POLICY 8

FUNDING ALLOCATION PLAN
FOR SPECIAL EDUCATION

Adopted by Superintendents’ Council 2/7/00
Revised 3/6/00, 4/3/00, 5/1/00, 10/2/00, 5/14/01, 6/3/02, 2/3/03, 6/3/03, 3/7/05, 1/8/07, 8/12/08, 6/1/09, 10/4/10, 2/7/11, 1/9/12, 10/1/12, 12/3/12, 4/1/13, 5/5/14, 4/4/16, 6/7/21
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Background

AB 602 went into effect on July 1, 1998. The statute repealed the method of computing special education apportionments by allocation of Instructional Personnel Service Units (IPSU) based on special education pupil count, and established a new system of funding special education services as an allocation per pupil in regular average daily attendance (ADA).

The intent of the legislation was to ensure greater equity in funding among SELPAs, avoid unnecessary complexity, require fiscal and program accountability, and avoid financial incentives to inappropriately place pupils in special education.

Distribution of Funds from the State to the SELPA

All special education funds flow from the State directly to the SELPA Administrative Unit, which is the Sonoma County Office of Education. The SELPA Administration will, in turn, allocate the funds to SELPA member LEAs according to this SELPA Funding Allocation Plan.

The funds received from the State are based on a dollar amount per SELPA-wide Average Daily Attendance (ADA) and that rate changes periodically.

Eligibility Criteria to Receive Special Education Funds

In order to receive special education funds under the new funding allocation plan, a Local Education Agency must provide assurances and documentation that it:

- Will comply with all requirements of the SELPA Local Plan
- Serves special education students in accordance with their Individualized Education Programs (IEP)
- Provides direct instruction for a prescribed amount of time to special education students with credentialed special education staff and/or certified Non Public Schools or Agency (NPS/A) personnel
Distribution of Funds from the SELPA to Districts

The distribution of funds from the SELPA to districts occurs according to the following steps:

Step 1 – SELPA-wide Revenues

The SELPA-wide revenues are initially reduced by the dollar amounts for the following programs. The remaining dollars are distributed to districts.

- SCOE DHH/VI Itinerant Program
- Santa Rosa DHH/SDC Program
- Adaptive Technology Center (ATC) Allocation
- Licensed Children’s Institution (LCI) Students Attending SCOE 6-22 & Preschool Programs
- SCOE NPS/LCI .50 FTE Clerical Position
- California Children Services (CCS) Facilities and Equipment
- Translation Services for DHH Students
- LCI Transportation Costs to SCOE Programs
- Independent Advocate Program
- Staff Development Funds to the SELPA Office ($15,000)
- Charter LEA Funding

Step 2 – AB 602 Revenues

Districts receive the following AB 602 revenues, as applicable:

- Districts exempt from the ADA and Pupil Count model ("Exempt"), are allocated funds equivalent to a .6 of the former “IPS Units”
- “Isolated” School Districts are allocated funds equivalent to a 1.0 of the former “IPS Units”; “isolated” districts are also not subject to the ADA and Pupil Count model
- Students with a Severe Disability in the CASEMIS Disability 1 Field as defined by EC 56030.5. regardless of placement. Identified disability of the student must be one of the following: autism, blindness, deafness, severe orthopedic impairment, emotional disturbance or intellectual disability.

The remaining distribution of AB602 funds to all districts (except “Exempt” & “Isolated”) is calculated on the following schedule:

- 100% ADA in 2016-17 and beyond

Districts will receive a dollar amount per ADA based on their current year P-2 ADA count.
Reimbursement for Students’ Services for students who are Deaf, Hard of Hearing or Visually-Impaired and receive services from the SCOE DHH/VI itinerant staff:

- Districts will be reimbursed for costs of additional special education services, not provided by the SCOE DHH/VI Itinerant Program to students in a district general education classroom, up to the funded rate of students with a severe disability.

Preschool Program:

- Preschool Program Operators

For 2016-17 & beyond, Districts will receive an allocation for preschool services. The allocation will be calculated as follows:

- The total 2014-15 Preschool allocation of $5,367,366 + COLA (State funds)
- The Federal Preschool Grants ($1.097 for 2014-15 but varies each year)
  - The sum of the State and Federal funds divided by the K-6 current year P-2 ADA to arrive at a per ADA allocation

NOTE: Districts that have no preschoolers during the fiscal year may use the funds for their consortium or return the funds to the SELPA for re-distribution.

Step 3 – Non-AB 602 Revenues

Districts receive the following non-AB 602 dollars, as applicable:

- District Local Assistance Federal Grant
- SCOE Local Assistance Federal Grant
- SCOE Special Education Property Tax Dollars
- Educationally-Related Mental Health Services (ERMHS)

District Local Assistance Federal Grant

The Local Assistance Grant dollars are distributed to districts based on their prior year December 1st unduplicated pupil count.

SCOE Local Assistance Federal Grant

SCOE’s Local Assistance Grant dollars are distributed to districts by the prior year December 1st unduplicated pupil count of their students enrolled in the program.
SCOE Special Education Property Tax Dollars

SCOE’s special education property tax dollars are distributed to districts based on the current year average of the December 1\textsuperscript{st} and April 1\textsuperscript{st} pupil counts of their students enrolled in the program.

ERMHS

ERMHS funds are distributed in the following manner:
\begin{itemize}
\item Board and Care Pool for students in residential treatment facilities
\item Counseling staff for the SCOE ED program
\item Remaining dollars on the average of the December 1st and April 1st pupil count of students with ERMHS on their IEPs
\end{itemize}

Cost of Living Adjustment (COLA) Dollars

The COLA dollars are distributed to districts as part of the total revenues. The following rates will be adjusted by the COLA:
\begin{itemize}
\item ADA Rate
\item “Severe” Pupil Count Rate
\item Exempt School Districts Rate
\item Isolated School Districts Rate
\end{itemize}

Growth Dollars

Growth dollars are included as part of the total revenues available for distribution to districts.

Districts Exempt from ADA and Pupil Count

In order to maintain continuity of staffing and program all districts which received the minimum guarantee of a .60 RSP unit under the previous IPSU Allocation Policy (Dunham, Liberty, Two Rock, Wilmar, Kenwood, Montgomery, Alexander Valley, West Side, Cinnabar and Monte Rio) will receive a minimum of $50,000 in 1998-99 funded "off the top" and adjusted by the special education COLA each year. These districts may opt to receive their special education funds under the ADA should an analysis confirm increased funding due to growth in enrollment.
The minimum guarantee amount includes the Local Assistance Federal Grant dollars. The above districts will not be included in the non-severe revenue distribution by ADA by virtue of their receiving a minimum guarantee and their "off the top" status.

Isolated School Districts

Fort Ross, Horicon, and Kashia school districts, by virtue of their geographic isolation, will receive an allocation of $71,012 in 1998-99 funded "off the top" and adjusted by the special education COLA each year. The above districts will not be included in the non-severe revenue distribution by ADA by virtue of their receiving a guaranteed allocation and their "off the top" status. The isolated guaranteed amount includes the Local Assistance Federal Grant dollars.

Adaptive Technology Center (ATC)

The Adaptive Technology Center will be funded "off the top" based on a budget that is developed and reviewed annually.

SELPA Office Operations

The Council is charged with ensuring adequate and appropriate staffing and operations of the SELPA office in accordance with the Local Plan. The SELPA office funding includes an allocation of $15 per ADA each year and is based on a budget that is developed and reviewed annually. The $15 per ADA is funded with $10 per ADA from AB602 funds “off the top” and $5 from the Out-of-Home-Care carryover balance.

Special Education Ending Balances for LEAs

The special education funding for any LEA may not exceed its ongoing special education expenditures.

Recapture of Unspent Funds

If an LEA does not spend all of their Special Education Revenue within the fiscal year in which it was dispersed, the unspent funds will be recaptured at the annual apportionment period (certified in February of the following fiscal year). The recaptured funds will be redistributed to other member LEAs in accordance with the SELPA Funding Allocation Plan.

The Recapture of Unspent Funds Process:

- An initial verification process will be completed by the SELPA Office in collaboration with the LEA, after the books are closed for the fiscal year to verify LEAs with unspent special education funds by comparing the special education second principal (P2) revenue to the actual special education expenses.
In the following fiscal year:

- By October 15th, the SELPA Office will notify the LEA, in writing, of their unspent special education funds from the previous fiscal year, and that these funds will be subject to recapture.
- In February, the SELPA will complete a final verification process based on the annual apportionment, and the recaptured funds will be redistributed to the other member LEAs based on the fiscal year that the funds were recaptured.

Charter Local Educational Agency (LEA) Funding Allocation

The Charter LEA will have a separate Funding Allocation Model. The Funding Allocation Model is as follows:

- **State Funding:**
  - The distribution of state funding is based on the current year Second Principal (P2) Average Daily Attendance (ADA) multiplied by the California Department of Education’s (CDE) statewide average target rate adjusted by the Cost of Living Adjustment (COLA).

- **Federal Funding:**
  - The distribution of Federal funding is based on the prior year P2 ADA multiplied by the SELPA Federal funding rate. The Federal funding is an additional funding beginning with the second year of the new Charter LEA Funding Allocation Plan.

- **Administrative Fee:**
  - A percentage of the total funding is allocated to the Sonoma County SELPA for administrative services. The fee is calculated based on the total special education revenue (both state and federal funding sources).

- **Recapture of Unspent Funds:**
  - Charter LEAs are subject to recapture of funds in the same manner as other LEAs in the SELPA.