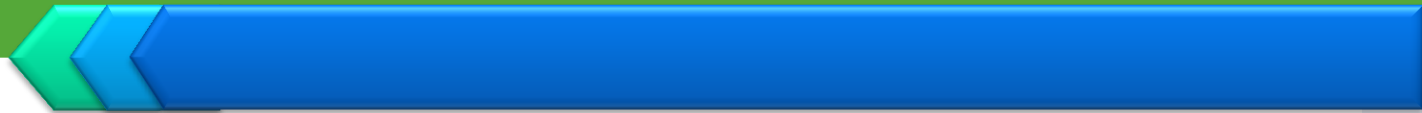
- Does your allocation plan address cash flow (new issue because of deferrals and problems with adequate cash flow)?

Quiz

- ◆ SELPA Allocation Plans are simple to develop if you just follow CDE guidelines:
 - True
 - 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?
 - True
 - False



Maintenance of Effort



Maintenance of Effort

Maintenance of Effort (MOE) (excerpt from state accounting manual)

- ◆ 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.

Maintenance of Effort (MOE)

- ◆ **Translation:** You should spend each year (from state and local sources) at least what you spent last year (with allowable exceptions). And budget (state and local sources) for the next year at least what you spent in the current year (with allowable exceptions).
 - Must pass MOE for SELPA
 - Must pass MOE for each LEA
- ◆ **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.

Maintenance of Effort

- ◆ There are many more details but the important thing to remember is **PLANNING** and **MONITORING**.
- ◆ Each SELPA should have a staff person who is responsible for understanding all the nuances of the MOE formula and monitors the SELPA and each LEA for compliance. Encourage LEAs to carefully track MOE exceptions.
- ◆ Don't wait until September 2011 to find out that your SELPA has a problem with MOE.
 - Establish critical review points with your LEAs.
 - First interim and 2nd Interim reporting periods may be an ideal time to establish MOE "checkpoints".

MOE – Planning & Monitoring

- ◆ **SELPAAs should update their internal policies;**
 - What happens when an LEA does not meet MOE? How is that handled in the allocation plan?
 - If SELPA doesn't meet MOE and there is a reduction in federal funds to the SELPA, how is this implemented in the allocation plan?

A few more things outside of AB602

◆ AB3632 Mental Health Services

- County mental health agencies have been providing mental health services for students with disabilities (mandated service under federal law)
- This has been a political “football” in CA for many years, trying to shift responsibility back to education .
- In 2010-11, the Legislature appropriated funding and did not suspend the mandate
- The Governor vetoed the funding, but did not suspend the mandate

◆ Stay tuned for Legal Action.....

A few more things outside of AB602

◆ Mental Health Pre-Referral dollars

- \$31 million appropriation continues, which translates to about \$5.20 per ADA
- This is considered restricted funding but expenditures are not required to be tracked separately
- Allocation Plan should determine the distribution of these dollars

A few more things outside of AB602

◆ ARRA funds/IDEA

- \$1.3 billion in ARRA/IDEA funding awarded
- Started in February/March 2009
- Must be spent by September 2011
- Allocation Plan determined distribution of funding in your SELPA
- One time funding
- Monitor carefully to ensure funds are spent by September 2011 and spent according to guidelines

SELPA Relationships & the “Numbers”

- ◆ **Successful SELPAs have strong relationships and communication among the LEA members. Trust is essential.**
- ◆ **Allocation Plans need to be well documented and transparent. No surprises.**
- ◆ **Within the SELPA, program and business should work closely on the numbers to ensure consistent data. When LEAs lose faith in the numbers, decisions become more focused on finances, rather than what is best for students.**

Appendix 1 information

Maintenance of Effort

Maintenance of Effort* (gory details)

* *excerpts from document prepared by Coalition for Adequate Special Education Funding*

According to CDE, there are three tests to determine MOE. The tests for MOE are not mutually exclusive:

Tests 1A & 1B—Expenditure comparisons—Test 1A compares current-year combined state and local budget to prior-year state and local expenditures, either in total or on a per-capita basis. Test 1B compares current-year local budget to prior-year local expenditures, either in total or on a per-capita basis.

Test 2—Expenditure comparison adjusted for federal revenue increases over the prior year—Local educational agencies (LEAs) may utilize up to 50% of the increase of “new” Individuals with Disabilities Education Act (IDEA), Part B, funds as a reduction to state and local expenditures or local expenditures. The IDEA Act of 2004 implemented the ability of school agencies to utilize the 50% increase in new IDEA funding for the purpose of reducing MOE.

- The state’s MOE forms have not been changed to allow for the calculation of the 50% IDEA increase prior to testing for MOE in the year-over-year expenditure comparison. However, districts are still able to reduce MOE even if they pass using Test 1A or Test 1B. Test 2 should be completed to determine the amount available for MOE reduction.

Test 3 - Expenditure comparison reduced for certain conditions designated by IDEA:

- The voluntary departure or departure for just cause of special education or related services personnel who are replaced by qualified, lower salaried staff.
- A decrease in the enrollment of children with disabilities. The SELPA no longer has the obligation to provide one or more exceptionally costly special education programs to student(s) because they:
 - Have left the jurisdiction of the SELPA.
 - Have reached the age at which the SELPA is no longer required to provide free appropriate public education (FAPE) to the student(s).
 - No longer need the program of special education.
- The termination of costly expenditures for long-term purchases, such as the acquisition of equipment or the construction of facilities.
- Test 3 is only used if the SELPA or district was unable to satisfy the MOE test using Test 1 or Test 2.